

Bennett Gould & Partners Ltd

Producing Agent Terms of Business Agreement



Rennie House, 57-60 Aldgate High Street, London, EC3N 1AL

This agreement sets out the relationship between Bennett Gould & Partners Ltd (“**BGP**”) and

_____ (“**Producer**”) FCA Number: _____

If the **Producer** instructs **BGP** to proceed with the placing of any insurance, it will be subject to the terms of this agreement, which will have contractual effect. The **Producer** warrants that they are authorised and regulated by the Financial Conduct Authority (“**FCA**”) to conduct insurance business or are an Appointed Representative and that they will be compliant with all aspects of their regulated activity.

Regulatory Authority & Permitted Business

BGP is authorised and regulated by the **FCA** to conduct business as a general insurance intermediary under registered number is 306850. This can be verified by visiting the **FCA**'s website www.fca.gov.uk/register or by telephoning the **FCA** on 0845 606 1234.

Service

We have arrangements with some insurers whereby we are given what we consider are preferred terms and conditions for certain insurance products. In many cases those insurers grant us authority to accept business on their behalf. We may place your business under one of these arrangements in the following circumstances;

- 1) Where we consider that to do so would match your requirements or instructions
- 2) Where we provide terms exclusively from those insurers for the type of business that you require

Following receipt of your specific enquiries we will normally issue a quotation of terms and premium based on the information supplied to us. Such a quotation is not confirmation that coverage has been obtained nor is it a warranty that we will be able to complete your order. Quotations will normally be valid for a period of 30 days from the issue date. Coverage can only be relied upon when we have confirmed in writing that the risk is bound. As you are responsible for all dealings with your client it is your responsibility to communicate in writing to your client the terms and conditions of insurance and the due date(s) for payment of premiums.

Payment of Premiums

Premiums are due immediately cover is arranged. **BGP** terms of credit require payment within 30 days of inception, renewal or any amendment to the policy even though the invoice may be sent after this date. Failure to pay by the due date may result in cancellation of the insurance. The **Producer** accepts responsibility for all premiums due on all contracts of insurance effected with **BGP** and undertakes to pay all premiums, including insurance premium tax, in accordance with these terms of credit.

Client Money

When we receive any monies from you or for payment to you, they will be held by us on one of two bases

1. As agent for the insurer concerned or
2. On your behalf within a Non statutory trust client account

The **FCA** rules require us to keep client money in one of two types of account:

1. Statutory trust account; or
2. Non-statutory trust account.

We keep all client monies received in a non-statutory trust client account and will be governed by the **FCA** client money rules. Unless we advise you to the contrary as part of our quotation letter, all quotations issued by ourselves will be with insurers for whom we hold risk transfer, accordingly all monies held by ourselves are deemed to be insurer monies, as such there is no need for you to track monies via us to the ultimate insurance entity.

Client Money and the Producer

1.1 Where the **Producer** holds:-

- (a) Premium due to be paid to **BGP**;
- (b) Return premium due to be paid to the **Producer**'s client; or
- (c) claims monies due to be paid to the **Producer**'s client, unless we advise that the risk to be bound is offered with cascading risk transfer the **Producer** shall hold such monies as the agent of the client. The **Producer** 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 **BGP**, without **BGP's** consent.
- 1.2 The **Producer** shall advise **BGP** within 7 days of receipt of any request from **BGP**, whether it has received any specified premiums.
 - 1.3 Provided the **Producer** shall itself have received the premium, the **Producer** shall pay that premium (net of Commission, but including Taxes) to **BGP** in accordance with the terms of trade contained in this agreement.
 - 1.4 Unless otherwise agreed, the **Producer** shall remain liable to **BGP** for premiums where Section 53 (i) and Section 53 (ii) of the Marine Insurance Act 1906 apply.
 - 1.5 Pending payment to **BGP** or client (as the case may be), the **Producer** shall hold the monies described in clause 1.1 above within its client monies account, which shall be a trust account, established in accordance with CASS 5.4. **BGP** hereby consents to such monies being co-mingled with the **Producer's** other client monies. **BGP** further consents to its rights with regard to monies held in the **Producer's** client monies account being subordinated to those of the **Producer's** clients, in accordance with CASS 5 and further agrees that any interest earned on the said account shall accrue to the **Producer**.
 - 1.6 The **Producer** will notify **BGP**, 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).

Duty of Care and Duty of Fair Presentation

If your client is a consumer insured (an individual buying insurance wholly or mainly for purposes unrelated to their trade, business or profession) they have a duty to take reasonable care to answer the insurer's questions fully and accurately and to ensure that any information that they volunteer is not misleading. This duty exists before cover is placed, when it is renewed and any time that it is varied, and the policy wording may provide that it continues for the duration of the policy. If the your client does not do this, the insurer may be able to impose different terms on their cover, may charge them a higher premium or, in some circumstances, may be able to avoid the policy from inception and any claims under it would not be paid.

