



PRECISION UNDERWRITING (UK) LIMITED
TERMS OF BUSINESS AGREEMENT

Precision Underwriting (UK) Limited

The Hamlet
Hornbeam Park
Harrogate
HG2 8RE

T: +44 (0) 1423 876030
E: info@precisionunderwriting.co.uk
W: www.precisionunderwriting.co.uk

Contents

1.	Definitions and Interpretation.....	3
2.	Scope	5
3.	Regulatory Status.....	5
4.	Authority.....	6
5.	Remuneration	6
6.	Premiums and Claims	7
7.	Taxes	8
8.	Compliance	8
9.	Sanctions.....	9
10.	Data Protection.....	9
11.	Termination	10
12.	Access to Records	11
13.	Confidentiality	11
14.	Complaints.....	12
15.	Protection of Reputation	12
16.	Conflicts of Interest	12
17.	Disclosure.....	12
18.	Variation and Assignment.....	12
19.	Rights of Third Parties.....	12
20.	Dispute Resolution.....	12
21.	Jurisdiction and Choice of Law	13
22.	Enforceability Clause	13
23.	General Interpretation of this Agreement	13
24.	Service of Notices	13
25.	Force Majeure.....	13

Terms of Business Agreement (Non Risk Transfer)

An Agreement dated ___ / ___ / _____ governing the conduct of Insurance Business between:

Precision Underwriting (UK) Limited being incorporated in England and Wales, Company number 07889205 and whose registered office is Epsilon House, West Road, Ipswich IP3 9FJ. FCA FRN 571927 trading from The Hamlet, Hornbeam Park, Harrogate HG2 8RE (**Managing General Agent**), and

_____ being incorporated in England and Wales, Company number _____ and whose registered address is _____

_____ (**Broker**)

(collectively the “Parties” and each of them a “Party”)

1. Definitions and Interpretation

- | | | |
|------|----------------------------|---|
| 1.1 | Agreement: | Refers to this Agreement , the Terms of Business Agreement (Non Risk Transfer) |
| 1.2 | CASS: | The UK Regulator’s Client Assets Sourcebook |
| 1.3 | Commission: | Commission receivable by the Broker which shall be at the rates and times (if any) set out in a relevant Slip in respect of that Insurance Business |
| 1.4 | 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 2006 |
| 1.5 | ICOBS: | The UK Regulator’s Insurance Conduct of Business Sourcebook |
| 1.6 | Insured: | Any Party (not being the Managing General Agent) entering into a contract of insurance which is subject to this Agreement |
| 1.7 | Insurance Business: | 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 Managing General Agent where the Broker is the coverholder or the placing broker.

For the avoidance of doubt Insurance Business does not include any outwards reinsurance business placed by the Broker as agent of the Managing General Agent. |
| 1.8 | Records: | Anything on which any information of any description is recorded |
| 1.9 | Slip | Any document held in whatsoever form which is or is to form intended to form the basis of either a contract for insurance or contract of insurance. A Slip may incorporate details of administrative arrangements pertinent to the processing of the contract for or of insurance |
| 1.10 | Taxes: | All Insurance Premium Taxes (IPT) and other para-fiscal charges which may be levied by overseas fiscal authorities on insurance premiums |

1.11 **UK Regulator** The Financial Conduct Authority (FCA) and/or the Prudential Regulation Authority (PRA) as appropriate, or any successor regulatory body or bodies to both or either of them

1.13 **BIPAR Principles:** A set of high level principles to follow when handling the placement of a risk with multiple insurers, agreed with DG Competition by BIPAR, the European Federation of Insurance Intermediaries

Any reference to “law” or “legal requirements” includes any applicable, common or customary law and any treaty, constitution, statute, legislation, decree, rule, regulation, code of practice, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has the force of law or compliance with which is in accordance with the general practice of such jurisdiction

In this **Agreement** where appropriate, reference to a statutory provision (including for the avoidance of doubt a reference to a rule of the **UK Regulator**) includes a reference to the same as modified, re-enacted or both from time to time before or after the date of this **Agreement** and any subordinate legislation made under the same before or after the date of this **Agreement**

