



Effective Date: _____ 20____

INTERMEDIARY TERMS OF BUSINESS AGREEMENT (the "Agreement")
An agreement made on the above date and governing the conduct of Insurance Business

BETWEEN

R K HARRISON INSURANCE BROKERS LIMITED ("RKH")

of

WOODLANDS, MANTON LANE, BEDFORD MK41 7LW

and

(the "Intermediary")

of

together, the **"Parties"**.

This agreement should be submitted with
proof of Professional Indemnity Insurance
(Minimum Requirement £ 1,000,000)

1. Definitions & Interpretation

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Policyholder”	any party (not being RKH) entering into a contract of insurance which is subject to this Agreement;
“Insurance Business”	any contract of insurance falling within Section 10 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, including facilities and binding authorities relating thereto and reinsurance thereof, which may be transacted between the Intermediary and RKH, other than any outwards (re)insurance business placed by the Intermediary as Intermediary of RKH;
“Group”	any company which is a holding company of the Parties or a subsidiary of any holding company of the Parties where “holding company” and “subsidiary” shall have the same meaning as given by sections 736 and 736A of the Companies Act 1985 (as amended);
“Policy”	a document which is or is to form the basis of either a contract for insurance or contract of insurance;
“Territory”	the United Kingdom.

- 1.2 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.

2. Insurance Business

- 2.1 From the Effective Date, this Agreement contains the terms on which the Intermediary may transact general insurance business through RKH, except for introductions only where a more specific introducer agreement is in place.
- 2.2 For the purposes of this Agreement the Intermediary is acting as the agent of its clients not of RKH and has no authority to act on behalf of RKH, unless otherwise expressly stated.
- 2.3 Nothing in this Agreement overrides the Intermediary’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) that may apply to the Intermediary, RKH, or the placing of any Insurance Business.
- 2.4 RKH shall not be obliged to place any business on behalf of the Intermediary and may decline to act without ascribing any reasons therefore.
- 2.5 The Intermediary shall ensure that RKH is provided in good faith with all information material to the placing of the risks pursuant to this Agreement, and to update RKH immediately upon any change in the circumstances of the Policyholder or the matter insured that may affect the risk insured through the agency of RKH.
- 2.6 The Intermediary shall immediately notify RKH of any claims in accordance with the terms of the relevant policy, together with all information requested by the insurer in relation to the claim.

3. Premiums

- 3.1 The Intermediary is not the agent of RKH for the purpose of the collecting of money, including premiums, refunds and claims.
- 3.2 The Intermediary shall be entitled to any investment income received by the Intermediary in relation to business placed under this Agreement exercisable either in relation to any class of business or any specific insurance policy subject to the regulatory requirements of the Financial Services Authority (or its nearest equivalent in the Intermediary's country of incorporation/residency if the Intermediary is not a United Kingdom entity/resident).
- 3.3 The Intermediary warrants that it shall be authorised to enable RKH to include in each Policy a right of RKH to notify insurers of cancellation if there is a non-payment of the premium within agreed credit terms, and acknowledges that RKH shall include such a right that it shall exercise entirely in its sole discretion. The Intermediary shall indemnify RKH against any loss, liability, cost or expense incurred by RKH as a result of canceling any policy including without limitation any loss or non-payment of brokerage.
- 3.4 The Intermediary shall pay to RKH the premium due under any Insurance Business and account to RKH for such premium.
- 3.5 The Intermediary must pay to RKH, if required, interest in respect of any late payment of any sums due to RKH under this Agreement (before judgement) at the rate of 6% compounded monthly and after judgement at the rate then payable on judgement debts. RKH reserves the alternative right to claim interest under the Late Payment of Commercial Debts (Interests) Act 1988.
- 3.6 Client Money
 - 3.6.1 RKH will hold client money subject to a non-statutory trust established and maintained in accordance with the Client Assets Rules of the Financial Services Authority. This means that RKH are entitled to and may use client money held on behalf of one client to pay another client's premium before the premium is received from that other client, and to pay claims and premium refunds to another client before RKH receive payment from the insurer. However, RKH are not entitled to use client money to pay commissions before RKH receive the relevant premium from the client. The aim of the trust is to protect the client in the event of the failure of the firm, or the failure of the bank or a third party at which the money may be held. In such a circumstance, the firm's general creditors should not be able to make claims on client money as it will not form part of the firm's property. The fact that RKH will hold money on trust gives rise to fiduciary duties that will be owed to the Intermediary until the client money reaches the insurer.
 - 3.6.2 In some instances, for example where a policy is effected under a delegated authority arrangement, RKH will hold insurance monies as agent for the insurers under the terms of a written agency agreement. In such situations insurers assume the risk of RKH failing to transfer insurance monies for example in the event of insolvency. RKH will notify the Intermediary when "risk transfer" applies to a particular transaction.
 - 3.6.3 RKH keeps client money separate from its own money. RKH may do this by paying it into a client bank account. However, RKH may also do this by arranging to hold separately permitted designated investments with a value at least equivalent to the money that would otherwise have been paid into a client bank account. If RKH does this it will be responsible for meeting any shortfall in its client money resource attributable to falls in the market value of a segregated investment.
 - 3.6.4 Client money will be deposited with one or more approved banks, a list of which is available upon request. RKH may on occasion choose to hold client money with a bank that is not an approved bank. In such circumstances the legal and regulatory regime applying to the bank with which the client money is held will be different from that of the UK and, in the event of a failure of the bank, the client money may be treated differently from the treatment which would apply if the client money were held by an approved bank in the UK.

