

# **GOODSURE** UNDERWRITING LIMITED

9 Fellowes Road, Peterborough, PE2 8EA.

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## **TERMS OF BUSINESS AGREEMENT**

### **Version 3 – January 2009**

The Terms of Business governing the appointment specified below, represent the agreement between Goodsure Underwriting Limited (We/the Company) and \_\_\_\_\_ (You/the Agent) in respect of the transaction of Insurance business between the parties.

Goodsure Underwriting Ltd is authorised and regulated by the Financial Services Authority. Our registration number is 305433. Our permitted business is arranging and advising on General Insurance. You can clarify this if required on the FSA's website. [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register), or by contacting the FSA on 0845 6067 1234.

We offer a range of products from a carefully selected panel of Insurers with whom we have developed a range of specialist products for the Road Transport Industry. Please let us know if you would like to see a copy of the list of Insurers that we deal with.

This Agreement must be signed by both parties

Signed on behalf of Goodsure Underwriting Ltd	
Signature	
Print Name	Natalie Goodson-McLaren
Position Held	Director

By signing below, You confirm that:

- (1) You agree to abide by the terms and conditions of this Agreement;
- (2) You have authority to sign this Agreement; and
- (3) You have not made any amendment to this Agreement

Signature

.....

Print Name (Block Capitals)

.....

Position Held (Block Capitals)

.....

Date

.....

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## **1 SCOPE**

- 1.1 Goodsure Underwriting Ltd and the Agent agree that the terms of this agreement shall apply to the conduct of any general insurance business transacted between them.
- 1.2 The agreement is effective from 1<sup>st</sup> January 2008 and supersedes any previous Terms of Business and related communication.

## **2 INTERPRETATION & DEFINITIONS**

- 2.1 The parties agree that the following terms shall have the following meanings for the purpose of this Agreement:

“Agent”	means the intermediary/organization with whom we do business under this agreement
“Client”	means a person who is a Policyholder or prospective Policyholder
“Client Money”	means Insurance Monies the Intermediary has received and holds as an agent for its Clients in accordance with the rules of the FSA.
“FSA”	means Financial Services Authority
“Insured”	means the Policyholder
“Insurer”	means the Insurance Company with whom the Company has placed business
“Intermediary”	means the agent with whom we do business under this agreement
“Policy”	means any policy of Insurance issued by The Company or The Insurer in accordance with this Agreement
“Territory”	means England, Wales, Scotland, the Channel Islands & the Isle of Man
“We/Us/Our”	means Goodsure Underwriting Ltd
“The Company”	means Goodsure Underwriting Ltd
“You”	means the Intermediary/Agent with whom we do business under this agreement

## **3 AGREEMENT**

- 3.1 This agreement shall commence on the 1<sup>st</sup> day of January 2008 and shall continue until terminated in accordance with the termination clause. Any termination of this Agreement shall not affect any rights, obligations, or continuing duties, which existed prior to termination.
- 3.2 The continuance of agency is dependent and conditional upon you being authorised by the FSA for the Selling of Insurance and Administration of General Insurance Business.
- 3.3 This agreement cannot be assigned to any other party without Our prior Consent.
- 3.4 No modification of this Agreement shall be in force unless confirmed in writing by Us.
- 3.5 We shall not be liable to you for any compensation in respect of losses, consequential or otherwise, arising as a result of the termination of this Agreement.

## **4 APPOINTED REPRESENTATIVES**

- 4.1 The provisions of this Agreement shall apply to any Authorised Representative of the Agent and You shall be responsible as Principal for your Appointed Representative's compliance with all regulatory requirements.

## **5 CANCELLATION OF POLICY**

- 5.1 Policies will be cancelled in accordance with the Insurance Companies criteria. Additionally we may take an administration charge for cancelled policies or claw back any discounts given at inception or renewal.
- 5.2 Where payment of premiums are not made to Us by the 25<sup>th</sup> day of the month after the month in which the business is written, and without satisfactory explanation of the delay, We will issue a 7-day cancellation letter directly to You.
- 5.3 You will be responsible for any Time On Risk charges or outstanding debts following cancellation of the policy. There will be no exceptions to this condition.