If your client is a business/commercial insured (i.e. not a consumer insured) they have a duty to make a fair presentation and disclose all material circumstances which it knows or ought to know after reasonable search. to the insurer before cover is placed, when it is renewed and any time that it is varied. The policy wording may also provide that this duty continues for the duration of the policy. A circumstance is material if it would influence an insurers judgment in determining whether to take the risk and, if so, on what terms. In some circumstances an insurer will be entitled to avoid the policy from inception and in this event any claims under the policy would not be paid. The **Producer** is responsible for informing their clients the above requirements.

The **Producer** undertakes to advise **BGP** of all material circumstances (including claims experience) in respect of every risk submitted for quotation and before the contract is finalised. If there is any doubt as to whether information is material, it must be disclosed. This duty also applies at renewal, midterm changes and throughout the term of the policy. Any breach of this duty may entitle insurers to void the policy from inception and repudiate liability in respect of any claims under the policy. **BGP** accepts no responsibility for any act, error, or omission of the **Producer**. The **Producer** is responsible for working with their clients to understand their business activities and to share any relevant knowledge to ensure that **BGP** and the insurer are given a fair presentation of the risk.

Warranties

Warranties are important provisions contained in a policy and must be exactly complied with at all times. Breach of a warranty may suspend your client's policy. Insurers may have no liability to pay losses occurring or attributable to something happening during any such period of suspension. The period will continue until the breach has been remedied (if it is capable of remedy). A warranty may exist in a policy using other terminology and without reference to the word 'warranty'. The **Producer** is responsible for ensuring their clients understand the importance of warranties.

Conditions Precedent

Your clients should also take particular note of any conditions precedent that appear in their policy. If a condition precedent to the validity of this policy or the commencement of the risk is not complied with, the insurer will not come on risk. If a condition precedent to the insurer's liability under this policy is not complied with, the insurer will not be liable for the loss in question. A condition precedent may exist in the policy using other terminology and without reference to the words 'conditions precedent'. Nonetheless, it is very important that the **Producer** ensures their clients read their policy carefully and, if they are unsure or are unable to comply with any provisions, please contact us or the insurer immediately.

Fraudulent Claims

The **Producer** should make their clients aware that should they make a fraudulent claim under their Policy the Insurers shall not be liable to pay them any sums in respect of the fraudulent claim. The Insurers may recover from them any sums that the Insurers have already paid to them in respect of the fraudulent claim. The Insurers may by notice to your client treat this Policy as terminated with effect from the date of their fraudulent act.

Confirmation of Cover

All details of the insurance contract must be confirmed with underwriters prior to inception. Once the **Producer** requirements have been satisfied, **BGP** will evidence the terms and conditions of the insurance contract to you in writing. The **Producer** must examine these documents carefully and advise **BGP** immediately if they are incorrect. Please pay special attention to the claims notification provisions and to any warranties and conditions as any failure to comply, may invalidate your client's coverage.

Remuneration, Brokerage & Commission

Unless we agree otherwise, we are remunerated on the basis of brokerage or commission determined by the insurers. In the event that a policy is cancelled mid-term or another insurance intermediary is appointed to act on your client's behalf during the currency of a policy, we are entitled to retain all remuneration in respect of the full policy period. In addition to premiums charged by Underwriters, **BGP** may make an additional charge to cover administration costs. Any charges will be advised to the **Producer** before cover commences. Any interest earned on client money held by us and any investment returns on any segregated designated investments will be retained by us for our own use. The **Producer** shall be entitled during the term of this agreement to commission, being a percentage of the premium/fee paid by the client, for cover placed through the **BGP** on business placed by the **Producer**. The value of the commission being determined prior to each individual piece of business being placed. The **Producer** is permitted to take the agreed level of commission on receipt of cleared funds from the client and subject to the balance of the premium being paid to **BGP**.

Financial Sanctions, Anti-Bribery, Anti-Corruption & Anti-Money Laundering – The Producer

You hereby undertake, represent, and warrant to **BGP** as follows:

1. You have not engaged or will engage at any time in any activity, practise or conduct which would constitute an offence under any applicable laws or regulations designed to combat bribery, fraud, or corruption including the Bribery Act 2010 (the "Relevant Bribery Laws").
2. You shall ensure that all persons associated with you who are involved in the performance of this agreement including without limitation. Your Directors, employees, representatives, agents or subsidiaries (the "Your Associates") shall comply with this clause.
3. You shall have at times had in place adequate policies and procedures designed to ensure compliance with the Relevant Bribery Laws by both yourself and Your Associates.
4. Neither you nor any of Your Associates have been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body or any Client regarding any offence or alleged offence under the Relevant Bribery Laws and no such investigation, inquiry or proceedings have been threatened or are pending and there are no circumstances likely to give rise to any such investigation, inquiry or proceedings.
5. Neither You nor any of Your Associates are ineligible by reason of being prohibited for previous breaches of the Relevant Bribery Laws by a government, public body, international association, organization or regulatory body from being awarded any contract or business.
6. No foreign public official is an officer, employee, or shareholder of yours.
7. You must contact us immediately if you are, or have been, or become in breach of any of the above terms "1-6".

