

Broker Terms of Business

Please read this document carefully. It sets out the basis on which we agree to act for you and contains some information about us and our regulatory responsibilities. There is no need for you to sign and return this document; we have retained details of when it was issued to you. Placing business with us will be deemed as evidence of your agreement to these terms and conditions.

Commencement and term

This Broker Terms of Business (the Agreement) shall apply with effect from the date that we provided it to you and shall be deemed to be the basis upon which we conduct business with you. It will continue until terminated in accordance with the Termination section below.

This Agreement specifies the terms under which you will introduce to us insurance business on behalf of your clients which you wish to be placed by us and the terms under which we will handle such insurance business for you.

This Agreement does not bind or obligate us to accept any or all proposals for new business, renewals or mid-term adjustments put to us by you, nor does it bind or obligate you to accept on behalf of your client the terms put to you by us on any proposal.

Definitions

In this Agreement reference to "insurers" shall be construed to be a reference to insurers (or, where applicable, reinsurers), underwriters, service companies or managing agents with whom we place insurance business.

Regulatory status and conduct

Pound Gates is the trading name of Pound Gates & Company Limited which is authorised and regulated by the Financial Conduct Authority (Firm Reference Number 304300).

You warrant that you are authorised and regulated by the Financial Conduct Authority to conduct insurance business.

Both parties to this Agreement undertake to maintain their current regulatory status. Any change in regulatory status of one party shall be informed to the other party in writing within 5 business days.

You will ensure that each transaction with your client is undertaken in accordance with the rules as applicable and enforced by the Financial Conduct Authority or any successor current at the time of the transaction. This is to include Financial Conduct Authority regulations relating to consumer credit from 1st April 2014.

Complaints

It is our intention to provide you with a high level of service at all times but if you should wish to make a complaint about our service we have a formal complaints procedure. In the first instance you should contact Del Sharman, Director, Pound Gates, St Vincent House, 1 Cutler Street, Ipswich IP1 1UQ, Direct Dial: 01473 346046. Email: del.sharman@poundgates.com

Scope

You are entitled to transact general insurance business with us and you do so in the understanding that this Agreement applies to all business transacted between you and us.

Financial security of insurers

We regularly review and assess the financial status of the insurers with whom we place business. To do so we use public information including that produced by credit rating agencies. We do not, in any circumstances, guarantee or warrant the solvency of any insurers. The decision as to the suitability of particular insurers rests with you and your client.

In the event of insurer insolvency your client may still have a liability to pay premium.

Commission

We will allow you commission as quoted at the time, subject to any individual case being negotiated separately at the time of the placement. Your entitlement to commission is conditional on the following points being satisfied:-

- i) that your appointment as a broker of us is still in force;
- ii) that the business has been introduced and completed by you;
- iii) that the premium for the business had been paid to and received by us;
- iv) that you continue to act for the policyholder,

The commission is payable on net premiums i.e. less rebates, discounts or any deduction due to the policyholder.

Should we make a refund of premium (whether under the terms of the policy or for any other reason) you will be debited with the commission upon the amount so refunded. We have the right to retain our portion of any commission earnings.

Authority

Nothing in this Agreement authorises you to confirm to your client the existence of insurance cover placed through us without having received written confirmation of the existence of such cover from us.

You are not empowered to issue cover, confirm cover save as aforementioned or hold yourself out as the insurer's original representative. You must not present yourself as a Lloyd's Broker or the Agent of a Lloyd's Broker unless you are approved by the Council of Lloyd's as such.

Presentation

You will present information to us using the form and the proposal specified by us, or in such other manner as may be agreed in writing between you and us. All proposals are to be sent to us on the same day as received or as quickly as possible, so that they may be dealt with immediately and cover and terms can be confirmed by us.

You will present all material information to us. Should we consider the proposal inadequate, or unsuitable, we reserve the right to decline to act on behalf of you and your client. We will not be bound to incept the insurance on behalf of you, or your client, until a written instruction is received to commence cover on a proposal for which we have issued a quotation within the preceding 30 days.

Maintenance and renewal

You undertake to inform us of any changes during the currency of the insurance which would affect the insurer's attitude to cover, levels of premium or any other material fact.

Renewal is your responsibility and you must liaise with us prior to renewal with a view to providing renewal terms to your client in a timely fashion sufficient to enable you and your client to review and agree the terms prior to renewal. Subject to the above, we will despatch renewal invitation(s) without undue delay where no further information is required by the insurer prior to renewal date and, subject otherwise to you acting in accordance with the terms of this Agreement, where it is normal practice for renewal invitation to be prepared by insurers.

Claims

Any notification of claims received by you must be advised to us immediately in writing unless otherwise specifically agreed by insurers. You should only acknowledge receipt of the claim from your client. Except as may be authorised by the insurer, no negotiation should be entered into by your client or you. You are expected to assist with any enquiries if so required.

Accounting and responsibility for premiums

We will submit a debit note to you. You will pay to us all premiums debited to you on behalf of your clients within 30 days of the date of issue of said debit note by us, or any alternative period as advised to you.

We generally regard ourselves as providing cover within the terms of the confirmation of cover document(s) issued by us to you until expressly notified in writing by you that the relevant policy has not been taken up or renewed. You will be responsible for any time on risk charge if the case does not proceed or the annual policy is not issued.