## **6 CHANGE IN LAW/REGULATION**

- 6.1 In the event of a change in law or regulation, including FSA Rules, which affect any of the parties' obligations under this Agreement, the parties will co-operate in good faith to agree any necessary amendment(s) or variation(s) to the Agreement.

## **7 CLAIMS**

- 7.1 All claims or instances, which might give rise to a claim against Insurers, must be reported to Us promptly.

## **8 CLIENT MONIES**

- 8.1 You must hold all regulated and, where permitted, Insurer/Client monies strictly in accordance with the FSA Rules.
- 8.2 Goodsure Underwriting Ltd hold all monies received in accordance with own agreements on a Risk Transfer basis in a non-statutory trust account in accordance with FSA Rules.
- 8.3 Insurers consent to the co-mingling of Client and Insurer monies when Risk Transfer applies and where monies are held in a Statutory or Non-Statutory trust account.
- 8.4 We and the Insurers agree to subordinate Our interests to that of Your Client.

## **9 COMMISSION**

- 9.1 We acknowledge the right of the Agent to receive commission on a risk by risk basis in respect of insurance contracts arranged, renewed or amended with us.
- 9.2 The rates of commission payable to the Agent for each class of business shall be as stated at quotation or at renewal, and differ according to class of business.
- 9.3 The commission becomes due to or from the Agent from the effective date that each insurance contract is arranged, renewed or amended with Us, and will be payable to the Agent upon receipt of the premium.
- 9.4 We reserve the right to modify commission rates at any time subject to giving 30 days' notice in writing to the Agent.
- 9.5 The Agent shall refund to Us commission on all cancelled insurances and return premiums at the same rates at which such commission was originally allowed to the Agent.
- 9.6 In respect of mid-term appointments, the Agent agrees to process all adjustments to the insurance contract from the date of appointment up to its expiry as if they were the original placing broker.

## **10 COMPLAINTS**

- 10.1 It is our intention to provide a high level of service at all times. If there is an occasion when we do not meet with your standard please let us know immediately by contacting the Office Manager at Goodsure Underwriting Ltd. If the matter is not settled to your satisfaction you may take it further by contacting the Company Director.

## **11 COMPLIANCE**

- 11.1 You must be regulated and authorised by the FSA and must comply fully with the rules and codes of conduct laid out in their Handbook. You will advise us immediately if you cease to be a member.
- 11.2 You will act on behalf of the Data Controller for the purposes of the Data Protection Act 1998 (DPA) and you warrant to us that you will comply with all obligations on behalf of the Data Controller under the DPA, including but not limited to, making all appropriate notifications required under the same. In the conduct of business as our agent, you warrant that all necessary consent for processing of any current prospective or past policyholders' claimants' data by or on behalf of AIMS in connection with business transacted under the agency, are obtained, and you warrant that you will take all necessary technical and organisational security measures to prevent unauthorized and unlawful processing of personal data and against accidental loss or destruction of or damage to personal data.
- 11.3 Where necessary, you must comply with the provisions of and be licensed under the Consumer Credit Act 1974 and any subsequent amendment to or replacement of this legislation.
- 11.4 You must comply with the Consumer Protection Act 1987 and any subsequent amendment to or replacement of this legislation.
- 11.5 You will, if required, allow us to audit all documentation relating to our Policyholders.

## **12 DOCUMENTATION**

- 12.1 Both parties shall retain all the documents arising from your instructions in accordance with all regulatory and legal requirements applicable from time to time.
- 12.2 You must ensure that all documentation is sent to us in a timely manner to comply with the requirements of the Motor Insurance Information Centre.
- 12.3 You must ensure all documentation required to be issued under FSA rules is passed to your client within the specified timescales required by the FSA.
- 12.4 You must check that proposal forms are fully completed and signed.
- 12.5 You must check documents we send to you and advise us without delay if the terms of the coverage arranged are not in accordance with the Insured's requirements and/or your instructions to us.

