

DRAFT (1): [•] 2018

Terms of Business Agreement

between

[•]
as Insurer

and

[•]
As Intermediary/Broker/Distributor

relating to

setting out the terms of business

Simmons & Simmons

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DRAFT

THIS AGREEMENT is dated

and made

BETWEEN:

(1) [•], (the "Insurer"), [•]; and

(2) [•], (the "Distributor"), [•].

(together the "Parties")

1. **Definitions**

"Agreement" means this agreement as amended from time to time.

"Business" means any insurances or reinsurances falling within the definition of "contract of insurance" in Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or as amended together with insurances concluded under any contracts for insurance made by the Insurer where the Distributor provides the Services. *[This may require more detail to identify the product but this provides a starting point]*

"CASS" the FCA's Client Assets Sourcebook.

"Commission" Commission receivable by the Distributor at the rates and times (if any) set out in Schedule 3.

"Customer Data" means data held by the Distributor and/or Insurer in respect of a Policyholder or proposed Policyholder [whether supplied by a Policyholder or otherwise].

"FCA" the Financial Conduct Authority or any successor governmental or regulatory body.

"Group" has the meaning given to it either in section 421 of the Financial Services and Markets Act 2000 or section 474 of the Companies Act 1985

"ICOBS" the Insurance Conduct of Business Rules or equivalent part of the Handbook issued from time to time by the FCA.

"Insured" means any person (not being the Insurer) entering into a contract of insurance which is part of the Business.

"Policy" means any contract of insurance or reinsurance forming part of the Business and "Policyholder" means any holder of a Policy.

"PRA" means the Prudential Regulatory Authority or any successor governmental or regulatory body.

"Records" means anything on which any information of any description is recorded.

"Services" means the services set out in Schedule 1.

"Taxes" means all Insurance Premium Tax (IPT) and other such charges which may be levied by overseas fiscal authorities on insurance premiums.

"Underwriting Criteria" means the criteria imposed by the Insurer for the acceptance of quotations and issue of cover under a Policy, together with any procedures, limits, terms or other requirements as set out in Schedule 2.

2. **Status**

- 2.1 The insurer is an insurance company authorised by the PRA and the FCA to carry on insurance business in the United Kingdom.
- 2.2 The Distributor is authorised by the FCA to carry on insurance distribution activities in respect of the type of insurance contracts comprised in the Business.

3. **Scope**

- 3.1 The Insurer appoints the Distributor to provide the Services, in particular to introduce Policyholders and potential Policyholders and quote for and administer Policies on the terms set out in this Agreement, including for the avoidance of doubt the authorisations and limits set out in Schedule 2. [The Services shall only be provided in the United Kingdom.]
- 3.2 Nothing in this Agreement overrides the Distributor's duty to place the interests of its client before all other considerations nor shall this Agreement override any legal or regulatory requirements (whether obligatory or advisory) which may apply to the Distributor, the Insurer, or the placing of any Business.
- 3.3 For the avoidance of doubt, the Insurer shall [not] be entitled to sell or market any insurance products under arrangements with any other person or directly to Policyholders or proposed Policyholders.
- 3.4 The Parties agree that the terms of this Agreement shall apply to the conduct of any Business which has been or may be transacted between the Parties on or after the date of this Agreement. The terms of this Agreement supersede the terms of any other terms of business agreement (TOBA) already in place between the Parties. The terms of this Agreement shall apply from the date of the Agreement.
- 3.5 Any proposal for Business, renewal of existing Business or continuation of cover in respect of any existing Business falling outside the limits and authority set out in 0 will be accepted or declined by the Insurer at its sole discretion. The Distributor is under no obligation to offer any proposal for Business or renewal of any existing Business to the Insurer.
- 3.6 The Distributor shall inform the Insurer immediately in writing if at any time during the period of this Agreement:
- (A) the FCA suspends or withdraws the Distributor's authorisation; or
 - (B) the Distributor otherwise ceases in any way to be authorised by the FCA to undertake any activities in relation to any Business subject to this Agreement; or
 - (C) the Distributor becomes insolvent.
- 3.7 The Insurer shall inform the Distributor immediately if:
- (A) the PRA or FCA suspends or withdraws the Insurer's authorisation;
 - (B) the Insurer otherwise ceases to be authorised by the PRA or FCA to undertake any activities in relation to any Business subject to this Agreement; or
 - (C) the Insurer becomes insolvent.

