

**SUB-BROKERS TERMS OF BUSINESS AGREEMENT**

**TERMS OF BUSINESS AGREEMENT  
(SUB-AGENT)**

Between

VANTAGE INSURANCE SERVICES LIMITED (VISL)

And

..... (The Broker)

THIS AGREEMENT is dated .....and is made BETWEEN

VISL of 7 Birchin Lane, London EC3V 9BW (Co. Registration No. 3441136) (the Company)  
and

.....whose office is at .....(the Broker)

**WHEREAS**

(a) THE BROKER is authorised to act as an agent in the United Kingdom under FSMA THE BROKER has applied to the Company to be appointed as a sub agent in respect of the provision of Insurance Business on behalf of the Company subject to the conditions set out herein.

This agreement supersedes any previous agreement between you and VISL.

NOW IT IS HEREBY AGREED as follows:

**Definitions and Interpretation**

In this agreement:

**General Insurance Business** means insurance business in respect of any of the classes specified in Schedule 1 part 1 of the FSMA (Regulated Activities) Order 2001 and shall at all times be limited to business situated in the United Kingdom, the Isle of Man and the Channel Islands unless otherwise agreed;

Insured means any policyholder under a policy issued and transacted in accordance with the terms of this agreement.

Financial Services Authority reference in this agreement to the FSA or Rules refer to the Financial Services Authority and its current rules. Any words in this agreement that are shown in italics shall have the meaning as defined in the rules.

Premium Any reference to premium in this agreement shall include, where appropriate, any tax or levy that VISL are required to collect on behalf of insurers.

## **1. Schedule**

- 1.1 VISL Reference
- 1.2 Effective date of this agreement
- 1.3 Scope of business class
- 1.4 Period of credit
- 1.5 Commission rates
- 1.6 Addendum

## **2. Appointment**

2.1 This agreement is in force from the date stated above.

You are hereby appointed to conduct general insurance business with VISL, subject to the terms and conditions of this agreement. VISL may extend or restrict this authority by written notice to you. This agreement shall apply to the conduct of any general insurance business conducted between you and VISL.

2.2 Nothing in this agreement requires VISL as agent of the insurer to accept any proposal for insurance or offer renewal of any existing policy or continue cover for an existing policy if, in its sole discretion, VISL declines to do so.

2.3 You will comply with all instructions given by VISL regarding this agreement and shall act in utmost good faith in connection with the collection and remittance of all monies due to VISL.

2.4 You shall maintain at all times the highest professional standards in the carrying out of general insurance business with VISL for insured's and prospective insured's and in connection with the performance of your obligations hereunder.

## **3. Authority**

3.1 Other than as expressly stated in this agreement, you agree that you alone are responsible for any advice you give (or should give) to, or arrangements you make (or should make) for your clients relating to the general insurances provided by VISL as agent of the insurer. You accept that VISL is not responsible for any such advice and/or arrangements and you agree to ensure that your clients are properly informed of the nature of the services that you will provide.

3.2 No authority is given to you to bind VISL in any way or settle, negotiate or compromise claims or handle premium refunds or give any pledge of credit on VISL's behalf. Credit granted by you to the insured shall be your risk and not that of VISL

3.3 You agree promptly to pass VISL any information notified to you, including without limitation any information known to you, which would or could reasonably be expected to influence VISL's decision regarding the insurance of any risk. For this purpose you remain the agent of the insured or the prospective insured and notification to you of such information does not constitute notification to VISL.

3.4 You shall not vary in any way the terms, exclusions or conditions of any of VISL policies or the content of any other documentation issued by VISL on behalf of the insurer.

3.5 You are not authorised to handle claims, unless otherwise agreed, in writing. Notification of a claim to you by the insured does not constitute notification to VISL. If an insured makes a claim or notifies you of a claim you shall:

3.5.1 Immediately notify VISL; an

3.5.2 Not make, nor advise the insured to make any admittance of liability, agreement or compromise in relation to the relevant claim without VISL's prior written consent.