8. Claims

It is essential that **BGP** and its designated claims handlers be advised immediately of all incidents which may result in a claim under a policy, whether the insured believes they are liable or not. Any letter or claim received by the insured must be passed to **BGP** and its designated claims handlers immediately.

Financial Sanctions, Anti-Bribery, Anti-Corruption & Anti-Money Laundering – Clients Introduced by the Producer

You hereby confirm that all clients introduced to **BGP** by you will have undergone and successfully passed all the relevant screening and checks as recommended by the FCA and as EC Regulations prescribe prior to submission to **BGP**.

Employers Liability Tracing Office (ELTO)

ELTO is an insurance industry initiative set up to assist the tracing of Employers Liability (EL) insurers by employees who may have suffered injury or disease at work. Since 1st April 2012 it is a legal requirement for employers to submit the Employers Reference Number (ERN) and details of any subsidiary companies, to insurers. The **Producer** will collect and submit to **BGP** the ERN for any cover they request that contains an element of EL cover either incepting or renewing.

Confidentiality

Unless required by law, public interest, or the insured provides consent; all information supplied to **BGP** will be kept confidential to the parties involved in the normal course of arranging and administering the insurance.

Compliance

You shall maintain Professional Indemnity Insurance in accordance with and as specified under Applicable Laws and Regulations and provide to us reasonable evidence of this insurance as and when requested.

1. You must remain authorised by the FCA to carry out insurance mediation in respect of General Insurance Contracts throughout the duration of this Agreement. Where you are an Appointed Representative of another FCA authorised firm you must have the authority of your Principal to enter into this agreement.
2. You will notify us immediately in the event that:
3. Any authority given to You is or is threatened to be withdrawn, suspended, qualified, restricted or impaired;
4. Any claim or potential claim is intimated under the Professional Indemnity Insurance relating to any Policies placed pursuant to this Agreement; or
5. You become the subject of an investigation or audit by the FCA or any other regulatory authority.

Complaints

It is **BGP's** intention to provide a first class service at all times. However, if the **Producer** wishes to register a complaint this should be put in writing to: Complaints Department, Bennett Gould & Partners Ltd, Michaels House, 2nd Floor, 10-12 Alie Street, London, E1 8DE.

Financial security of insurers.

As insurance intermediaries, we review and assess the financial status of the insurers with whom we place business. We do not, in any circumstances guarantee or warrant the solvency of any insurers. The decision as to the suitability of particular insurer rests with you and your client. If you have any concerns about the insurers please let us know as soon as possible. In the event of insurers' insolvency, policy holders may still have liability to pay premium.

Termination of this Agreement

Either party may terminate this Agreement by giving at least 30 days' notice in writing to the Registered Office. In the event that the **Producer** terminates the Agreement other than at the expiry of a relevant policy, **BGP** will be entitled to retain (or to receive if not yet paid), any and all remuneration due in respect of any insurances placed by them. This Agreement shall automatically be terminated in the event of the insolvency of the **Producer**.

Information

The **Producer** shall immediately notify **BGP** if any Owner, Partner, Director, or Controller of the **Producer** is or becomes the subject of any disciplinary proceedings instituted by any professional or regulatory body or becomes the subject of any criminal proceedings in a Court of Law or the subject of any Police investigation. The **Producer** shall immediately notify **BGP** of any change to the **Producer's** professional and/or regulatory status.

Data Protection

The Parties shall comply with all applicable obligations imposed by, or made under requirements of the Data Protection Act 1998 (“DPA”), together with any other applicable regulations, orders or codes of practice.

Without prejudice to the generality of the above, where either Party (the “Disclosing Party”) discloses Personal Data (as defined in the DPA) to the other (the “Recipient”) in connection with the operation of this Agreement, the Disclosing Party will ensure that it obtains all necessary consents so that the Personal Data it provides to the Recipient can be lawfully used or disclosed by the Recipient in the manner and for the purposes anticipated by this Agreement.

Governing Law

This Agreement and any accompanying or associated documentation shall be governed by and construed solely in accordance with English Law.

Signed for on Behalf of the **Producer**

Full Name:

Signature:

Position in Company:

Date:

Signed for on Behalf of **BGP**

Full Name:

Signature:

Position in Company:

Date: