Touchstone Underwriting

Terms of Business Agreement
Brokers

This Terms of Business Agreement is made on..... ("Commencement Date")

Between Touchstone Underwriting Limited of Iveco House, The Junction, Station Road, Watford, WD17 1ET
of the one part (hereinafter referred to as "TUL")

And ..... (Hereinafter referred to as the "Broker")

Of .....

This Terms of Business Agreement replaces any other terms of business with TUL with effect from the commencement date.

This Agreement reflects the terms of business under which all general insurance business placed is transacted between TUL and the Broker, on behalf of its clients, from the Commencement date.

1. GENERAL TERM

1.1 The Broker and TUL will mutually conduct their regulated activities in accordance with the rules and requirements of the relevant regulator.

1.2 For the purpose of the Agreement the Broker is, at all times, acting as the agent of its clients and not TUL. The Broker has no authority to act on behalf of TUL, unless otherwise expressly stated. For the avoidance of doubt the Broker is solely responsible for the advice which it gives to its clients. The Broker shall be acting as the agent of its clients, not TUL in relation to the preparation of all proposal forms, statements of fact, e-trading submissions, cover notes and other documentation relating to any insurance underwritten or placed by TUL. The Broker must make the client aware of their requirement to disclose all material facts.

1.3 TUL undertakes not directly or knowingly to solicit the clients of the Broker away from the Broker during the currency of the Agreement or for two years following the termination of this Agreement but TUL may contact orphaned clients in the event that the Broker is no longer able to service them because of their permissions being revoked, subject to clause 8.5 below.

1.4 The Broker shall not appoint any sub-agent to deal with the insurance business of TUL, unless expressly agreed in writing and strictly subject to any terms imposed by TUL.

1.5 The Broker and TUL may, by mutual written consent, agree to vary the terms and conditions of this Agreement at any time.

1.6 The Broker shall immediately advise TUL in writing of any significant changes in the regulatory status, structure, location or domicile of the Broker.

1.7 Each party will fully and effectively indemnify the other party against any costs, loss, liability or any expense whatsoever which may be suffered by the other party directly or indirectly as a result of any service performed or action taken or omitted to be taken by the first party, save to the extent that the same is due to the other party's negligence, wilful default or fraud.

1.8 The Broker expressly agrees that nothing in this Agreement obligates TUL to accept any proposal for insurance or renewal of any existing policy or to maintain cover of any existing policy in line with policy terms and conditions. Cover is not effective until the Broker is in receipt of written confirmation from TUL.

1.9 Nothing in this Agreement shall grant the Broker authority to accept, amend or vary Insurance Business, settle, negotiate or compromise claims, alter any document or policy, make any non-exempt financial promotion on TUL's behalf, and/or commit TUL in any way.

1.10 The Broker will not use or display any advertisement or banner or any other promotional material which refers to TUL or our business without our prior written consent.

2. DOCUMENTATION, PROPOSALS AND RENEWALS

2.1 The Broker must take all reasonable steps to ensure that all proposal forms and statement of facts are properly and accurately prepared and must dispatch such documentation promptly to the client and/or TUL as appropriate. TUL reserves the right to refuse any business introduced, including business offered through any electronic process for any failure to comply with the obligation of this clause.

2.2 The Broker must provide promptly to TUL any material information provided by the client in respect of any insurance underwritten or proposed to be underwritten by TUL on behalf of insurers and assist in the performance of Employers Liability Tracing Office reporting.

Unless otherwise agreed, TUL shall issue renewal documentation to the Broker for those insurance policies for which TUL is prepared to offer renewal. The Broker shall send the appropriate renewal documentation to the client concerned promptly and advise the client of any changes to the terms applicable to that client. If the client does not renew the Broker must return or destroy any renewal documentation issued by TUL. Where under regulation a mandatory timetable exists for the issue of renewal documentation by either TUL or the Broker that

timetable must be adhered to. If TUL is not prepared to offer renewal for a policy the Broker will be notified accordingly.

2.3 The Broker must give to its client promptly, after being provided with the documentation by TUL or others on TUL's behalf, and in accordance with the applicable legislation all certificates and other documents which those clients are required to obtain under the terms of the legislation in relation to general insurance business placed by TUL on behalf of insurers. The Broker must read and check the documents carefully and ensure they are suitable for their client's needs and warranties expressed terms and conditions can be complied with.

