

Terms of Trade Agreement: Insurance Broker Agents



1 Introduction

- This Agreement regulates the terms of business between County Insurance Services Limited registered in England and Wales number 08411634 at County House, Glyme Court, Langford lane, Kidlington, OX5 1LQ. and you, the introducer whether a sole trader, partnership or corporate body.
- This agreement constitutes the entire agreement between the parties and supersedes all previous agreements, communications and representations in respect of it.
- This agreement shall apply only to you. You are not authorised to assign any rights you feel these terms may infer.
- You must not enter into agency or sub-agency arrangements on our behalf.
- Nothing in this agreement shall require us to accept any proposal for insurance or renewal of any existing policy or maintain cover in respect of any existing policy.

About us

We are an independent insurance broker, authorised and regulated by the Financial Conduct Authority ("FCA"). Our FCA Firm Reference Number ("FRN") is 597267. These details can be checked on the Financial Services Register by visiting <https://register.fca.org.uk> or by contacting the FCA on 0800 111 6768

We are permitted and normally provide some, or all of the following services, on the terms set out in this Agreement:

- arranging insurance cover for you;
- advising you on your insurance cover;
- assisting you with claims for the duration of your insurance contract; and
- acting as an agent.

The intention of this Agreement is to clearly and concisely establish the basis of our relationship with you and the services that we will provide in respect of each insurance contract that we arrange or have arranged on your behalf, unless there is a more specific written agreement between us. We shall proceed on the basis that we have your informed consent to the terms of this Agreement.

We do not offer advice on legal, accounting or regulatory matters.

This Agreement takes effect from the date you place business with us and supersedes any previous Agreement.

We draw your attention specifically to the following sections:

- Insurance Placing – sets out the basis upon which we will act as your agent in relation to each insurance contract we arrange on your behalf;
- Duty of Fair Presentation – sets out your duty to make a fair presentation of the risk;
- Client Monies – sets out how we hold client money;
- Remuneration – sets out details of our earnings;
- Limitation of Liability – sets out how we limit our liability.

2 Our Services

Treating you fairly

- We always aim to treat you fairly. This means that we will always endeavour to:
 - conduct our business with due skill, care and integrity;
 - not to put ourselves in a position where our primary duty to you is compromised;
 - deal with any complaint sympathetically and independently;
 - be transparent in the matter of our remuneration; and
 - respect your confidentiality.

Independent advice

As an independent insurance intermediary we act as your agent. We are subject to the law of agency, which imposes various duties on us. However, in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances occur, so you will be aware of any possible conflict of interest. Insurers delegate authority to us to bind and administer an insurance contract on their behalf, including handling and processing claim payments.

In the event that our interests conflict with a duty we owe to you, we shall refrain from taking any action until we have received your informed consent to our intended course of action.

Insurance placing

Before commencing negotiations with insurers, we look to establish a proper understanding of your insurance requirements. We will advise on appropriate insurances available to meet your requirements and the relative merits of a single insurer placement. We seek to negotiate and secure competitive indications and quotations for insurance which provide a level

of coverage, which, in our opinion, is suitable for you. Where we are unable to meet your requirements we will advise you.

Our search for insurance to meet your requirements will mean that we provide you with insurance cover under a delegated authority granted to us by an insurer(s), and this is noted in your quotation and policy documentation.

Provision of documentation

We will provide you with written confirmation once we have completed your insurance(s). This will be the evidence of insurance we have arranged and which may take the form of an insurer document (such as a copy of the Market Reform Contract or a formal policy document or certificate), which provides confirmation of the terms of the insurance contract we have arranged, and where applicable a schedule of insurer(s) with whom the risk has been placed. As more fully described below, it is your responsibility promptly to check this and notify us if it does not meet your requirements.

Midterm amendments and adjustments

Any amendments to the insurance contract must be requested in writing and will be confirmed by us with an addendum or endorsement.

Claims notifications

You must notify us as soon as possible of any loss, claim or circumstance which falls within the notification provisions of your insurance contract. Failure to notify insurer(s) within 30 days of the loss or damage may entitle them to reject your claim. You should not admit liability or agree to any course of action, other than emergency measures carried out to minimise the loss, or in the interests of health and safety, until you have obtained agreement from your insurer.