You are not authorised to endorse cheques made payable to the order of us.

Once we have received confirmation of the inception, renewal or amendment of your client's insurance, you become responsible to us for

the payment of all and any premium which may be or may become due or outstanding at any time relating to the insurance.

We reserve the right to vary the terms stated above by giving 14 days notice of our intention to vary such terms.

Risk transfer

Unless we advise you otherwise all quotations issued by us will be with insurers with whom we hold risk transfer. Accordingly all monies held by us on your and your client's behalf are deemed to be insurer monies, and as such there is no need for you to track monies via us to the ultimate insurer once we have received monies from you.

We do not cascade risk transfer to you. You should therefore not consider monies as being protected under risk transfer until we have received said monies from you.

Client ownership

We acknowledge that ownership of your client remains with you. We will not knowingly contact your client directly under any circumstances unless either:

- i) You have authorised us to do so;
- ii) Or it is necessary to protect the client's best interests in the event that you become insolvent, bankrupt, compound with creditors, appoint a receiver, go into run-off or cease to be authorised by the Financial Conduct Authority to transact business, or any successor current at the time of the transaction.

Non-solicitation

We agree that for the duration of this Agreement and for a period of one year after termination of a policy we will not directly solicit or seek to obtain business from your clients. For clarification this only applies to business that has been on risk with us and not to quotations given by us.

Our obligations in respect of non-solicitation or seeking business shall, for the avoidance of doubt, not apply to those cases where we can show that we have sought or obtained business:

- i) By means of general marketing, such marketing not being directed at a client in particular;
- ii) Following an independent approach by the client or an introduction to the client by another intermediary.

Placing business on behalf of other intermediaries

We do not permit you to place cover on behalf of other intermediaries, thereby creating a chain, unless this has been disclosed to us in advance and we have specifically agreed to this course of action in writing.

Your duty to keep us informed

You shall immediately notify us in writing:-

- i) of any change of address
- ii) if you or any partner or director compounds with creditors, enters into any deed or arrangement with creditors, or becomes bankrupt, or has a receiving order made against you or any partner or director or (in the case of a company) goes into liquidation or (in the case of a partnership) is finally dissolved
- iii) in the event of any changes which are material and have relevance to this Agreement.

Termination

This Agreement will be automatically terminated:-

- i) if you fail to keep us informed of any matters referred to above
- ii) on your death if a sole trader
- iii) on receipt of notice of change of regulatory status by either party
- iv) in the event that your ownership changes

We reserve the right to terminate this Agreement at any time without prior notice and without assigning any reason thereof, by written communication, addressed to your last known address. This Agreement shall thereupon cease with effect from the date and/or time mentioned in such communication whether you shall receive or shall have received the same or not.

We will not be liable to you for any compensation consequential or otherwise, arising as a result of the termination of this Agreement.

You may terminate this Agreement at any time upon 30 days written notice to us stating when thereafter such termination shall be effective.

In the event of termination nothing in this Agreement affects our rights to recover premium from you or your clients, or to use any return premiums received from insurers against any monies which may be owed to us by you or your client. Any sums owed to us by you must be remitted within 15 days of being requested by us.

In the event of this Agreement being terminated, any advertising material, prospectuses and other property of ours is to be returned to us immediately.

You shall, both during the term of this Agreement and thereafter, safeguard and maintain in confidence all trade secrets and other information relating to us and shall not in any manner make use of the same except in the best interests of us.

Data protection

Both you and us will each treat information received from the other relating to this Agreement as confidential and will not disclose it to any other person not entitled to receive it except where as may be necessary to fulfil their respective obligations in the conduct of the insurance business and except as may be required by law or regulatory authority. This clause will not apply to information which was rightfully in the possession of either party prior to this Agreement, which was already public knowledge or becomes so at a future date (other than as a result of a breach of this clause) or which is trivial or obvious.

You must be aware of and comply with all statutory obligations you have regarding data protection including, but not limited to, the requirements of the Data Protection Act (1998) as amended from time to time, and process all data relating to our policies accordingly. Client information relating to our policies is confidential and should be treated as such at all times.

We may make searches with credit references agencies, which will keep a record of that search and may share that information with other businesses. We may also make enquiries about the principal, directors or partners with credit reference agencies.

Variation

Any variation to the terms of this Agreement must be confirmed in writing by us.

Indemnity from You to Us

You hereby agree to fully indemnify us for any loss, whether financial or otherwise, suffered by us due to:-

- i) any breach of this Agreement by you;
- ii) negligence, error or omission of you, your directors, partners or employees

Furthermore you are solely responsible for any advice that you may offer and/or give to your clients and agree to fully indemnify us for any loss suffered as a consequence of that advice.

You undertake to maintain cover against Errors & Omission/Professional Indemnity risks in accordance with the rules as enforced by the Financial Conduct Authority, or any successor.

In the event that an insurance policy for your client is cancelled or avoided due to non-disclosure on the part of your client or you, we reserve the right to charge a reasonable fee to cover the cost of making the insurance arrangements.

Applicable law

This Agreement shall be governed and construed in accordance with the laws of England & Wales.



Del Sharman, Director
For and on behalf of Pound Gates