## **13 ENFORCEABILITY**

- 13.1 In the event that any portion of this agreement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## **14 GOVERNING LAW AND JURISDICTION**

- 14.1 This agreement shall be construed according to English Law and any disputes arising under it shall be determined exclusively in the English Courts or by such means of arbitration or form of mediation agreed by the parties.

## **15 PROFESSIONAL INDEMNITY**

- 15.1 During the operation of this agreement you must obtain and maintain an adequate Professional Indemnity policy with underwriters and or insurance companies in line with FSA requirements.
- 15.2 You shall indemnify us and keep us indemnified throughout the terms of this Agreement against all losses, liabilities, costs or any expense whatsoever which we incur directly or indirectly as a result of you exceeding the limit of its authority in any way under this agreement.
- 15.3 If requested by us you must produce a copy of such policy together with written evidence that it is still in force within 7 days of our request.
- 15.4 You must also notify us of any circumstances that may lead to cancellation of any such policies of insurance or of actual cancellations immediately of such circumstances or cancellation occurring.
- 15.5 You must advise us immediately that you are or become aware of any circumstances that may give rise to a claim being made against You and/or Us by any person whatsoever relating to any insurance placed by us on your behalf.

## **16 INTERMEDIARY OBLIGATIONS**

- 16.1 You shall comply at all times with legislation, regulations and directives applicable to your business including without limitation the Financial Services and Markets Act 1000, the Data Protection Act 1998, the Consumer Protection Act 1987 and the Consumer Credit Act 1974 as amended.
- 16.2 You shall perform services to a high standard and with utmost integrity and shall act with due skill, care and diligence.
- 16.3 You shall provide us with all the material facts given to you and update this information, where informed of any changes, in respect of new business, adjustments, renewals, extensions of cover and endorsements.
- 16.4 You shall take note of any changes of policy cover, terms, conditions and premium rates advised by us and advise potential and existing Policyholder as appropriate.
- 16.5 You shall keep any literature issued by us up-to-date and destroy any out of date material.
- 16.6 You shall secure and maintain any and all licenses as may be required by applicable law or convention in the performance of the obligations under this Agreement.
- 16.7 You shall not contact an Insurer directly for any reason relating to a Goodsure Underwriting Ltd product before first consulting us.

## **17 INTELLECTUAL PROPERTY RIGHTS**

- 17.1 You shall not acquire by reason of this Agreement or otherwise any right to or interest in any intellectual property rights of Goodsure Underwriting Ltd.

## **18 MID-TERM ADJUSTMENTS**

- 18.1 Mid-term adjustments should be notified in writing. We will normally advise the price of the adjustment and request confirmation of acceptance of this charge before cover commences.

## **19 NEW BUSINESS**

- 19.1 All premiums quoted by Us are exclusive of IPT.
- 19.2 You do not have the authority to issue cover on behalf of the Insurance Company or us. To enable Us to effect cover you must inform us in writing.
- 19.3 It should be noted that once We are instructed to assume cover, the responsibility for payment of the premium lies with you. Once cover is in force, not all policies can be cancelled 'NTU' and cancellation charges may apply.

## **20 NON SOLICITATION**

- 20.1 We agree that insofar as the Insured has chosen to appoint you to advise upon and arrange insurance, the Insured remains your client. We will not directly and knowingly solicit such insurance business away from you.
- 20.2 We will only contact clients or deal with clients through another agent, if you fail to obtain or cease to hold the necessary authorisation required in order to perform your obligations under the TOBA, or where it is a requirement or instruction of the Insurance Company.

## **21 NOTIFICATION OF CHANGE**

- 21.1 You shall notify us immediately, in writing of, any change of address, any change of Partners where you are a Partnership.
- 21.2 If you or any Partner or Director compounds with creditors, becomes bankrupt, has a receiving order made against him or in the case of a company goes in to liquidation or a Receiver is appointed or in the case of a Partnership, if dissolved.