3.6 You shall not use, display or cause to be displayed an advertisement or banner or any other promotional material which refers to VISL or VISL's general insurance business without VISL's prior written consent.

3.7 Save as expressly agreed in writing by VISL, you are not authorised in any way to provide quotations or bind VISL for general insurance business.

#### **4. Security**

4.1 When acting on behalf of a client you aim to obtain the best terms and conditions available and take into account a wide variety of factors including the financial rating, service, and claims administration of the insurer in question. You should not guarantee the future ability of any insurer to meet policyholder obligations and the final decision on the suitability of any insurer rests with the client

#### **5. Payments**

5.1 You undertake to collect promptly from each insured the premium due in respect of new policies, policy adjustments and renewals.

5.2 All premiums and any other monies received by you from clients, prior to the onward transmission to VISL, shall be held in a trust account in accordance with FSA client money requirements.

5.3 VISL holds client monies in a Non-Statutory Trust Account and is permitted to hold premium, return premiums and claims monies as agent of the insurer.

5.4 The insurer also allows VISL to co-mingle such monies and subordinates its interests to that of the client. As the agent of your client, you accept responsibility for informing your client that this situation exists

5.5 For the avoidance of doubt, insurers do not permit VISL to pass risk transfer to its sub-agents or appointed representatives.

5.6 VISL reserves the right to amend its requirements in relation to the payment of premiums and to withdraw any payment facility offered from time to time. Any changes will be notified to you in writing.

5.7 No policy, confirmation of renewal, certificate or other document or receipt shall be handed to an insured unless the premium is paid in full. Any policy document in your possession for which the premium is unpaid must be returned to VISL immediately, otherwise you will be responsible for payment of the full premium. Any request for cancellation of any policy must be accompanied by the appropriate documentation otherwise you will be deemed to have accepted liability for such premium.

#### **6. Commission**

6.1 You are entitled to receive commission on general insurance business transacted by you with VISL, provided that

6.2 You have received instructions from the insured to act on the insured's behalf in relation to the particular general insurance business; and

6.3 This agreement has not terminated.

6.4 Commission shall be payable only on insurance premiums and may not be deducted from that portion of the total sum due from an insured that relates to any tax or levy.

6.5 The scale of commission payable to you is as set out in the attached schedule.

6.6 If VISL allows a refund of any premium (or part thereof) to an insured you shall account to VISL for repayment of the amount of commission allowed thereon.

6.7 VISL reserves the right to set-off and deduct from any commission due to you from time to time any monies due to VISL from you on any account whatsoever.

## **7. Termination**

7.1 This agreement may be terminated by you or VISL:

7.2 At any time by mutual agreement;

7.3 On expiry of 30 days written notice;

7.4 Without notice in the event of the bankruptcy, insolvency or liquidation of you or VISL, or on the approval by creditors of you or VISL of a voluntary arrangement or on the making of an administration order in relation to you or VISL;

7.5 Without notice if you or VISL fail to remain authorised by the FSA or if your or VISL's authorisation is terminated following any proposed or actual disciplinary proceedings for any failure to comply with the rules or is terminated for any other reason;

7.6 Without notice if you or VISL have reasonable grounds for suspecting fraud or dishonesty on the part of the other party's directors, partners, principals, staff, agents, appointed representatives or independent contractors;

7.7 Where you or VISL fail to remedy any other material breach of this agreement, or any unsatisfactory conduct, within a reasonable period of you or VISL notifying the other party in writing;

## **8. Consequences of Termination**

8.1 Upon termination of this agreement:

8.2 No further commission shall be payable other than in respect of completed business introduced by you up to and including date of termination

8.3 VISL shall prepare a statement of account on which payment shall be made of the amount due within 30 days.

8.4 Interest may be charged in respect of any amount remaining outstanding after 30 days at a rate per annum equal to 3% above The Bank of England's base rate

8.5 In the event of termination of this agreement in the circumstances set out above, VISL will co-operate with you in providing information necessary for placing business elsewhere for a period of 12 months following such termination.