Claims procedures

Unless otherwise instructed, we will act as your representative in negotiations with insurers and will endeavour to ensure prompt and equitable settlement of all valid claims.

However, where we have been granted authority by an insurer to negotiate and settle claims under a delegated authority, we will act on behalf of the insurer. We will make you aware of any claims that will be dealt with by us in this capacity, rather than as your agent. You should be aware that we may perform a limited service for insurer(s) by relaying instructions, disseminating reports and collecting fees or other disbursements, for insurer(s)' advisors (e.g. surveyors, adjusters and lawyers) where we consider this does not

create a conflict of interest. If we consider a conflict of interest may arise, we will refrain from performing any (further) services for insurer(s), unless you otherwise agree in writing.

In the event that an insurer delays making settlement of a claim for any reason, we do not accept liability to pay such amounts, until and unless the insurer has paid the claim to us in cleared funds.

Solvency of insurers

We will only arrange insurance with insurer(s) who have been approved by our directors or for which you have given us specific written approval. Whilst we rely on established rating agencies and use all reasonable endeavours to review information regarding insurers, solvency of an insurer(s) cannot be and is not guaranteed.

3 Your Responsibilities

Provisions of instructions, information and completion of any required form

To enable us to fulfill your instructions you must provide us with the information necessary regarding your insurance contract so that we can understand your requirements. Certain classes of insurance require the completion of a proposal form, questionnaire or equivalent document. You must complete such documents accurately. Whilst we may give guidance regarding the completion of these documents, we cannot sign these documents for you.

Duty of fair presentation

An insurance contract is one of the utmost good faith.

Under English law, you owe a duty to make a fair presentation of the risk to the insurer. You have a duty to disclose to the insurer every material circumstance which you know or ought to know after a reasonable search or which is sufficient to put the insurer on notice that it needs to make further enquiries for the purpose of revealing those material circumstances. In addition, you have a duty to disclose information in a clear and accessible manner.

A circumstance is material if it would influence a prudent insurer's judgment in determining whether to take the risk and, if so, on what terms.

Failure to disclose a material circumstance may entitle an insurer to:

- in some circumstances, avoid the policy from inception and in this event any claims under the policy would not be paid;

- impose different terms on your cover; and/or
- proportionately reduce the amount of any claim payable.
- This duty applies:
 - before your cover is placed;
 - when it is renewed; and
 - at any time that it is varied.

Your policy wording may also provide that this duty continues for the duration of the policy.

You should contact us immediately for assistance if you are unsure whether information may be material, or if it comes to your attention that you may have not disclosed full and accurate information.

Introducing and processing business

- You will pass on the Name, address and telephone number together with the nature of the enquiry:-
- Information and all terms & conditions applying to our policies should be supplied at the point of sale in the form of a document containing the key features.
- You will, where applicable, be responsible for providing the policyholder with a 'Statement of Demands and Needs' in accordance with the FCA's Insurance Conduct of Business Rules.
- You will present information and proposals relating to any insurance cover requested in the form specified by us or in such other manner as may be agreed in writing between us. Any further information required by us in order to confirm the acceptability of the risk will be promptly sought and supplied by you.
- You must pass promptly to the policyholder, in accordance with the applicable legislation, all documents which the client is entitled to obtain under the terms of the legislation in relation to general insurance written by us.

Check documentation and acceptance of coverage

It is your responsibility to check the documentation we send you in relation to each insurance contract and satisfy yourself that it is entirely in accordance with your understanding and instructions. You should advise us promptly of any incorrect points or changes required. Otherwise, we will assume that the documentation and insurance contract satisfy your requirements. We can only agree to bind an insurance contract on your behalf upon receipt of formal instructions from you. It is important that you keep your insurance documents safe.

Payment terms

In order for us to meet an insurer's premium payment terms, premiums must be settled to us by the payment date(s) specified in our statement. In certain

circumstances, insurer(s) will stipulate special premium payment terms which, if not met, may affect the validity of the insurance contract. We will advise you when these circumstances arise. We are not under any obligation to settle the premium by the payment date(s) to insurer(s) on your behalf until we have received cleared funds from you by the relevant due date.