4. **Authority**

- 4.1 This Agreement sets out the basis on which the Insurer will accept Business from the Distributor. The Insurer shall have discretion to accept or decline cover whether of new Business or the renewal of existing Business, save that where cover has initially been granted by the Distributor (acting in accordance with the authority granted by the Insurer as set out at Schedule 2), but is not subsequently accepted by the Insurer, the Insurer shall cover any risk that crystallises between the Distributor granting cover and the Insurer's decision to decline, subject to the correct information having been supplied to the Insurer through the quotation system/as appropriate, in accordance with Schedule 2.
- 4.2 The Insurer will only accept proposed Business where the correct information has been supplied by the Distributor and it meets the requirements of Schedule 2.
- 4.3 The Distributor is hereby granted the authority to undertake the Services on the Insurer's behalf and in accordance with Schedule 2.
- 4.4 Nothing in this Agreement shall grant the Distributor authority to [accept, amend, or vary Business, settle, negotiate or compromise claims, alter any document or policy, make any non-exempt financial promotion on the Insurer's behalf, and / or commit the Insurer in any way, receive and hold client monies – *DELETE AS APPROPRIATE*]

5. **Remuneration**

- 5.1 Commission shall be agreed between the Parties as set out in Schedule 3 and shall be payable to the Distributor.
- 5.2 The Distributor may deduct the Commission upon receipt of the premium.
- 5.3 Where premium is payable in more than one instalment, the Distributor will only deduct the proportion of Commission that the instalment premium bears to the premium as a whole, unless otherwise agreed on a risk-by-risk basis between the Parties.

6. **Premiums and cancellations (NB Distributor may not in fact hold client money – see clause 4.4)**

- 6.1 Where the Distributor holds:
- (A) premium due to be paid to the Insurer;
 - (B) return premium due to be paid to the [Insured/Distributor's client];
 - (C) claims monies due to be paid to the [Insured/Distributor's client]; or
 - (D) money received by the Distributor from the Insurer for onward payment to agents of the Insurer in respect of claims adjustment, legal and similar professional fees,

the Distributor shall hold such monies as the agent of the Insurer. The Distributor has no authority under this Agreement to permit any third-party, sub-agent, or Appointed Representative (as defined in the FCA's Handbook) to receive, hold, or pay any money on behalf of the Insurer, without the Insurer's consent.

- 6.2 The Distributor shall advise the Insurer within seven days of receipt of any request from the Insurer, whether it has received any specified premiums.

- 6.3 Provided the Distributor shall itself have received the premium, the Distributor shall pay that premium (net of Commission, but including Taxes) to the Insurer in accordance with Schedule 3.
- 6.4 Pending payment to the Insurer or client (as the case may be), the Distributor shall hold the monies described in Clause 6.1 as the agent and trustee of the Insurer within its client monies account, which shall be a non-statutory trust account, established in accordance with CASS 5.4. The Insurer hereby consents to such monies being co-mingled with the Distributor's other client monies. The Insurer further consents to its rights with regard to monies held in the Distributor's client monies account being subordinated to those of the Distributor's clients, in accordance with CASS 5 and further agrees that any interest earned on the said account shall accrue to the Distributor.
- 6.5 The Distributor will notify the Insurer, within such time as may be agreed between the Parties, that the Insured has failed to pay the premium (or, as the case may be, any provisional premium).
- 6.6 In the event of the cancellation of a contract of insurance, where the Insurer is obliged by law, regulation or the terms of the contract of insurance to refund gross premiums in respect of such contract of insurance, the Distributor agrees to refund the relevant Commission (which shall not for the purpose of this clause include fees) received by the Distributor which is attributable to the period following cancellation of the contract of insurance for which such contract of insurance would otherwise have remained in force. Unless otherwise obliged to, the Insurer shall refund premiums net of Commission.

7. **Customers and Customer Data**

- 7.1 The Distributor shall be responsible for managing and maintaining as appropriate the Customers and its relationships with those Customers. The Insurer shall not contact the Customers or access any Customer Data without the prior consent of the Distributor, such consent not to be unreasonably withheld.
- 7.2 Subject to clause 18, the Distributor shall own the Customer Data, and shall have responsibility for managing it in accordance with the relevant legislation from time to time.

8. **Taxes**

- 8.1 Except where required by law or regulatory authority or by the terms of this Agreement, the Parties agree that the Distributor will not be expected to act as guarantor to the Insurer with regard to the payment of any Taxes relating to any Business.
- 8.2 Where the Distributor processes and pays Taxes on behalf of the Insurer related to premium in respect of any Insurance Business, the Distributor will hold such monies in accordance with Clause 6.1 for the Insurer and account to the Insurer for amounts received by the Distributor in respect of such liability for tax which the Insurer may have in respect of that Insurance Business.

9. **Claims**

- 8.1 The Insurer shall handle and settle any claims and shall do so in a timely manner. The Distributor shall have no authority to settle, negotiate or agree claims on behalf of the Insurer. The Distributor shall pass any claims or enquiries in respect of any claims to the Insurer promptly and in accordance with the terms of the Policy. *[NB. The developing position regarding claims handling may mean that the Distributor takes more of a role as*

they have the customer relationship – note the requirement as to timely settlement under the Insurance Act 2015.]

10. **Compliance**

- 10.1 Each Party will comply with their respective legal, licensing and regulatory requirements applicable to the production, placing, claims handling and premium and claims accounting of any Business which the Distributor places with the Insurer including without limitation complying with the FCA's Principles for Businesses and in particular, Principle 6 (Treating Customers Fairly). Neither party shall do or omit to do anything which could reasonably be expected to cause the other not to comply with such obligations. Both parties will supply each other with such information as may be reasonably requested or required to ensure such compliance.
- 10.2 The Distributor shall be responsible for supplying an Insured or proposed Insured with the information required under law and regulation to be supplied to policyholders before and at the time of inception of a Policy. [Any Advice given by the Distributor to an Insured or proposed Insured shall be given on behalf of the Distributor and not on behalf of the Insurer.]
- 10.3 With regards to complaints where a Distributor is involved, the Insurer can make reasonable requests for information from the Distributor and the Distributor shall provide the information required to enable the Insurer to answer complaints.
- 10.4 Where required, the Insurer shall be responsible for the production of product documentation including policy summaries, policy documents, and documentation in respect of the Insurer and its services. The Distributor shall ensure that such documentation is promptly provided to the Insured.
- 10.5 The Distributor will inform the Insurer in relation to all Business whether the Insured is classified as a retail customer or a commercial customer for the purposes of ICOBS.
- 10.6 The Distributor will forward promptly notices of Insureds' rights to cancel Insurance Business in all instances where such notices are required (including ICOBS 5) and in accordance with the relevant rules.
- 10.7 The Distributor shall meet and continue to meet the training and competence requirements specified by the FCA from time to time.

11. **Status**

- 11.1 The Insurer is an insurance company authorised and licensed in [• by [*relevant regulator*]] to carry on insurance business in the United Kingdom.
- 11.2 The Distributor is authorised by the FCA to carry on insurance distribution activities in respect of the type of insurance contracts comprised in the Business [*may want to be even more distinct in terms of the products*].

12. **Termination**

- 12.1 This Agreement shall terminate:
- (A) at any time by one Party giving written notice of termination to the other;
 - (B) immediately, without notice, should either Party

- (1) cease to trade;
 - (2) have a receiver or administrative receiver is appointed over any of its assets or property, or a petition is presented for the winding up of the Party, or for the appointment of an administrator, receiver, administrative receiver, liquidator or similar officer;
 - (3) a petition is presented for the declaration of the bankruptcy of a Party
 - (4) a Party enters into an arrangement with creditors
 - (5) an analogous situation to those described in (2) to (5) occurs;
 - (6) a person acquires control over either Party (as defined in section 181 of the Financial Services and Markets Act 2000 as amended or re-enacted from time to time); and
- (C) immediately, without notice, should either Party have any authority, or permission granted to it by the PRA or FCA withdrawn or altered by the PRA or FCA in such a manner as materially to affect in any way the Party's ability to introduce, arrange, elect, carryout, conclude, administer, perform or otherwise be involved with any Business which is carried out between the Parties under this Agreement.

12.2 Following termination:

- (A) the Parties will agree the procedure for administering the Business current at the time of termination;
- (B) the Distributor will make all reasonable efforts to provide the Insurer with contact details for any Insured or other Party with whom the Insurer has contracted in the conduct of Business where:
 - (1) the Distributor has acted as the agent of the Insurer; and
 - (2) where such information is reasonably required in order for the Insurer to carry out its obligations in relation to Insurance Business concluded in accordance with this Agreement;
- (C) where permissible the Parties will remain liable to perform their obligations in accordance with the terms of this Agreement in respect of all Insurance Business subject to this Agreement until all Insurance Business has expired or has otherwise been terminated.
- (D) the following clauses shall continue to apply: [*to cover Confidentiality, jurisdiction, choice of forum, IP rights, maintenance of and access to systems and records post termination, trademarks etc.*].