2. Scope

- 2.1 The purpose of this **Agreement** is solely to set out the rights and obligations of the Parties only in respect of the matters specifically addressed in this **Agreement**. To the extent that any matters relating to the relationship between the Parties are not expressly addressed in this **Agreement**, they remain unaffected and unaltered by this **Agreement**. This **Agreement** shall not override the terms of any underlying contract for or of **Insurance Business** or the terms of the **Slip**.
- 2.2 Except to the extent stated in clauses 6.1, 7.2 and 12.3 nothing in this **Agreement** shall be construed as creating a partnership or joint venture of any kind between the Parties or as appointing either Party as agent of the other Party for any purpose and neither Party shall have the authority to bind the other Party to a contract in its name for any purpose.
- 2.3 Subject to clause 12 (which is to be given a free and unfettered interpretation) nothing in this **Agreement** overrides the Broker'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 Broker, the Managing General Agent, or the placing of any **Insurance Business**.
- 2.4 Subject to clause 2.6 below, the Parties agree that the terms herein shall apply to the conduct of any **Insurance Business** 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 for such **Insurance Business**. Such TOBA(s) shall continue to apply to **Insurance Business** transacted between the Parties before the date of this **Agreement**. All monies held by the Broker as the agent and trustee of the Managing Agent under such previous TOBA(s) shall continue to be held by the Broker as agent and trustee of the Managing Agent until such monies are paid by the Broker to the relevant Party.
- 2.5 Each proposal for **Insurance Business**, renewal of existing **Insurance Business** or continuation of cover in respect of any existing **Insurance Business** will be accepted or declined by the Managing General Agent at its sole discretion. The Broker is under no obligation to offer any proposal for **Insurance Business** or renewal of any existing **Insurance Business** to the Managing General Agent.
- 2.6 Prior to or at the time of placement of any **Insurance Business** (or as otherwise agreed separately in writing between the Parties), the Broker and the Managing General Agent may agree provisions relating to the conduct of that **Insurance Business**. These provisions may include (but are not limited to) roles and responsibilities relating to administration of the **Insurance Business** and the handling of claims and processes by which amendments to the risk may be agreed, and so forth. This **Agreement** shall be subject to any provisions so agreed, and does not seek to address such provisions.

3. Regulatory Status

- 3.1 The Broker warrants that it is authorised by the **UK Regulator** (or other EEA regulatory body) to conduct insurance mediation activities (as defined in the **UK Regulator's Handbook**) from the date of this **Agreement**. The Managing General Agent warrants that it is authorised to conduct **Insurance Business** from the date of this **Agreement**.
- 3.2 The Broker shall inform the Managing General Agent immediately in writing in accordance with clause 24 if at any time during the period of this **Agreement**:
- 3.2.1 The **UK Regulator** (or other EEA regulatory body) suspends or withdraws the Broker's authorisation; or

- 3.2.2 The Broker otherwise ceases in any way to be authorised by the **UK Regulator** (or other EEA regulatory body) to undertake any activities in relation to any **Insurance Business** subject to this **Agreement**; or
- 3.2.3 The Broker becomes insolvent.
- 3.3 The Managing General Agent shall inform the Broker immediately if:-
 - 3.3.1 The **UK Regulator** (or other EEA regulatory body) suspends or withdraws the Managing General Agent's authorisation; or
 - 3.3.2 The Managing General Agent otherwise ceases to be authorised by the **UK Regulator** (or other EEA regulatory body) to undertake any activities in relation to any **Insurance Business** subject to this **Agreement**; or
 - 3.3.3 The Managing General Agent becomes insolvent

4. Authority

- 4.1 This **Agreement** sets out the basis on which the Managing General Agent will accept **Insurance Business** from the Broker. The Managing General Agent authorises the Broker to act as the agent of the Managing General Agent for the sole purpose of receiving and holding premium, claims and other monies identified in clause 6.1 below and for the purposes set out in clause 7.2 and clause 12.3.
- 4.2 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 financial promotion on the Managing General Agent's behalf without the Managing General Agent's prior written consent, and/or commit the Managing General Agent in any way.
- 4.3 Unless separately agreed between the Parties, nothing in this **Agreement** shall affect the Broker's implied authority to "sign down" the Managing General Agent's participation on any **Insurance Business** where cover is placed in excess of 100% of order in accordance with market practice.

5. Remuneration

- 5.1 **Commission** shall be agreed between the Parties, and shall be set out in the relevant **Slip** or separately in writing.
- 5.2 The Broker may deduct the **Commission** upon receipt of the premium
 - 5.2.1 Where premium is payable in more than one instalment, the Broker 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 Claims

6.1 Where the Broker holds:-

- (a) premium due to be paid to the Managing General Agent;
- (b) return premium due to be paid to the Broker's client; or
- (c) Claims monies due to be paid to the Broker's client,

the Broker shall hold such monies as the agent of the client. The Broker has no authority under this **Agreement** to permit any third-party, sub-agent, or Appointed Representative (as defined in the **UK Regulator's Handbook**) to receive, hold, or pay any money on behalf of the Managing General Agent, without the Managing General Agent's consent.

6.2 The Broker shall advise the Managing General Agent within 7 days of receipt of any request from the Managing General Agent, whether it has received any specified premiums and notify the Managing General Agent, 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).

6.3 Provided the Broker shall itself have received the premium (including **Taxes**) or part thereof, the Broker shall pay such premium (net of **Commission**, but including **Taxes**) or part thereof to the Managing General Agent within the time permitted for the insured to pay such premium in accordance with the terms of trade incorporated in the relevant **Slip** or otherwise as agreed between the Managing General Agent and its insured policyholder. In the event the Broker receives the premium after the time permitted for the insured to pay the premium and provided the relevant contract of insurance has not been validly cancelled, the Broker shall pay the premium (net of **Commission**, but including **Taxes**) to the Managing General Agent as soon as reasonably possible.

6.4 Pending payment to the Managing General Agent, a third party or the Broker's client (as the case may be) the Broker shall hold the monies described in Clause 6.2 above within its client monies account, which shall be a trust account, established and maintained in accordance with CASS 5. The Managing General Agent hereby consents to such monies being co-mingled with the Broker's other client monies. The Managing General Agent further consents to its rights with regard to monies held in the Broker's client monies account being subordinated to those of the Broker's clients, in accordance with CASS 5 and further agrees that any interest earned on the said account shall accrue to the Broker.

6.5 In the event of the cancellation or avoidance of a contract of insurance, where the Managing General Agent is obliged by law, regulation or the terms of the contract of insurance to repay gross premiums in respect of such contract of insurance, the Broker agrees to repay the relevant **Commission** (which shall not for the purpose of the clause include fees paid by the insured). Such repayment shall, in the case of cancellation, be only in respect of **Commission** received by the Broker which is attributable to that part of the premium repaid. Unless otherwise obliged to by law, regulation or terms of the contract of insurance, the Managing General Agent shall refund premiums net of **Commission**.

7. Taxes

- 7.1 Except where required by law or regulatory authority or by the terms of this **Agreement**, the Parties agree that the Broker will not be expected to act as guarantor to the Managing General Agent 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 Broker administratively arranges payment of **Taxes**, that practice shall continue.
- 7.2 Where the Broker processes and pays **Taxes** on behalf of the Managing General Agent related to premium in respect of any **Insurance Business**, the Broker will hold such monies in accordance with clause 6.6 above for the Managing General Agent and account to the Managing General Agent for amounts received by the Broker in respect of such liability for **Tax** which the Managing General Agent may have in respect of that **Insurance Business**.

8. Compliance

- 8.1 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** which the Broker places with the Managing General Agent under this **Agreement**.
- 8.2 The Parties will pay due regard to the Contract Certainty Code of Practice published by the London Market Group (or successor body) in issue at the time of placing the **Insurance Business**.
- 8.3 The Broker will inform the Managing General Agent in relation to all **Insurance Business** whether the Insured is classified as a consumer or a commercial customer for the purposes of **ICOBS**.
- 8.4 The Broker will forward promptly notices of insured's rights to cancel **Insurance Business** in all instances where such notices are required by Chapter 7 of **ICOBS** and in accordance with those rules.
- 8.5 Each party will pay due regard to the **BIPAR Principles**.
- 8.6 Each Party shall pay due regard to, and co-operate in respect of the observance of, any applicable financial crime and international economic, financial or trade sanctions law and regulations which bind the relevant customer, the Broker or the Managing General Agent.
- 8.7 Neither Party shall take any action which facilitates the evasion of **Taxes** anywhere in the world or which is contrary to any related financial crime laws and regulations (including without prejudice to the generality of the foregoing the Criminal Finances Act 2017).
- 8.8 Neither Party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any laws and regulations against bribery (including without prejudice to the generality of the foregoing the Bribery Act 2010).
- 8.9 The Parties shall insofar as required to do so, and whether or not either Party is an associated person of the other for the purposes of the Bribery Act 2010, The Criminal Finances Act 2017 or any other relevant laws and regulations, maintain on an ongoing basis appropriate systems, procedures and controls designed to prevent any breach of paragraphs 8.6 to 8.8 above.

9. Sanctions

- 9.1 The Managing General Agent expects the Broker to establish controls to facilitate full Sanctions and Money Laundering compliance.

UK Sanctions

The UK financial sanctions regime lists individuals and entities that are subject to financial sanctions. Each financial sanction is set out in a statutory list and makes up Her Majesty's Treasury List (the "HMT Sanctions List").

It is the Management General Agent's policy not to accept any business in breach of UK sanctions. Before committing to a risk the Broker must ensure they are not dealing with any individual/entity on the "consolidated list of financial sanctions target (full list)". The list can be found online via the following link:-

[Http://www.hm-treasury.gov.uk/fin_sanctions_index.htm](http://www.hm-treasury.gov.uk/fin_sanctions_index.htm)

HM Treasury provides a free email service that alerts subscribers to any additions, deletions and amendments to the sanctions list. The link to the subscription service is:

http://www.hm-treasury.gov.uk/fin_sanctions_subscribe.htm

The Broker should be aware of their reporting obligations and ensure compliance with local applicable regulations. Any breaches of sanctions identified by the Broker must be immediately reported to the Managing General Agent.

10. Data Protection

- 10.1 The Parties acknowledge and agree that where a Party processes **Personal Data** under or in connection with this **Agreement** it alone determines the purposes and means of such processing as a **Controller**.

- 10.2 In respect of the **Personal Data** a Party processes under or in connection with this **Agreement**, the Party:

- a) Shall comply at all times with its obligations under the **Data Protection Law**;
- b) Shall notify the other Party without undue delay after, and in any event within 24 hours of, becoming aware of a **Personal Data Breach**; and
- c) Shall assist and co-operate fully with the other Party to enable the other Party to comply with their obligations under **Data Protection Law**, including but not limited to in respect of keeping Personal Data secure, dealing with **Personal Data Breaches**, complying with the rights of **Data Subjects** and carrying out data protection impact assessments.

- 10.3 The Parties shall work together to ensure that each of them is able to process the Personal Data it processes under or in connection with this **Agreement** for the purposes contemplated by this **Agreement** lawfully, fairly and in a transparent manner and in compliance with the **Data Protection Law**. This shall include but not be limited to entering into such other written agreements as may be required from time to time to enable each Party to comply with the **Data Protection Law**.

- 10.4 For the purposes of this section:
"Controller" means the person which, alone or jointly with others, determines the purposes and means of the processing of Personal Data;

"Data Protection Law" means all applicable statutes and regulations in any jurisdiction pertaining to the processing of Personal Data, including but not limited to the privacy and security of Personal Data;

"Data Subject" means the identified or identifiable natural living person to whom the Personal Data relates;

“**Personal Data**” means any information relating to the Data Subject; and

“**Personal Data Breach**” means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Personal Data transmitted, stored or otherwise processed.