2.4 Where a client terminates an insurance policy prior to normal expiry, the Broker shall use reasonable endeavours to return to TUL all relevant documentation no later than 7 days after notice of termination has been given. In the case of motor insurance, the policy can only be terminated when the client has surrendered the current Certificate of Motor Insurance. The Certificate of Motor Insurance must be returned to TUL immediately. Refunds will depend upon the specific terms of the contract in force.

3. COMMISSION

3.1 TUL shall pay commission to the Broker in accordance with the Schedule agreed subject to any individual case being negotiated separately at the time of placement as stated on the quotation.

3.2 TUL may alter the provisions of the Commission Schedule by giving one month's notice in writing to the Broker.

3.3 Commission shall only be payable if:

3.3.1. The Broker can (if requested) produce written evidence that the policyholder recognises the Broker as his agent, and

3.3.2. The Broker is in receipt of cleared funds from the client.

3.4 In the event of a mid term adjustment or of a policy being cancelled for any reason, the Broker must repay to TUL any commission received in respect of any part of the premium repaid by TUL to the client concerned.

4. ACCOUNTING

4.1 A Debit Note will be issued to the Broker once premiums have been agreed. In the event of protracted negotiations TUL may issue a debit note for a deposit premium. The Broker will pay all premiums in accordance with the credit terms stated on the Debit Note and agreed by the parties provided if different.

4.2 In the event of the Broker allowing his client to pay the premium under an instalment arrangement with a premium finance company, or in any other way granting extended terms to the client, the premium payment conditions of this agreement continue to apply.

4.3 TUL is in certain circumstances permitted by the insurer to allow the broker to hold premiums and return premiums as agent of TUL, itself as agent of the insurer. Where this is the case, this will be agreed in writing.

5. RESPONSIBILITY FOR PREMIUMS

5.1 The Broker shall hold monies received from their client on behalf of TUL in a statutory or non-statutory trust account in accordance with, as a minimum standard, the requirements of the FCA Rules.

5.2 Unless otherwise stated TUL will act as agent of the insurer for the holding of all premiums and claims money. Risk Transfer will not be cascaded to the Broker unless specifically stated.

5.3 The client shall be liable to TUL for the payment of all sums which may be due or may become due at any time arising from the insurance placed on their behalf under this Agreement. In the event of failure, by the Broker, of payment to TUL within the agreed terms of credit, TUL will be entitled to approach the client directly for payment of the outstanding premiums and apply the provisions of any premium payment warranty.

5.4 The Broker is entitled to retain any interest earned on premiums or return premiums unless it is in default of the credit terms.

6. COMPLIANCE

6.1 The Broker's and TUL's obligations to comply with the Financial Services and Markets Act 2000 and all regulatory requirements applicable including, but not limited to:

6.1.1 Treating clients fairly

6.1.2. Having appropriate systems in place which reflect the nature, scale and complexity of its business.

6.1.3. Conducting its business with due skill, care and diligence.

6.2 The Broker shall immediately notify TUL on receiving a complaint, arising from business under this agreement, from a client and will promptly provide copies of all relevant information and documentation to TUL.

6.3 The Broker and TUL shall be responsible for the technical training and competence of their respective staff and ensuring that they adhere to the requirements of the FCA regulation.

6.4 The Broker and TUL undertake to comply with the provisions of the Data Protection Act 2018 and all other data protection legislation from time to time in respect of personal information.

6.5 The Broker must at all times maintain appropriate licences under the Consumer Credit Act where relevant.

6.6 Both parties shall comply with all applicable laws, codes of practice, statutory requirements, and any applicable guidance by regulators of industry bodies.

6.7 The Broker shall not bind TUL to cover with any organisation or individual who appears on the UN or HM Sanctions list and the Broker shall at all times be responsible for checking such list and shall indemnify TUL in respect of any loss, damage, fine or other penalty arising out of The Broker's failure to comply with this clause.

6.8 Each party agrees to comply with its respective obligations under the Bribery Act 2010 and any replacement or amending legislation.

6.9 Each party agrees to maintain current, adequate and effective policies and procedures intended to prevent or mitigate acts of bribery, and intended to assist in the identification of any such acts that occur.