13. **Access to records**

- 13.1 The Distributor will retain all of the Records created or held by it in its capacity as agent of the Insurer and all Records received by the Distributor for the purposes of the introduction, arranging, concluding, administration or performance of the Business for a minimum of six years and in any event the minimum periods required by law or any regulatory body with jurisdiction over the Distributor, the Insurer or the Business.

- 13.2 The Distributor agrees to allow the Insurer, on reasonable notice, to inspect and to take copies of the following:
- (A) the accounting records pertinent to any Business including information relating to the 'receipt and payment of premiums and claims and documentation such as any insurance contract or endorsements, addenda- or bordereaux in -the possession of the Distributor relating to the Business; and
 - (B) documents as may be in the possession of the Distributor which were disclosed to the Insurer by the Distributor in respect of any Business including, but not limited to, documentation relating to the proposal for the Business, the placing thereof (including endorsements and reinstatements) and any claims thereunder.
- 13.3 In the event that the Insurer requests the Distributor to carry out any functions or duties on its behalf, such as the appointment of loss adjusters, lawyers or others, or the Distributor otherwise acts as an intermediary between the Insurer and its representatives or agents:
- (A) the Distributor accepts the Insurer's appointment or instructions on the basis that the information received by it in respect of a claim made upon any Business is disclosable to the Distributor's client.
 - (B) all documentation and records created or received by the Distributor in the performance of such functions or duties shall be and remain the property of the Insurer, other than documents over which the Distributor has a proprietary commercial interest.
 - (C) the Distributor will take reasonable steps to retain, maintain and safeguard any of the Insurer's documents in the Distributor's possession in accordance with any regulatory requirements which apply to the Insurer and of which the Distributor has notice.
- 13.4 On termination of this Agreement for whatever reason and on reasonable notice the Distributor will deliver up to the Insurer such documentation if requested.

14. **Intellectual Property**

- 14.1 Intellectual Property Rights in any Policy systems or documentation, including sales and marketing literature and materials and campaigns, shall be owned by the Distributor. Neither the Insurer nor any of its employees or agents shall obtain any Intellectual Property rights in any such systems, documentation or in any software, Customer Data or any trade or service mark or trading name of the Distributor.
- 14.2 The Distributor shall not, and shall procure that its employees and agents do not, create or distribute any material which is branded with or includes any of the Distributor's Intellectual Property except for materials prepared or approved by the Distributor.
- 14.3 The Parties shall not encourage or facilitate any person to do anything in connection with this Agreement which infringes the intellectual property rights of any third party.

15. **Access to Insurer's systems**

- 15.1 The Distributor shall be responsible for ensuring that its employees and agents have access to the Insurer's systems [*May need to define if specific systems identified*]. Subject to clause 15.3 below the Insurer shall offer such reasonable assistance as is required to enable reasonable access to be given to such persons.

15.2 The Distributor shall procure that all such employees and agents comply with the Insurer's security requirements in relation to the Insurer's systems, as notified in writing by the Insurer to the Distributor from time to time.

15.3 The Insurer acting in its absolute discretion is entitled without notice to refuse, suspend or withdraw access to the Insurer's systems with respect to any person or group of persons and need not give a reason for such refusal, suspension or withdrawal.

16. **Anti Money Laundering**

16.1 The Distributor acknowledges that the Insurer will rely on the Distributor to carry out appropriate money laundering checks on Insureds and proposed Insureds and the Distributor consents to the Insurer relying on it in that way. [*How in practice is this done?*]

16.2 In relation to each Insured or proposed Insured the Distributor will, without limitation:

- (a) carry out money laundering checks in compliance with the Money Laundering Regulations before any Policy is taken out;
- (b) retain any records relating to money laundering checks in compliance with the requirements of the Money Laundering Regulations; and
- (c) supply any relevant records relating to money laundering checks to the Insurer following a request from the insurer.