11. Termination

11.1 This agreement shall terminate:

11.1.1 At any time by one Party giving written notice of termination to the other;

11.1.2 Immediately, without notice, should either Party become the subject of voluntary or involuntary rehabilitation or liquidation proceedings (save for the purposes of amalgamation or solvent re-organisation) or become the subject of an action in bankruptcy or make or propose any composition with its creditors or otherwise acknowledge its insolvency;

11.1.3 Immediately, without notice, should the Broker have any authority or permission granted to it by the **UK Regulator** (or other EEA regulatory body) withdrawn or altered by the **UK Regulator** (or other EEA regulatory body) in such a manner as materially to affect in any way the Broker’s ability to introduce, arrange, conclude, administer, perform or otherwise be involved with any **Insurance Business** which is carried out between the Parties under this **Agreement**.

11.2 Following termination:

11.2.1 The Parties will agree the procedure for administering the **Insurance Business** current at the time of termination;

11.2.2 The Broker will make all reasonable efforts to provide the Managing General Agent with contact details for any Insured or other Party with whom the Managing General Agent has contracted in the conduct of **Insurance Business** where:-

11.2.2.1 the Broker has acted as the agent of the Managing General Agent; or

11.2.2.2 where such information is reasonably required in order for the Managing General Agent to carry out its obligations in relation to **Insurance Business** concluded in accordance with this **Agreement**.

11.2.3 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.

12. Access to Records

- 12.1 The Broker will retain all of the **Records** created or held by it in its capacity as agent of the Managing General Agent and all **Records** received by the Broker for the purposes of the introduction, arranging, concluding, administration or performance of the **Insurance Business** for a minimum of seven years and in any event the minimum periods required by law or any regulatory body with jurisdiction over the Broker, the Managing General Agent or the **Insurance Business**.
- 12.2 The Broker agrees to allow the Managing General Agent, on reasonable notice, to inspect and to take copies of the following:
- 12.2.1 the accounting records pertinent to any **Insurance Business** including information relating to the receipt and payment of premiums and claims and documentation such as any insurance contract or **Slip** endorsements, addenda or bordereaux in the possession of the Broker relating to the **Insurance Business**; and
 - 12.2.2 documents as may be in the possession of the Broker which were disclosed to the Managing General Agent by the Broker 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.
- 12.3 In the event that the Managing General Agent requests the Broker to carry out any functions or duties on its behalf, such as the appointment of loss adjusters, lawyers or others, or the Broker otherwise acts as an intermediary between the Managing General Agent and its representatives or agents:-
- 12.3.1 The Broker accepts the Managing General Agent's appointment or instructions on the basis that the information received by it in respect of a claim made upon any **Insurance Business** is disclosable to the Broker's client.
 - 12.3.2 All documentation and records created or received by the Broker in the performance of such functions or duties shall be and remain the property of the Managing General Agent, other than documents over which the Broker has a proprietary commercial interest.
 - 12.3.3 The Broker will take reasonable steps to retain, maintain and safeguard any of the Managing General Agent's documents in the Broker's possession in accordance with any regulatory requirements which apply to the Managing General Agent and of which the Broker has notice.
 - 12.3.4 On termination of this Agreement for whatever reason and on reasonable notice the Broker will deliver up to the Managing General Agent such documentation if requested.

13. Confidentiality

- 13.1 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 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.

14. Complaints

Each Party will notify the other in accordance with the rules of the **UK Regulator** (or other EEA regulatory body) of any complaint concerning the other Party relating to **Insurance Business** subject to this **Agreement**.

15. 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 trademarks.

16. 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 **Insurance Business**.

17. Disclosure

The Broker 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 **Insurance Business**.

18. Variation and Assignment

This **Agreement** may be assigned or varied only in writing by duly authorised representatives of the Parties.

19. 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.

20. Dispute Resolution

20.1 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:-

20.1.1 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;

20.1.2 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 the 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

20.1.3 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.

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

21. 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 20 above, be determined in the Law Courts of England and Wales.

22. 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.

23. 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 this **Agreement**.

24. Service of Notices

Any notices to be given under this **Agreement** shall be sent by first class recorded delivery post or by hand 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 hand, at the expiration of one business day after it was dispatched.

25. 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 party of such Force Majeure Event and uses all reasonable endeavours to continue to perform its obligations under this **Agreement**.

Signed for an on behalf of

The Managing General Agent

Signature _____

Name _____

Position _____

Date _____

The Broker

Signature _____

Name _____

Position _____

Date _____