Where client money is held in a bank that is not an approved bank, such money will be held in a designated bank account. This means that it is not pooled with money held in any other account.

RKH will not hold client money in a bank that is not an approved bank for any longer than is necessary to effect the transaction. Where RKH propose to hold client money with a bank that is not an approved bank RKH will request the Intermediary's consent in writing to the use of the particular bank.

3.6.5 RKH may hold client money in a client bank account outside the UK. In such circumstances the legal and regulatory regime applying to the bank will be different from that of the UK and, in the event of a failure of the bank, money may be treated in a different manner from that which would apply if a bank in the UK held the client money. The Intermediary may notify RKH if it does not wish its money to be held in a particular jurisdiction.

3.7 Payment to Third Parties

3.7.1 RKH may transfer client money to another person, such as another broker or settlement agent, for the purpose of effecting a transaction on the Intermediary's behalf through that person. This may include brokers and settlement agents outside the UK. The legal and regulatory regime applying to a broker or settlement agent outside the UK may be different from that of the UK and, in the event of a failure of the broker or settlement agent, this money may be treated in a different manner from that which would apply if the money were held by a broker or settlement agent in the UK. The Intermediary may notify RKH if it does not wish its money to be passed to a person in a particular jurisdiction.

3.8 Interest on Client Money

3.8.1 Any interest earned on client money held by RKH and any investment returns on any segregated designated investments will be retained by RKH for its own use, rather than paid to the Intermediary.

4. Taxes

4.1 Except where required by law or regulatory authority or by the terms of this Agreement, the Parties agree that the Intermediary will not be expected to act as guarantor to RKH with regard to the payment of any taxes relating to any Insurance Business. Where at the date of this Agreement it is market practice that the Intermediary administratively arranges payment of taxes, that practice shall continue.

5. Compliance

- 5.1 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 Insurance Business that the Intermediary produces to or places via RKH.
- 5.2 The Parties shall each be responsible for their own compliance with all applicable data protection, personal privacy and consumer credit legislation in the conduct of any Insurance Business and shall take all reasonable steps to ensure such compliance.
- 5.3 The Intermediary shall immediately advise RKH in writing of any changes in its regulatory status, location or domicile.
- 5.4 For the avoidance of doubt, nothing herein constitutes an agreement by RKH to effect or carry out contracts of insurance as principal.
- 5.5 The Intermediary shall not advertise or carry out any financial promotion on RKH's behalf without prior written consent from RKH.

- 5.6 Each party will notify the other immediately on receiving a complaint from a customer in relation to the other party's regulated activities.
- 5.7 The Intermediary warrants that it is not, directly or indirectly, carrying out insurance mediation activities under this Agreement as a consequence of the activities of another person which is not authorised or exempt under the Financial Services and Markets Act 2000.
- 5.8 The Intermediary shall not enter into any sub agency agreement with or permit anyone to introduce or otherwise undertake any insurance mediation activity in relation to the Insurance Business except as may be authorised in advance by RKH in writing.