Payment methods

Insurance premiums should be settled on a Statement We will issue Statements of Account periodically, if there are monies due to be paid by you.

All payments should be made to us wherever possible, by electronic transfer. Bank account details will be advised to you.

Third Party

You may authorise a third party to instruct us with regard to the purchase of your insurance. The third party is acting as your agent and we may wish to satisfy ourselves at the outset that they are authorised to act in this capacity but we are under no obligation to do so.

We will act on all instructions received from your agent as if we were dealing with you directly and will continue doing so until you notify us in writing to the contrary. It is your responsibility to ensure that any instructions given to us by your agent are correct and to notify us of any limitations in respect of your agent's authority.

We will not be responsible for:

- checking that your agent has accurately passed on your instructions;
- any exposure arising from inaccurate information submitted by your agent to either us or an insurer; and
- checking that your agent has your continuing authority to instruct us on your behalf.

4 Complaints

We strive to do everything to ensure that you receive the best possible service. However, if you wish to make a complaint about our service you may do so by contacting any of our employees by whatever means is convenient to you. Alternatively, you can direct your complaint to our Compliance Officer at the address set out at the beginning of this Agreement.

We will acknowledge receipt of your complaint in writing within five working days and give you our response to your complaint at this time if we can. If our investigation takes longer, we will usually provide you with a full written response within 20 working days of the acknowledgement.

5 Confidentiality and Data Protection

We will comply with the provisions of the Data Protection Act 1998. All information about you or your business of a sensitive or personal nature will be treated as private and confidential. We will, however, use and disclose the information we have about you in the course of arranging, placing and administering your insurance cover. This may involve passing information about you to insurer(s), other intermediaries, risk management assessors, uninsured loss recovery agencies, service providers, industry regulators, our auditors and other third parties involved directly or indirectly in your insurance cover.

Your personal information may also be used for research, statistical analysis and crime prevention. We may also pass information about you to credit reference agencies and premium finance providers in connection with the assessment of your financial standing and your client generally and, in particular, where you have requested a premium instalment plan. If you have supplied us with personal information relating to a third party, you must make them aware of how we use it as this is the only basis on which we can accept it from you.

6 Client Money

Client money is any money that we receive and hold in the course of arranging or administering insurance on your behalf, or which we treat as client money, in accordance with the FCA Client Assets sourcebook (CASS).

Non-Statutory Trust Account (Client Account)

We provide protection for your clients money by holding all client money in a general Client Account; a Non-Statutory Trust Account. This is segregated from our own money and CASS requires us to maintain the solvency of the Client Account and conduct regular reconciliations. In the unlikely event of our failure, client money is available to clients ahead of other creditors.

Under CASS, money held in the Client Account may be used for the payment of premium or claims for another client before their monies are received, but increased controls are maintained where this occurs. We are not entitled to use client money to pay our fees or commission before we receive the

relevant premium from you.

Risk transfer

Where we have agreed in writing with an insurer to receive money as their agent, money received from you or from the insurer, will be the property of the insurer

whilst we hold it. If you pay a premium to us it will be treated as having been received by the insurer, which means you cannot be asked to pay it again, if we do not pay the premium to the insurer. Similarly, once we have received the premium, we would be unable to return it to you, for example in the event of the insurer becoming insolvent. Also, if the insurer pays claims money or a return premium to us for onward transmission to you and we do not pay you, then the insurer will still be liable to you.

Segregation of designated investments

Whilst we pay client money into a Client Account, we may arrange to invest this in a segregated designated investment, as permitted under CASS. If we do this, we will be responsible for meeting any shortfall that is attributable to falls in the market value of that designated investment.

Interest on client money

We may earn interest on cash amounts held and may benefit from foreign exchange differentials and returns on segregated designated investments. As permitted by CASS, any such interest or investment returns shall belong to us and we shall not be required to account for it to you.