## **22 OUR RELATIONSHIP**

- 22.1 We are a Wholesale Broker and not an Insurer.

## **23 PAYMENT**

- 23.1 Payment of the premium must be made to Us within 30 days of the end of the month following the month in which the policy was effected or amended, unless We have consented to an extension.
- 23.2 In circumstances where premium due to Insurers cannot, for whatever reason, be collected from the Insured and the Insurers will not write off all or some of the amount due, You will be responsible to Us for payment of the full amount outstanding in respect of premium.
- 23.3 Payment of premiums to us is your responsibility. Intermediaries failing to adhere to our credit terms face the possibility of having all facilities cancelled.
- 23.4 We reserve the right to offset and deduct from any refunds due to you any monies due to Us which falls outside of the terms of payment.
- 23.5 We shall not be responsible for any arrangements made by you to collect premiums from the Insured by way of extended period(s) of credit or installments. Such arrangements are made at your own risk, and shall not affect your obligation to account to the Company for premiums owing.

## **24 RECORDS**

- 24.1 You shall allow Us to access your premises to inspect, view and or copy without limitation all records, documents, files, audio and video tapes, computer databases, information stored electronically and any other material or information that we may require which relate to you obligations under this agreement.

## **25 RENEWALS**

- 25.1 We will endeavour to advise you of renewal terms in sufficient time to enable you to send documents to the client at least 21 days prior to renewal date.
- 25.2 Instructions to renew a policy must be received in writing.

## **26 RISK TRANSFER**

- 26.1 Although We have been granted Risk Transfer by all our Panel of Insurers, not all the Insurers have agreed to cascade Risk Transfer to sub-agents and for these Insurers you must ensure that you hold client money strictly in accordance with FSA regulations. (Currently Norwich Union and Casualty & General Insurance Co (Europe) Ltd agree to Risk Transfer cascading to You).
- 26.2 As we have several Insurers on our panel, and the Insurers stance may change from time to time, up to date information regarding Risk Transfer is available by contacting us by telephone or in writing.

## **27 STATUS DISCLOSURE**

- 27.1 If so required by the FSA under the provisions of ICOB each party is responsible for making its own status disclosure to the Insured.

## **28 SUB BROKING**

- 28.1 The agreement shall apply only to you. For the avoidance of doubt, you do not have the authority to sub-broke the insurance conducted through us, unless express permission granted.

## **29 TERMINATION**

- 29.1 Either party may terminate this agreement immediately on written notice to the other in any of the following events:
- The other party is in material breach of this agreement
  - The other party becomes the subject of an action in bankruptcy, becomes insolvent, goes in to liquidation, makes a composition with their creditors or an administrator or receiver is appointed.
  - Where one party has reason to suspect fraud or dishonesty by the other party, its staff or representatives.
  - The Agent or any Director or Partner is convicted of a criminal offence.
  - Either party ceases to be authorised by the FSA.

- In these circumstances we reserve the right to deal with the Insured in the best interests of the insured to comply with FSA rules. Where at the date of termination, premiums are due from the Insured for cover used before termination the company may collect the premium direct from the insured and retain the commission in respect of all monies owed by the Agent to the company.

29.2 We may terminate this Agreement on written notice to your last know address:

- Where you fail to adhere to our payment terms.
- Where you merge with, are acquired by or otherwise taken over or controlled by an individual or business entity that does not have a current Terms of Business Agreement with Goodsure Underwriting Ltd unless we have granted permission to do so.
- By giving 30 days written notice to your last know address without assigning the reason thereof.

29.3 You may terminate the Agreement at any time by giving 30 days written notice.

- You may either take 12 months to place existing business elsewhere, commencing on the date of termination, or request transfer of insurance business to another agent with whom we have a current Terms of Business Agreement or for whom we grant an agency.
- After the effective date of termination you shall not resell or arrange to offer any insurance on behalf of the Company unless otherwise agreed in writing.
- Upon termination of the agreement all property of The Company must be surrendered immediately and all monies outstanding to The Company or Insurer become immediately due and payable.