

ProAktive

ProAktive House, Sidings Court
White Rose Way, Doncaster, DN4 5NU
Tel. No. 01302 341 344 Fax. No. 01302 341 282
www.proaktive.co.uk

Terms of Business Agreement

1. Your Appointment as our Agent

- 1.1 We appoint you as our non-exclusive agent to market our insurance policies.
- 1.2 You agree that this agreement will apply to the sale and marketing of our insurance policies.
- 1.3 ProAktive Limited act as agents for insurance companies and makes this Agreement in that capacity.
- 1.4 The reference to "our insurance" and "our insurance policies" mean the products and policies of our principals.

2. Your Status

- 2.1 You must be directly authorised by the Financial Conduct Authority (FCA) and agree to abide by the rules together with all guidelines issued by the FCA at any time.
- 2.2 If your status changes at any time during the term of this agreement, you agree to tell us in writing as soon as reasonably practicable.

3. Your General Duties

- 3.1 You agree to:-
 - 3.1.1 act in good faith, observe our reasonable instructions and our reasonable requests for information and market our insurance policies onto those customers who are eligible and suitable for cover.
 - 3.1.2 send notices of termination to insured customers if we ask you to do so;
 - 3.1.3 tell insured customers about changes in their insurance cover;
 - 3.1.4 comply with all applicable laws, regulations, codes of conduct or practice affecting your business activities or your appointment as our agent;
 - 3.1.5 inform us as soon as reasonably practicable if you have a material change in your management, ownership or control, your name or trading name, or if you go into liquidation, appoint a receiver or administrative receiver, make any voluntary arrangement with your creditors, become subject to an administration order or have bankruptcy proceedings issued against you.

Your General Duties continued

3.2 You agree not to:-

- 3.2.1 make any representation (whether in writing or otherwise) about our insurance or our business which is not in accordance with the terms of this agreement;
- 3.2.2 incur any liability on our behalf other than in accordance with this agreement;
- 3.2.3 accept, vary, amend, cancel or terminate on our behalf any insurance cover or quotation unless we agree in writing that you may do so;
- 3.3.4 refund a premium without our consent;
- 3.2.5 start any legal action in our name or on our behalf;
- 3.2.6 market our insurance if this agreement is terminated.

4. Quotations

- 4.1 All quotations for our insurance policies must be obtained from our own staff unless we have specifically agreed with you in writing the authority to quote any rates and terms directly.
- 4.2 You must provide us with all the necessary information to enable us to produce a quotation for the customer.
- 4.3 The granting of this agency does not hold us under any obligation to provide a quotation for any risk.
- 4.4 You must pass on our quotation and any terms and a proposal form or statement of fact to the customer within the requirements of the FCA rules under ICOBS.

5. Confirmation of cover

- 5.1 A customer can only be put on cover if we confirm you may do so.
- 5.2 Once a customer is on cover any proposal form or other relevant documentation requested by us must be completed and signed by the customer (where applicable) and returned to us within 14 days of the commencement of cover.
- 5.3 Payment of the premium must also be made to us within 30 days of the commencement of cover.

6. Premiums and Reporting

- 6.1 You agree to pay all premiums including Insurance Premium Tax due by customers for new business or additional premiums by any dates set out in this agreement or specifically by us in writing
- 6.2 We may cancel the insurance cover immediately if premiums are not paid to us by the due date unless you have specifically been granted terms of credit by us in writing.
- 6.3 You agree to be responsible for any time on risk charge that may apply if you have been unable to collect the agreed premium from the customer.
- 6.4 We reserve the right to charge you interest from the date payment is due until the date of actual payment at a rate per annum of 4% over the base rate of Barclays Bank Plc existing at such time.

7. Commission and Fees

- 7.1 You may deduct your commission on receipt of the premium at the rate of 5%.
- 7.2 If a premium or part of premium has been refunded for any reason you agree to pay back to us your proportionate part of your commission.
- 7.3 Commission only applies to the premium we have quoted to you for your customer, excluding any IPT amount.

Commission and Fees continued

- 7.4 We may at our discretion charge an administration fee of £25.00 for additional or duplicate documentation.
- 7.5 If you apply your own service charge or professional fee it is your responsibility to substantiate this to the customer and ensure you comply with the ICOBS rules of the FCA on fee disclosure.
- 7.6 We reserve the right to change the rate of commission by giving 30 days written notice.