Payment to third parties

We may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on your behalf. Where we act as agent of an insurer for the purposes of holding or receiving claim payments or returning premiums, we will remit them to such parties as the insurer directs us to pay. We may otherwise only pay client money to you or your duly authorised representative if we have your specific instruction or consent. Where an intermediary or settlement agent is outside the UK, the legal and regulatory regime applying to the intermediary or settlement agent will be different from that applicable in the UK and, in the event of a failure of the intermediary or settlement agent, the client money may be treated differently than if the client money was held by a broker or settlement agent in the UK.

Bank accounts

Client money will be deposited in our Non-Statutory Trust with one or more FCA approved bank(s).

7 Remuneration

Our usual remuneration is either by way of brokerage (also known as commission), being a percentage of the premium charged by insurers in respect of the insurance contract arranged by us, or a fee which is agreed in advance with you for the services provided by us, or with your agreement a combination of both. Our remuneration is fully earned upon the inception of the insurance contract and, in the event that the insurance is cancelled or is terminated after inception for whatever reason, or if our appointment is terminated for any reason, we reserve the right to retain/recover the remuneration we have earned.

In addition to brokerage or fee, we may be remunerated, by the payment of profit commissions, profit shares, service fees and commissions by insurers in respect of a specified portfolio of business, usually placed under a delegated authority.

Where we introduce you to our preferred premium finance company, we receive additional remuneration for the administration services we provide for the premium finance company. You remain free to make your own choice of premium finance provider.

We are committed to ensuring that our remuneration and payments we may make to third parties are transparent and so, at your request, we will fully disclose our remuneration, including any income additional to the brokerage or fee.

Commission & policy fees

- Introducer commission payable will be shown on your monthly statement. If we modify commission rates, we will give you at least 30 days prior notice.
- You should notify policyholders at the outset of any charges you make which are in addition to the premium payable. These include charges for additional benefits and services. The costs for such services must never be included as part of our premium without prior written agreement. They must at all times be shown separately from the gross premium we charge.

8 Termination

Either party may terminate this Agreement at any time by providing 30 days' written notice. In the event that our services are terminated by you, we will be entitled to receive any remuneration earned or payable at that date, including by set-off or otherwise.

Remuneration earned or payable to us at that date shall include brokerage due or to become due on further instalments of premium and any further instalments of fees which were to become payable.

This Agreement will terminate immediately if either party:

- commits a material breach of this Agreement; or

- ceases to trade or threatens to cease to trade; or
- becomes insolvent or is subject to any administration, receivership, winding up or similar procedure.

In the event of your death (if a sole trader), this agreement will remain in force with such persons as may be agreed (and allowed by the FCA) to carry on your business. Unless otherwise agreed, the agreement will be terminated.

We reserve the right not to continue to provide any services to you, including claims handling, after the date of termination of this Agreement in the absence of a specific written Agreement between us.

9 Financial Crime

We are obliged to conduct reasonable due diligence to protect us and our clients against the risk of financial crime. At the start and throughout our relationship, we will require you to provide evidence to assist us in verifying your identity and/or legitimacy of any transactions we conduct on your behalf.

Neither party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any anti-bribery laws (including the Bribery Act 2010).

We are obliged to report evidence or suspicion of financial crime to the relevant authorities at the earliest reasonable opportunity and may be prohibited from disclosing any such report to you.

We are not permitted to conduct business with any client that is subject to sanctions or embargoes. If sanctions or embargoes are in place, then we will not be able to proceed with the transaction on your behalf and your insurers may terminate your insurance contract, and not pay any claims that have been notified. If you subsequently become subject to sanctions or embargoes, we may have to terminate our relationship and your insurer may invoke its cancellation rights under your insurance contract, as well as being unable to proceed with any claims that have been notified.

Money Laundering

The provisions of the Criminal Justice Act 1993,

- Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 implemented the Money Laundering
- Directive (defined as Council directive 91/308/EEC of 10th June 1991 on the prevention of the use of the financial system for the purpose of money laundering as amended by Directive 2001/97/EC of the European Parliament and the Council of 4th

December 2001) and apply to proceeds of all crime (not just drug and terrorist related activities). The regulations place responsibility for maintaining procedures to avoid and detect money laundering on almost all firms in the financial industry.