6. Access to Records & Data

- 6.1 The Intermediary agrees to allow RKH, on reasonable notice, to inspect and to take copies of the following:
 - 6.1.1 the accounting or other records pertinent to or arising out of any Insurance Business including (without limitation) information relating to the receipt and payment of premiums and claims and documentation such as any insurance contract or Policy endorsements, addenda or bordereaux in the possession of the Intermediary relating to the Insurance Business; and
 - 6.1.2 documents as may be in the possession of the Intermediary which were disclosed to RKH by the Intermediary in respect of any Insurance Business including, but not limited to, documentation relating to the proposal for the Insurance Business, the placing thereof (including endorsements and reinstatements) and any claims thereunder.
- 6.2 The Intermediary shall retain all records (whether in electronic form or hard copy) and documents relating to the insurance business for a minimum of three years or for such period a claim remains a possibility whichever is the greater.

7. Confidentiality

- 7.1 Each of the Parties will treat information received from the other relating to this Agreement and to the Insurance 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 (and no more) in the conduct of the Insurance Business and except as may be required by law or regulatory authority. 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.

8. Premium Finance Contracts

- 8.1 For the avoidance of doubt, if the Intermediary enters into a premium finance arrangement in respect of premiums for Insurance Business subject to the terms of this Agreement, the arrangements shall neither be in RKH's name nor for RKH's account.

9. Credit Terms

- 9.1 On the formation of a contract of insurance made pursuant to this Agreement, the Intermediary shall remit the appropriate sums to RKH so that RKH has received the cleared funds within 30 days of inception of the contract of insurance, regardless of whether the Intermediary has a proposal form or the premium from the Policyholder.

10. Commission

- 10.1 RKH will pay the Intermediary commission based on the final premium incepted in relation to a contract of insurance, provided that this Agreement remains in force. The percentage payable will be confirmed at the time of quotation. If the Policyholder wishes to pay the Intermediary, the commission of the Intermediary will be deducted from the amount paid by the Policyholder, and the balance thereof then paid by the Intermediary to RKH. Where payment is made direct to RKH or the insurer, RKH will forward a cheque for the commission of the Intermediary within 21 days of insurers crediting the account of RKH with the commission due.
- 10.2 The commission on premiums received by the Intermediary shall become due and payable upon payment of the full net balance of premium to RKH unless otherwise agreed by RKH in writing.

11. Variation

- 11.1 RKH may vary the terms and conditions of this Agreement by sending the Intermediary written notice. Such changes will be effective 30 days from the date of sending such notice.

12. Enforceability Clause

- 12.1 If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement which will remain in full force and effect.

13. Indemnity

- 13.1 The Intermediary shall indemnify RKH in respect of all liability that RKH may incur as a result of any act, error or omission of the Intermediary, whether negligent or otherwise.

14. Professional Indemnity

- 14.1 The Intermediary warrants to RKH that it has in place, and shall for the duration of this Agreement maintain, professional indemnity insurance with a sufficient and appropriate level of cover and security for the type of Insurance Business being conducted by the Intermediary.

15. Money Laundering

- 15.1 The Intermediary undertakes to comply with and to conduct all necessary money laundering and “know your client” checks required by applicable legislation and regulation.

16. Client Relationship

- 16.1 RKH recognise that the policyholder remains the client of the Intermediary.
- 16.2 The Intermediary recognises that RKH may on occasion have to contact policyholders directly to fulfil its regulatory or contractual responsibilities in respect of policy administration, cancellation, claims or policy renewals.
- 16.3 RKH will not directly and knowingly solicit clients of the Intermediary away from the Intermediary during the currency of this Agreement and for a period of five years following termination of same, except in special circumstances detailed in 16.4 hereunder.
- 16.4 The Intermediary acknowledges that RKH may make direct contact with the clients of the Intermediary if RKH deems it necessary in the interest of those clients or for the orderly administration of Insurance Business transacted pursuant to this Agreement and if any of the events referred to in Clauses 17.1 to 17.2.3 or 17.2.6 to 17.2.7 occur which entitle RKH to terminate. The Intermediary will not be entitled to any payment of goodwill following such contact nor will RKH be under any duty to account to the Intermediary in respect of any arrangements that they may make with such clients.

17. Termination

- 17.1 This Agreement shall be terminated by either party on written notice to the other party with immediate effect if:
- 17.1.1 it has reasonable cause to suspect that the other party, or the other party's employees, agents or independent contractors are guilty of fraud or dishonesty or wilful misconduct in respect of matters to which this Agreement relates;
 - 17.1.2 the other party is acting in a matter which is causing or is likely to cause prejudice to clients pursuant to this Agreement;
 - 17.1.3 the other party is in material or persistent breach of the Agreement and either such breach is incapable of remedy or, if capable of remedy, the other party has failed to remedy such breach within 30 days of receiving written notice requiring such breach to be remedied from the party that is not in breach;
 - 17.1.4 in relation to the other party any resolution is passed or order made for the winding up of that party (other than for the purpose of reconstruction or amalgamation made with the prior written consent of the party otherwise entitled to terminate this Agreement) a receiver, administrator or administrative receiver is appointed over the party's assets; or
 - 17.1.5 the other party suspends payments or is unable to pay its debts in accordance with the Insolvency Act 1986 Section 123.
- 17.2 RKH may terminate this Agreement by written notice with immediate effect if:
- 17.2.1 the Intermediary changes its country of residence or country of domicile;
 - 17.2.2 the Intermediary fails to pay or account for any sum due to RKH under this Agreement within the time permitted for such payment;
 - 17.2.3 the Intermediary being an individual dies;

- 17.2.4 the business of the Intermediary is acquired, amalgamated, controlled or administered by any other person, partnership, company, corporation or authority;
 - 17.2.5 RKH in its absolute discretion decides that it is unable to continue this Agreement as a result of the appointment of a director or partner of the Intermediary;
 - 17.2.6 being an individual any arrangement or composition is made with the Intermediary's creditors or a petition for bankruptcy or an administrative order is filed, or the Intermediary is adjudged bankrupt or if, being a partnership the Intermediary dissolves;
 - 17.2.7 the Intermediary ceases or threatens to cease to carry on business or is otherwise unable to for whatever reason; or
 - 17.2.8 the Intermediary fails to comply with Clause 14 or fails to immediately provide evidence of professional indemnity when requested by RKH.
- 17.3 This Agreement may be terminated by mutual agreement at any time by either party giving one month's written notice to the other.
- 17.4 Termination of this Agreement shall be without prejudice to any accrued rights in respect of any breach of this Agreement occurring prior to termination.
- 17.5 On termination of the Agreement:
- 17.5.1 no further Insurance Business will be placed or transacted under the terms of this Agreement and no further renewals will be issued;
 - 17.5.2 the Intermediary shall not issue any renewal invitations on behalf of RKH and shall return all documentation and other property of RKH and the insurers or the insurance business immediately to RKH;
 - 17.5.3 all monies outstanding to RKH shall become immediately due and payable;
 - 17.5.4 RKH may collect any outstanding premiums due from the policyholder in relation to policies issued prior to termination directly;
 - 17.5.5 the Intermediary shall have no right to any commission in relation to any Insurance Business underwritten by the Insurers which incepted on or after the date of termination; and
 - 17.5.6 the Agreement shall continue in respect of all Insurance Business written prior to the date of termination, except for renewals following the date of termination, and all sums due shall be paid in accordance with the terms of Agreement.
- 17.6 Following termination:
- 17.6.1 RKH and the Intermediary will (both acting reasonably) agree the procedure for administering Insurance Business current at the time of termination;
 - 17.6.2 should the Intermediary become subject to insolvency or bankruptcy proceedings (as applicable), the Intermediary will make all reasonable efforts to provide RKH with contact details for any Policyholder or other party with which RKH has contracted in the conduct of Insurance Business and for whom the Intermediary has acted as Intermediary;
 - 17.6.3 RKH and the Intermediary 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;
 - 17.6.4 there will be no restrictive covenants as between the Parties with respect to competition and each Party shall be permitted to compete freely with the other in the provision of its services; and
 - 17.6.5 the Parties shall maintain their professional indemnity cover for the purposes of the run-off at the then existing terms and conditions (as far as possible).

18. Rights of Third Parties

- 18.1 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 that exists or is available apart from that Act.

19. Dispute resolution

- 19.1 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:
- 19.1.1 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;
 - 19.1.2 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
 - 19.1.3 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 the Jurisdiction and Choice of Law Clause below.
- 19.2 Notwithstanding the above, either Party may seek the immediate protection or assistance of the High Court of England and Wales if appropriate.

20. Jurisdiction & Choice of Law

- 20.1 This Agreement shall be construed according to English law and any disputes arising under it shall, subject to the provisions of Clause 19 above, be determined in the English Courts.