6.10 The Broker undertakes to :

6.10.1 Provide TUL with a copy of your current policies and procedures relevant to the Bribery Act 2010, if requested

6.10.2 Ensure that all Third Parties (including sub-brokers and/or appointed representatives) used by the broker which are associated with the broker in any way in the conduct of business arising under this agreement also have in place current, adequate and effective policies and procedures relevant to the Bribery Act 2010

6.10.3 Notify TUL promptly of any breaches of the Bribery Act 2010.

6.11 The broker shall not engage in any activity, practice or conduct that would constitute a UK tax evasion facilitation offence under section 45 (1) of the Criminal Finances Act 2017 or a foreign tax evasion facilitation offence under section 46 (1) of the Criminal Finances Act 2017 or will not knowingly assist any entity or individual who is liable to UK or foreign tax to evade unlawfully their tax liability or seeking to influence TUL in any such acts. The Broker shall promptly report to TUL any request or demand from a third party to facilitate the evasion of tax within the meaning of Part 3 of the Criminal Finances Act 2017 and provide TUL with reasonable assistance for the purpose of compliance with the Criminal Finances Act 2017.

7. CLAIMS

7.1 The Broker must advise TUL/our Insurers immediately upon receipt of notice of a claim. The Broker has no authority to act on behalf of TUL in respect of claims, and in particular, is not authorised to commit TUL in any way or to arrange a claim settlement.

8. TERMINATION

8.1 Either party may terminate this Agreement by giving the other party not less than 30 days written notice.

8.2 In the event of such termination the Broker may either:

8.2.1 Commencing not more than 30 days after notice of termination take 12 months to place existing business elsewhere, as policies fall due for renewal. In such case the parties shall co-operate during this period to achieve such objective and TUL shall provide if appropriate the information reasonably necessary to the Broker to place the business elsewhere:
or

8.2.2 With the consent of TUL, transfer the Brokers business to another intermediary with whom TUL has a current Agreement, or is prepared to enter into a new Agreement.

8.3 Either party may terminate this Agreement on written notice to the other party with immediate effect if:

8.3.1 Either party has reasonable grounds for suspecting the other party, or its employees, agents, independent contractors are guilty of fraud, dishonesty, or bad administration.

8.3.2 Either party has materially breached any of the provisions of the Agreement and has failed to remedy such breach within 15 days of receiving written notice requiring such breach to be remedied from the party not in breach

8.3.3 Either party becomes the subject of voluntary or involuntary rehabilitation or liquidation proceedings or becomes the subject of an action in bankruptcy or makes or proposes any composition with its creditors or otherwise acknowledge its insolvency

8.3.4 Either party suspends payments or is unable to pay its debts in accordance with the insolvency Act 1986.

8.4 TUL may terminate or suspend this Agreement by written notice with immediate effect if:

8.4.1 The Broker takes up residence or becomes domiciled outside the UK.

8.4.2 The Broker fails to pay or account for any sum due to TUL under this Agreement within the time permitted for such payments.

8.4.3 The Broker being a sole trader dies.

8.4.4 The business of the Broker is acquired, amalgamated controlled or administered by any other person partnership, company, corporation, or authority.

8.4.5 TUL in its absolute discretion decides it is unable to continue this Agreement as a result of the appointment of a director or partner of the Broker.

8.4.6 The Broker's permission under Part 4A of Financial Services and Markets Act 2000 is terminated or has been varied and such variation is likely to cause prejudice to Customers or if the FCA exercises any of the powers which it has under Financial Services and Markets Act 2000 in relation to the Broker (including in particular any powers available to the FCA under Part 2 of Financial Services and Markets Act 2000).

8.4.7 Being an individual any arrangement or composition is made with the Broker's creditors or a petition for bankruptcy or an administrative order is filed, or the Broker is adjudged bankrupt or if being a partnership, the partnership dissolves: or

8.4.8 The Broker ceases or threatens to cease to carry on business.

8.5 On termination or suspension of the Agreement:

8.5.1 TUL shall not accept proposals for new business from the Broker and the Broker shall not issue renewal invitations.

8.5.2 All rights to commission cease from the date of termination in respect of any subsequent business handled by TUL.

8.5.3 All books, papers, records and other property of TUL must be returned immediately to TUL.

8.5.4 The Broker must immediately provide TUL with full details of all transactions being carried out by the Broker in the course of the Agreement at the date of termination.

8.5.5 All monies outstanding to either party held by the other become immediately due and payable.

8.5.6 Where at the date of termination premiums are due from policyholders for cover issued before termination, TUL may collect the premium direct.

8.5.7 TUL shall, at the request of the Broker, provide reasonable access to its records relating to those clients of the Broker for the purposes of placing insurance business relating to those clients with other insurers. TUL may advise any specific procedures required for administering current business at the time of termination; and

8.5.8 The Agreement shall continue in effect in respect of all insurance business written prior to the date of termination (other than for the renewal of such business following the dates of termination) and all such sums due from either party to the other shall be paid in accordance with the terms of this Agreement.