- By accepting this agreement, you hereby confirm that you will either:
 - (a) have an appointed Money Laundering Reporting Officer and that you have written responsibilities under the Money Laundering Directive and the Proceeds of Crime act 2002 and that these have been made available to your staff and are available to our representatives to inspect, upon request, or
 - (b) you abide by the principles laid down in the code of the Money Laundering Directive and comply with the Proceeds of Crime Act 2002, and have
 - (i) money laundering procedures in place, and
 - (ii) periodically review your procedures and retain documentary evidence.

Agency Vetting

- County Insurance Services Limited will make a search of your company with a credit reference agency. The credit reference agency will keep a record of that search and may share that information with other businesses.
- County Insurance Services Limited may also make enquiries about your principal directors with a credit reference agency. The credit reference agency will keep a record of that search and may share that information with other businesses.
- County Insurance Services Limited will monitor and record information relating to your trade credit performance and such records relating to your firm and
 - its directors will be made available to, and may be shared with, other organisations, insurers and trade associations to assess applications for credit for the recovery of debts, for the purpose of sub-agency management, fraud prevention and the tracing of debtors.

Variation

- Any variation to the terms of this agreement must be confirmed in writing by both parties. Notification will be in the form of an addendum that should be retained with this agreement.
- You should notify us as soon as reasonably possible in writing if;
 - (a) the business name or trading title changes,
 - (b) the business address or registered office

address changes,

- (c) the ownership, partners, directors or senior management changes, the intermediary becomes bankrupt, insolvent, goes into liquidation, enters into an arrangement with any creditors, has a receiver appointed or ceases to carry on its business.

10 Limitation of Liability

The following provisions of this section set out our entire financial liability (including any liability for the acts or omissions of our employees, agents and sub-contractors) to you in respect of all losses, claims or liabilities arising under or in connection with this Agreement (including in respect of any indemnities), whether in contract, tort (including negligence), breach of statutory duty, or otherwise.

- All warranties, conditions and other terms implied by law are, to the fullest extent permitted by law, excluded from this Agreement;
- Nothing in this Agreement excludes or limits our liability for death or personal injury caused by our negligence or for fraudulent misrepresentation;
- Nothing in this Agreement excludes or restricts our duty or liability to you under the applicable regulatory regime;

11 Third Party Rights

Other than where it is contemplated elsewhere in this Agreement, a person who is not a party to this Agreement shall not have any rights under or in connection with it.

12 Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You may, depending on where the risk is located, your status and the type of insurance contract concerned, be entitled to compensation from the FSCS. Further information is available from the FSCS.

13 Jurisdiction and Choice of Law

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the laws of England and Wales.

We both irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter.

14 Relationship with Policyholder

- We undertake that, whilst this agreement is in force and for a period of 6 months following the date of

termination, we will not use any information acquired by us as a result of this agreement to directly and knowingly solicit business or provide information to a third party to enable them to knowingly solicit business or endeavour to entice away any of your clients from you.

We will deal directly with policyholders including without limitation in respect of policy administration, maintenance and updating of the policyholders policy, cancellation, claims or policy renewals:

- if it is necessary for us to do so in order to comply with regulatory requirements;
- for the purposes of fulfilling our contractual obligations to the policyholder;
- if you fail to become FCA authorised
- or cease to maintain the authorisations, licences and consents necessary to transact business under this agreement;
- if you cease to trade or become bankrupt;
- or your death if you are a sole trader;
- where the policyholder makes an unsolicited request for us to do so either directly or through another intermediary; or
- where necessary to protect the interests of the policyholder.

And you agree to provide us with such information as we reasonably require in order to contact policyholders directly in these circumstances.

- If we contact the policyholder under any of the circumstances set out in clause 14.2 you will not be entitled to any payment.

15 General conditions

- Any party to this agreement is to act in good faith and to ensure the service to the other and to the policyholder, observes high standards of skill, care, diligence, integrity and confidentiality.

16 Acceptance of agreement

By instructing us to conduct business, you agree to be bound by our terms of business.

Issue dated: 1 July 2016.