## **9.0 Your Client/Relationship**

9.1 VISL undertakes not knowingly to use information obtained from you on business transacted under this agreement, to solicit, either directly, or indirectly by another party, insurance business introduced by you to VISL. However, VISL reserves the right to deal direct with business introduced to VISL by you if this agreement has been terminated in the circumstances set out in paragraphs 7(c) or 7(d) as the result of your changed status or activities.

## **10. Indemnity**

10.1 You shall indemnify and keep indemnified VISL from and against all losses, liabilities, costs and expenses VISL incurs as a result of you (or your employees, agents, appointed representatives, representatives or sub contractors) exceeding the extent of your authority under this agreement.

## **11. Notification**

11.1 You shall notify VISL immediately, in writing if:

11.1.1 any of the events set out in paragraphs 7 (c) to 7(f) occur;

11.1.2 there is a change to your address or other relevant contact details;

11.1.3 where you are incorporated, any change in the directors of the company and/or shareholders, and where you are a partnership any change in the members of the partnership.

11.1.4 there is a change in your name or trading name

11.1.5 any proprietor, partner, director or any other approved person is convicted of a criminal offence (other than a motoring offence), or becomes subject to a court judgement for debt;

11.1.6 there is any threatened or actual litigation in connection with any claim or dispute under an insurance policy arranged with VISL or your general insurance business activities carried out pursuant to this agreement;

11.1.7 a terms of business agreement you have in place with another insurer is terminated (other than for economic reasons), stipulating the reason for the termination

11.1.8 there is not in force, in respect of your business, a current professional indemnity insurance in accordance with FSA requirements.

## **12. Complaint**

12.1 For the purposes of this agreement a complaint arises when, in the insured's opinion, you or VISL have not performed to the standard of service the insured is reasonably entitled to expect. A complaint includes anything that relates to expressions of dissatisfaction about financial loss, material distress or material inconvenience.

12.2 Subject to paragraph 12.3, you shall handle any complaint received in accordance with the FSA rules. VISL will provide you with any necessary assistance in dealing with a complaint

12.3 You shall refer any complaint relating to VISL by the next working day after receipt for VISL to handle in accordance with FSA rules. You will provide VISL with any necessary assistance in dealing with the complaint.

12.4 You shall ensure that appropriately competent and trained employees with the relevant level of authority to resolve complaints handle every complaint. You shall also ensure that any person who is the subject of the complaint does not handle the complaint.

## **13. General**

13.1 This agreement is personal to the parties and may not be assigned or otherwise transferred to any other person, firm or company without the prior written agreement of the other.

13.2 Any notice served by one party to the other under or in connection with this agreement shall be in writing and shall be delivered personally or by first class prepaid letter or be sent by facsimile. Such notice or document shall be deemed to have been received when delivered in the case of personal delivery or 48 hours after posting (in case of a first class prepaid letter), or if sent by facsimile on the day following that on which the facsimile was sent, provided that the party serving such notice shall post a copy (first class prepaid) within 24 hours of sending the notice.

13.3 A person who is not party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

13.4 VISL may vary the terms agreed between you and VISL, and such variation will be incorporated into this agreement by way of addendum.

**14. Governing Law**

14.1 This agreement shall be governed by and construed in all aspects in accordance with English Law, and both parties agree to submit to the exclusive jurisdiction of the English Courts.

For and on behalf of Vantage Insurance Services Limited

Name .....

Position .....

Date .....

For and on behalf of The Broker

Name .....

Position .....

Date .....

**1. Schedule**

1.1 VISL Reference

1.2 Effective date of this agreement

1.3 Scope of business class

1.4 Period of credit

1.5 Commission rates

1.6 Addendum