8. Claims

- 8.1 You must advise us immediately of any possible claim that a customer has brought to your attention, whether or not you believe it to be covered.
- 8.2 You are not authorised to commit us in any way or to arrange claim settlement without our prior written consent.
- 8.3 You must forward any completed claim forms and other documentary evidence required by us immediately.

9. Customer Ownership

- 9.1 Unless you are no longer able to act as an insurance intermediary/agent for any reason we will not communicate directly with any customer you have introduced unless you have agreed with us in writing that we may do so or unless the customer has subsequently contacted us directly with their own request.

10. Audit of Accounts, Records and Marketing Procedures

- 10.1 You agree to keep true and accurate accounts and records in connection with your appointment as our agent.
- 10.2 We (or a third party on our behalf) may carry out an audit of these accounts and records and your marketing procedures by giving you 7 days notice. You agree to ensure that all accounts and records and details of your marketing procedures are fully available by the end of this notice period.

11. Indemnities

- 11.1 You agree to indemnify us against all proceedings, costs, expenses, liabilities, loss or damage, which happens as a result of any error, act or omission by you (including negligence) when performing your duties under this agreement.

12. Professional Indemnity insurance

- 12.1 You agree to maintain Professional Indemnity insurance cover which is acceptable to us in connection with your rights and obligations under this Agreement and this shall be no less than the minimum cover that is required by the FCA.
- 12.2 If we ask, you must agree to provide proof to our reasonable satisfaction that you have sufficient Professional Indemnity insurance cover to meet the requirements set by the FCA.
- 12.3 Your Professional Indemnity insurance must cover any liability arising from: any act, error or omission (including negligence) by you (or any past or present director, partner, officer or employee of yours).

13. Appointment of Sub-Agents and Appointed Representatives

- 13.1 You may not appoint sub-agents, appointed representatives or introducer appointed representatives under this agreement without our prior written approval.

14. Termination

- 14.1 We or you may terminate this agreement by giving the other at least 30 days prior notice.
- 14.2 We may terminate this agreement immediately by notice if you:
 - 14.2.1 are in breach of any of your obligations and, in the case of a breach capable of remedy, you do not remedy this within 14 days after we give you notice giving full details of the breach and requiring it to be remedied;
 - 14.2.2 make any voluntary arrangement with your creditors or become subject to an administration order;
 - 14.2.3 have a receiver or administrative receiver appointed over any of your property;
 - 14.2.4 go into liquidation or have bankruptcy proceedings issued against you;
 - 14.2.5 stop, or threaten to stop, carrying on your business;
 - 14.2.6 are (or any of your staff are) convicted of a serious criminal offence (one which is punishable by law) or have acted fraudulently or dishonestly in any way during the term of this agreement;
 - 14.2.7 are under any notice from the FCA with regard to breach of the FCA rulebook.
- 14.3 For the purposes of 14.2.1, a breach will be considered capable of remedy if you can comply with the obligation in question in all respects other than as to the time of performance.
- 14.4 Upon the termination of this agreement:-
 - 14.4.1 your authority to market our insurance will stop;
 - 14.4.2 you agree to return to us within 30 days (or otherwise dispose of as we request) all marketing materials, certificates or summaries of cover and policy documents, proposal forms, cover notes or any other documentation relating to our insurance;
 - 14.4.3 unless we tell you in writing otherwise, you must comply with the terms of this agreement in respect of insured customers who continue to be insured after the termination of this agreement until all risks have expired and all valid claims have been finalized for each insured customer;
 - 14.4.4 you will not be entitled to any compensation for loss of agency rights, loss of goodwill or any similar loss.
- 14.5 Termination of this agreement will not affect:
 - 14.5.1 any accrued rights or liabilities, or
 - 14.5.2 the coming into force (or the continuation in force) of any provision which is expressly or by implication to come into or continue in force on or after such termination.

15. Data Protection

- 15.1 Each party undertakes to the other that it will comply with the provisions of the General Data Protection Regulations 2018 and the UK Data Protection laws 2018, and all relevant guidelines issued by the Information Commissioner or the Regulator

16. Confidentiality

- 16.1 The parties agree that all information disclosed (whether or not in writing) to the other (whether by that party or a third party) which is marked as confidential or which would appear to a reasonable person to be confidential ("Confidential Information") will be:
- 16.1.1 kept secret whether or not this agreement has been terminated;
 - 16.1.2 only disclosed to its own staff on a "need to know" basis;
 - 16.1.3 used only for the purposes of this agreement.
- 16.2 Confidential information does not include information which a party can prove:
- 16.2.1 was already known to it before its receipt from the disclosing party;
 - 16.2.2 was subsequently disclosed to it by a third party who did not obtain the information from the disclosing party; or
 - 16.2.3 was in the public domain at the time of its receipt or disclosure or subsequently becomes so.