17. **Criminal Finances Act 2017**

17.1 Each Party undertakes, warrants and represents that:

- (a) neither it nor any of its officers, employees, agents or subcontractors has:
 - (i) committed an offence under the Criminal Finances Act 2017 or
 - (ii) been notified that it is subject to an investigation relating to an alleged offence or prosecution under the Criminal Finances Act 2017; or
 - (iii) is aware of any circumstances within its supply chain that could give rise to an investigation relating to an alleged offence or prosecution under the Criminal Finances Act 2017;
- (b) it shall comply with the Criminal Finances Act 2017

it shall notify the other Party immediately in writing if it becomes aware or has reason to believe that it, or any of its officers, employees, agents or subcontractors have, breached or potentially breached any of its obligations under this clause and such notice shall set out full details of the circumstances concerning the breach or potential breach of the obligations.

17.2 Any breach of this clause by either Party shall be deemed a material breach of the Agreement and shall entitle the other Party to terminate the Agreement.

18. **Data Protection**

18.1 The Distributor is a data controller in respect of Customer Data and the Insurer is a data controller for the purposes of the Business. Each Party has written procedures in place to enable it to perform its data controller activities and obligations properly.

18.2 The Insurer will process personal data (as defined in the GDPR and UK Data Protection Legislation) in relation to the Policyholders solely for the purposes of carrying out the Insurer's responsibilities as set out in this Agreement. The Distributor will protect any sensitive personal data in accordance with the requirements of the UK Data Protection Legislation and GDPR from time to time.

18.3 If a data subject (as defined in the GDPR and UK Data Protection Legislation) wishes to access information about itself held by either Party, then provided that the request is validly and properly made, the relevant Party shall notify the other Party of the request and if relevant, any disclosure made.

[To be discussed further as Data is key to the insurtech business, so it's important to determine what the Distributor will want to do with it. Any disclosure may need to be cleared in advance, and consent sought.]

19. **Confidentiality**

Each of the Parties will treat information received from the other relating to this Agreement and to the Business as confidential and will not disclose it to any other person not entitled to receive such information except as may be necessary to fulfil their respective obligations in the conduct of the Business and except as may be required by law or regulatory authority and/or with the consent of the other Party. For the avoidance of doubt each party shall be entitled to disclose such information where necessary to its insurers or reinsurers, actuaries, auditors, professional agents and advisers and other Group companies. This clause will not apply to information which was rightfully in the possession of such party prior to this Agreement, which is already public knowledge or becomes so at a future date (otherwise than as a result of a breach of this clause) or which is trivial or obvious.

20. **Complaints**

Each Party will notify the other in accordance with FCA Rules of any complaint concerning the other Party relating to Business subject to this Agreement. *[Complaints procedures if any, should be referred to and one Party may wish to manage all complaints itself.]*

21. **Protection of reputation**

Each Party agrees it will not, without the written authority of the other Party, make use of the other Party's corporate or trading names or logos and trade marks.

22. **Conflicts of interest**

The Parties will adopt and/or maintain procedures to ensure that each has in place arrangements for the identification and management of any conflicts of interest that may arise in relation to any Business.

23. **Disclosure**

The Distributor will comply with relevant regulatory, fiduciary and legal requirements regarding disclosure of all forms of remuneration from any arrangements it may have for remuneration in connection with Business including Commission.

24. **Variation, assignment and delegation**

24.1 This Agreement may be assigned or varied only in writing by the Parties.

24.2 Neither Party shall delegate the performance of any obligation under this Agreement without the written consent of the other Party. The delegating Party shall at all times remain responsible for the performance of any delegated activities by its delegate as if the acts and omissions of these delegates were its own. [*Appointed representatives may need to be notified for these purposes - if there are any.*]

25. **Rights of third parties**

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This clause shall not affect any right or remedy of a third party which exists or is available apart from that Act.

26. **Dispute resolution**

26.1 The Parties to this Agreement are committed to resolving all disputes arising under it (and whether such dispute arises before, or after termination of this Agreement) without the need for litigation and to allow as far as possible for commercial relationships to remain unaffected by disputes and therefore the Parties:

- (A) will attempt in good faith to resolve any dispute or claim promptly through negotiations between respective senior executives of the Parties who have authority to settle the same;
- (B) will attempt in good faith, if the matter is not resolved through negotiation within three months of the dispute arising to resolve the dispute or claim through mediation with the assistance of a mediator agreed between the Parties or as recommended to the Parties by the Centre for Dispute Resolution or such similar organisation as the Parties may agree; or
- (C) if the matter has not been resolved by mediation within six months of the dispute arising, or if either Party will not participate in a mediation procedure, the Parties will refer the dispute in accordance with Clause 27 (*Jurisdiction and Choice of Law*).