21. General

- 21.1 This Agreement is personal to the parties and the benefits and obligations may not be assigned or delegated in whole or in part without RKH's written consent.
- 21.2 Waiver or breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement. The rights and remedies provided by this Agreement are cumulative and (subject as otherwise provided in this Agreement) are not exclusive of any rights or remedies provided by law.
- 21.3 In this Agreement "Force Majeure" shall be any cause preventing either party from performing any or all of its obligations that arise from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the party so prevented. If either party is prevented or delayed in the performance of any of its obligations under this Agreement by Force Majeure, that party shall forthwith serve notice in writing on the other party specifying the nature and extent of the circumstances giving rise to Force Majeure, and shall, subject to the service of such notice, have no liability in respect of the performance of such its obligations as are prevented by the Force Majeure events, for the continuance of such events, and for such time

after they cease as is necessary for that party, using all reasonable endeavours to recommence its affected operations in order to perform its obligations. If either party is prevented from the performance of its obligations for a continuous period in excess of one month, the other party may terminate this Agreement forthwith on the service of written notice upon the party so prevented, in which case neither party shall have any liability except the rights and liabilities which have accrued prior to such termination shall continue to subsist.

22. Data Protection Act

- 22.1 The R K Harrison Group of companies ("R K Harrison") takes its obligations under the Data Protection Act seriously and has adopted measures to ensure compliance with each of the 8 principles, including the fair processing and security of personal information. We may hold and use personal information, including sensitive information, (which may include matters such as medical details and criminal convictions) about our clients, potential clients and other individuals in order to provide you with a personalised service in the form of insurance renewal information or quotes, insurance advice, risk management advice, claims handling and related matters.
- 22.2 We may use personal information to process any transactions you undertake with us and for internal administration and analysis. We will disclose personal information to third parties outside R K Harrison only where permitted or required by law, where required for the prevention of fraud, where you have given your consent in advance or when it is necessary, such as for the purposes of obtaining professional advice, providing the above services to you and for associated administration.
- 22.3 We may use your personal information to contact you from time to time by post, phone, fax or email with details about other related products or services offered by R K Harrison which we think will be of interest to you, whether in a personal or a business sense. We will not sell, rent or trade your personal information to third parties outside R K Harrison for marketing purposes. If you would prefer not to be contacted about other products or services offered by R K Harrison then please write to the Data Protection Officer at R K Harrison, Woodlands, Manton Lane, Bedford MK41 7LW.
- 22.4 R K Harrison's purposes for holding personal information, and a general description of the categories of people and organisations to whom we may disclose it, are listed in the Data Protection Register. You may inspect this or obtain a copy from the Information Commissioner's Office at mail@ico.gsi.gov.uk or www.informationcommissioner.gov.uk or Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.
- 22.5 Under the terms of the Data Protection Act 1998 individuals may request a copy of the personal details which R K Harrison holds about them. In accordance with the Act an administration fee of £10 will be charged for providing this information.
- 22.6 Calls to R K Harrison may be monitored and recorded for quality assurance purposes.

About You

Full Trading Title	<input type="text"/>
Company Reg No (if applicable)	<input type="text"/>
Usual Trading Address	<input type="text"/>
Postcode	<input type="text"/>
Telephone Number	<input type="text"/>
Fax Number	<input type="text"/>
Email	<input type="text"/>
Website	<input type="text"/>
FSA Firm Reference No	<input type="text"/>

Errors & Omissions Cover

What is your limit of professional indemnity?	<input type="text"/>
Is the limit of indemnity Aggregate/Any one claim Deductible	<input type="text"/>
Insurer	<input type="text"/>
Renewal Date	<input type="text"/>
Claims experience in the last 5 years:	<input type="text"/>

Declarations

- A) The above statements are true to the best of the knowledge and belief of the undersigned.
- B) The firm holds all necessary authorisations in all appropriate jurisdictions to enable it to submit insurance business to R K Harrison Insurance Brokers Limited.
- C) **Evidence of the firm's Professional Indemnity coverage is attached to this form.**
- D) The firm will advise R K Harrison Insurance Brokers Limited in writing of any subsequent material change to the above information, **including but not limited to, a decrease in the limit of Professional Indemnity coverage or an increase in the applicable deductible.**

Signed _____

Print Name _____

Capacity Director or Authorised Signatory/Partner/Principal
(delete as applicable)

Dated _____

**Signed on behalf
of R K Harrison
Insurance
Brokers Limited** _____
(authorised signature)

Print Name _____

Dated _____