17. Notices

- 17.1 Notices under this agreement must be in writing and addressed to the party concerned at its registered or head office.
- 17.2 Notices may be delivered by hand, sent by 1st class post or recorded delivery or sent by facsimile.
- 17.3 Notices will be deemed to have been given;
- 17.3.1 if delivered by hand, at the time of delivery,
 - 17.3.2 if sent by 1st class post or recorded delivery, 48 hours after posting.
 - 17.3.3 if sent by facsimile, upon the date of transmission provided that a confirming copy of the relevant transaction, report or slip printed by the transmitting machine is kept as evidence of transmission.

18. General

- 18.1 This agreement, your agency application form and any relevant binding authority given to you by us together form the entire agreement between the parties and supersede all previous agreements and understandings concerning our insurance.
- 18.2 Any change to this agreement must be in writing and signed by an authorised representative of each party.
- 18.3 Waiver of a breach of any provision of this agreement will not be considered as a waiver of any subsequent breach of the same or any other provisions.
- 18.4 If any provision in this agreement is held by a court or other competent authority to be void or unenforceable, then such provision will be deemed to be severed. However, the validity and enforceability of the remaining provisions will not be affected.
- 18.5 You may not assign any of your rights or obligations under this agreement without our prior written consent.
- 18.6 This agreement shall be governed and construed in accordance with English Law and is subject to the exclusive jurisdiction of the English courts

19. Financial Promotions and Internet Trading

19.1 **You agree:-**

19.2 **not to** use any advertising, promotional or sales literature describing us or our insurance which we have not supplied or previously approved.

19.3 that upon notification from us that any marketing and promotional material is out of date that any stock that you may hold will be destroyed and not used beyond their expiry date

19.4 not to conduct any internet or electronic trading of our products and services on your own site unless previously approved by us, permission to do so will not be unreasonably withheld and subject to you complying with the rules of the FCA

20. Risk Transfer – Client Money

20.1 unless specifically advised to the contrary:-

20.2 where you the sub-broker hold Underwriters money you shall hold such monies as the agent of the Underwriters.

20.3 the credit risk associated with the Underwriters money shall be the responsibility of the Underwriters. Premium paid by a Client to the Sub-Broker shall be treated as having been paid to the Underwriters.

20.4 you shall hold such Underwriters money as the agent of and for the benefit of the relevant Underwriters in either a statutory or non statutory trust account in accordance with CASS 5.3 to 5.6 or a separately designated trust account or non-statutory risk transferred money trust deed in accordance with the BIBA model money trust deed (each account shall be defined as the "Trust Account") and the Underwriters:

20.4.1 agree that money belonging to the Underwriters held in the Trust Account may be co-mingled; and

20.4.2 consent to their rights with regard to monies held in the Trust Account being subordinated to those of the Sub-Brokers' Clients.

20.5 Underwriters may request copies of all documents setting up and designating the bank account and/ or constituting the trust and thereafter copies of any amendments to such documents or copies of all audits and accounts produced in relation to the trust.

21. Complaints

21.1 You must notify us immediately of any complaints you receive from your customers about us or our insurers and handle all such complaints in accordance with the FCA rules.

22. Consumer Insurance (Disclosure and Representations) Act 2012

22.1 You must make clients aware that with regard to the above Act they are under a duty to take reasonable care not to misrepresent facts to insurers. They must therefore answer questions about themselves and the risk proposed honestly and accurately. Provision of incomplete or inaccurate information could invalidate the policy cover.

I/We agree to abide by the terms and conditions of this appointment

Agent Name.....

Signed by.....

Registered Office

Date:.....

.....

Position:.....

Signed by.....

Date:.....

Position:.....

(note: in the event of a partnership all parties to sign)

On completion please return this agreement to **ProAktive, ProAktive House, Sidings Court, White Rose Way, Doncaster DN4 5NU**

Signed

ProAktive Limited

Name:.....

Position: Managing Director.....

Date:.....