26.2 Notwithstanding the above, either Party may seek the immediate protection or assistance of the High Court of England and Wales if appropriate.

27. **Jurisdiction and choice of law**

This Agreement shall be construed according to English law and any disputes arising under it shall, subject to the provisions of Clause 26 (Dispute Resolution) above, be determined in the English Courts.

28. **Enforceability clause**

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

29. **General interpretation of this agreement**

In this Agreement, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of the Agreement.

30. **Service of notices**

Any notices to be given under this Agreement shall be sent by first class recorded delivery post, by hand, or facsimile to the Compliance Officer at the registered office of the Party to be served. The notice shall be deemed to have been served, if posted, at the expiration of two business days after posting and if by facsimile, or by hand, at the expiration of one business day after it was dispatched.

31. **Force majeure**

Neither Party shall be liable for any delay or non-performance of its obligations under this Agreement caused by an event beyond its control (a "Force Majeure Event") provided that the Party affected gives prompt notice in writing to the other part of such Force Majeure Event and uses all reasonable endeavours to continue to perform its obligations under the Agreement. Either Party may terminate this Agreement if such Force Majeure Event continues for more than three months.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

EXECUTION PAGE

Signed for and on behalf of)
[•] (the “Insurer”))

Director

Signed for and on behalf of)
[•] (the “Broker”))

Director

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SCHEDULE 1 : SERVICES

1. Introducing potential Policyholders to the Insurer.
2. Advising Policyholders and potential Policyholders on the Business.
3. Providing quotations to Policyholders and potential Policyholders [using the Insurer's quotation system].
4. Providing delegated underwriting services and binding Policies in accordance with the Underwriting Criteria and authority set out in Schedule 2.
5. Administering the Business.
6. Settling and paying claims in accordance with the [*If the Insurer is going to be doing all the claims handling, then that should be made clear in the main body of the Agreement.*]
7. Managing client monies including payment of premiums, repayments, claims payments etc.

This Schedule should provide a comprehensive list of the Services which are to be provided. Restrictions on territoriality are in the main body of the Agreement and we would expect claims to be handled by the insurer. If the Distributor is handling claims then the terms on which it does so need to be agreed.

SCHEDULE 2 : UNDERWRITING AUTHORITY, LIMITS AND CRITERIA

1. Provision of correct information inputted into the appropriate quotation system – [*determine required information and the relevant system*];
2. Limits
3. Authority
4. Underwriting Criteria – parameters (if not covered by Limits) and procedures
5. Claims handling and settlement procedures

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SCHEDULE 3: PREMIUM PAYMENTS AND COMMISSION

1. Premium shall be calculated [*basis of calculation*]
2. Premium shall be paid [*methods and timings to be completed*]
3. Unpaid premium [*impact and actions to be taken*]
4. No Commission shall be due unless it has first been:
 - 4.1 Specified and agreed between the Distributor and the Policyholder or proposed Policyholder;
 - 4.2 Notified by the Distributor to the Insurer at the time an application for a Policy is submitted to the Insurer. The Distributor must inform the Policyholder or proposed Policyholder in writing that the Commission will be paid by the Insurer to the Distributor and specify in cash terms the amount of the Commission before the application is made to the Insurer; and
 - 4.3 Confirmed by the Insurer to the Distributor at the time such application for a Policy is accepted.
5. The Insurer and the Distributor shall disclose to the Policyholder on request any further details requested by the Policyholder.
6. The actual Commission percentage and amount will be details on the Insurer's quotation, the Commission percentage will also be detailed on the regular invoice provided to the Policyholder.
7. The Distributor is responsible for obtaining its own taxation advice on the implications of the form and amount of Commission payable in respect of a Policy.
8. Commission will be level payments, fully earned and paid by the Insurer to the Distributor monthly in arrears. If the Distributor ceases to hold the necessary licences, authorisation and consents for the performance of this agreement, or has such licences, authorisation or consents suspended, the Insurer reserves the right to cease or suspend Commission to the Distributor.
9. No Commission will be payable in respect of a Policy until the first premium has been accepted by the Insurer.
10. The Insurer shall be entitled to apply amounts received in respect of a Policy to meet premiums and other charges due and payable to the Insurer before applying those funds to meet Commission.