9. CONFIDENTIALITY

9.1 Each party shall at all times during the continuance of this Agreement and after its termination keep all Information Confidential that it may acquire in relation to the business or affairs of the other party.

9.2 The obligations set out above shall not apply to any information which:

9.2.1 Is publicly available or becomes publicly available through no act or omission of that party; or

9.2.2. A party is required to disclose by order of a court of competent jurisdiction or regulatory authority; or

9.2.3 Was lawfully in the possession of either party or the disclosure of which was not in breach of any obligation of confidentiality or other duty or restriction.

10. GENERAL

10.1 This Agreement shall be governed by and interpreted in accordance with the laws of England and both parties hereto agree to submit to the exclusive jurisdiction of the Courts of England and Wales.

10.2 Any waiver by either party of a breach of any provisions of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.

10.3 This Agreement is personal to the parties and the benefits and obligations may not be assigned or delegated in whole or in part without both parties written consent.

10.4 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.

10.5 Any variations to the terms of this Agreement must be confirmed in writing and signed by both parties.

10.6 Both Parties shall maintain procedures to ensure that they have in place arrangement for the identification and management of any conflict of interest that may arise in relation to any Insurance Business.

11. FORCE MAJEURE

11.1 Either Party shall not be liable for any delay or non performance of its obligation 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 party and used all reasonable endeavours to continue to perform its obligations under the Agreement.

12. INTELLECTUAL PROPERTY RIGHTS

12.1 Both parties will retain ownership of all their respective rights, in the products, data, databases, computer programmes, documents, materials, ideas or other information or any compilation thereof used in the performance of their obligations hereunder. The Parties agree to do whatever is reasonably necessary to confirm or give effect to such ownership.

Broker Information and Profile

Basic firm information

Broker name

Broker address

Office telephone

Website

Company registration No.

Details of person responsible for Accounts

Full Name

Position

Email

Direct Dial

Mobile

Network / Broker Groups

Please tell us any networks or broker groups that you are part of

Sub Broking

Do you offer Sub-Broking Activities ☐ Yes ☐ No

If 'Yes', please provide full details

Lloyds Broker

Which Lloyds Broker do you use, please provide details

Specialism's / Schemes / DUA's (Current)

Please provide full details

Schemes / DUA's (Potential)

Please provide full details

Key contacts including managers, handlers and executives

Person #1

Full Name
Position
Email
Direct Dial
Mobile

Require access to the online Broker Portal?
☐ Yes ☐ No

Person #2

Full Name
Position
Email
Direct Dial
Mobile

Require access to the online Broker Portal?
☐ Yes ☐ No

Person #3

Full Name:
Position:
Email:
Direct Dial:
Mobile:

Require access to the online Broker Portal?
☐ Yes ☐ No

Person #4

Full Name
Position
Email
Direct Dial
Mobile

Require access to the online Broker Portal?
☐ Yes ☐ No

Person #5

Full Name
Position
Email
Direct Dial
Mobile

Require access to the online Broker Portal?
☐ Yes ☐ No

Person #6

Full Name
Position
Email
Direct Dial
Mobile

Require access to the online Broker Portal?
☐ Yes ☐ No

If there are more key contacts to add, please continue on a separate piece of paper or attach your employee contact sheet

Professional Indemnity

Name of current Insurer

Policy number

Expiry date

Professional Indemnity Limit

*Please note, TUL will require to see evidence of your Professional Indemnity cover before your agency is granted. This will be requested from our agency team if it is not supplied with this application.

Our brokers must continue to meet all relevant regulatory obligations, and specifically, that:

- a distribution assessment has been completed for all products in line with PROD 4.3.10 including any impact remuneration has on fair value.
- remuneration you receive does not conflict with your duty to comply with the customer's best interest rule.
- remuneration is consistent with general regulatory obligations (including SYSC 19F.2) and fair value requirements (PROD 4.3.6A).
- remuneration is disclosed in accordance with ICOBs 4.3.
- remuneration received bears a reasonable relationship to the Services provided to the customer; and
- you operate an appropriate conflicts of interest control framework (SYSC 10.1).

Brokers must sell our product(s) in accordance with Touchstone Underwriting Target Market Statement(s), details of which can be found below on our website.

Declaration

Signed on behalf of broker **Date**

Name

Position **FCA Number of Firm**

Signed on behalf of Touchstone Underwriting **Date**

Name

Position **FCA Number of Firm**
474614