



TERMS OF BUSINESS AGREEMENT

This agreement is entered into between the following parties:

Direct 2 Networks (Business Solutions) Limited (hereinafter referred to as “**The Company**”) whose Head and Registered office is RMS House, 497 Stratford Road, Birmingham, B11 4LE, registered in England under number 5559977. FSA 453240

Tel: 0870 300 7264 Fax: 0870 300 7265 Email: info@direct2networks.co.uk.

And (The Intermediary): _____

Address: _____

Post code: _____

Telephone Number: _____ Fax Number: _____

Are you FSA authorized? Yes/No FSA Ref Number: _____

Full name of person completing this form: _____

Position: _____ Direct telephone / email: _____

How many branch offices other than above do you have? _____

About “**The Company**”

We act as an Independent Insurance Intermediary and are appointed representatives of Cybersure Insurance Consultants Ltd (FSA Ref 310946) and certain Underwriters in placing all commercial insurances on behalf of our introducers and direct clients. For all cases we charge a fee for placing policies, this will always be disclosed to you at the time of providing a quotation. We may also charge fees in mid term adjustments. We may at our discretion amend the amount of fees stated within this agreement and we undertake to advise you of any changes initially and prior to inception of any cover.

Please note that if you are acting as an introducer - under the Financial Services Authority rules, without a completed and agreed Terms of Business Agreement in place, we are unable to transact any business between ourselves. It is important that this form is completed and sent to us immediately in order to avoid any breach of requirements.

This form must be completed (please retain a copy for your records) and post to:

Direct 2 Networks (Business Solutions) Limited
RMS House
497 Stratford Road
Birmingham
B11 4LE

IT IS HEREBY UNDERSTOOD AND AGREED THAT:-

1. Interpretation and Definitions (appearing in bold in this agreement)

“**Client**” means a **person** who is a **policyholder** or potential **policyholder**.

“**Client Money**” has the meaning ascribed to it in the **FSA Handbook Glossary**.

“**Contact of Insurance**” means a non-investment insurance contract as defined in the **FSA Handbook Glossary**.

“**FSA**” means the Financial Services Authority.

“**Insurance Mediation Activity**” has the meaning ascribed to it in the **FSA Handbook Glossary**.

“**Insurance**” means non-investment insurance business, which is carried out or effected within the Territory, which is placed by or through **The Company** for various periods.

“**Insurer**” or “**Underwriter**” means the **person** authorized to carry out or effect general insurance business in the **Territory** and who has provided the Policy and with whom **The Company** has placed the **Insurance**.

“**Introducer**” or “**Intermediary**” a person or company which introduces a client(s) to **The Company** for commission. For the purpose of this agreement both **The Introducer** and **Intermediary** are treated equally.

“**Person**” has the meaning ascribed to it in the **FSA Handbook Glossary**.

“**Policy(ies)**” means any document(s) evidencing or forming part of a contract of **insurance** provided by **The Company** or the **Insurer** in accordance with this Agreement and “**Policyholder**” shall be construed accordingly.

“**Services**” means any service undertaken by **The Intermediary** for **Clients** amounting to **Insurance Mediation Activity**.

“**Territory**” means England, Wales, Scotland, the Channel Islands, the Isle of Man, Northern Ireland and Eire.

2. Scope

The Company and **The Intermediary** agree that the terms of this agreement will apply to and govern any and all dealings between them.

3. Period of Agreement

This Agreement shall commence from the date of the signature on behalf of **The Company** at the end of this document and shall continue until terminated in accordance with the provisions of Clause 15 below.

4. Territorial Limits

This Agreement relates only to risks where the **Client** is domiciled within the **Territory** as defined, or such other locations as may be separated agreed in writing between the parties.

5. Relationship

Nothing in this Agreement shall be construed as creating any partnership between **The Company** and **The Intermediary** (or any of **The Intermediary's** Employees) nor the relationship of principal and agent or employer and employee. **The Intermediary** shall not represent that it or its Employees are in partnership with or an agent or employee of **The Company**.

6. Intermediary's Obligations and Representations

The Intermediary represents and warrants that none of the events outlined in Clause 14 have occurred or are continuing as at the date hereof.

The Intermediary represents and warrants that he acts directly for the Client and that no other Intermediary has any involvement in any part of the arrangements for which **The Intermediary** is requesting **The Company's** assistance in arranging (unless agreed in writing by the company).

The Intermediary shall:

1. perform the **Services** to a high standard and with utmost integrity and shall act with due skill, care and diligence in the course of providing the **Services**;
2. secure and maintain any and all licenses as may be required by applicable law or convention in the performance of the obligations under this Agreement;
3. develop and maintain proper files containing all information relevant to any and all **Clients** and **Policies** and all obligations placed upon **The Intermediary** pursuant to this Agreement;
4. comply fully with the rules and regulations of any governmental or non-governmental agency or department and specifically the **FSA**, having jurisdiction over any of the matters pertaining to this agreement; and
5. comply with all applicable data protection laws and regulations relating to the use, processing and storage of data;
6. submit to **The Company** such proposal forms, claims experience or other documents requested by **The Company** in a timely manner and shall recognize that the issue of the **Policy** will not occur until all relevant documentation has been received and **The Intermediary** agrees that the **FSA** requirement for prompt issue is dependent upon receipt of all documentation required.



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7. Intermediary's Claims Authority

The Intermediary shall not negotiate, adjust, compromise, settle or commit **The Company** or **The Insurer** to any liability with respect to any claim or suit. **The Intermediary** shall however promptly report to **The Company** all claims and/or suits arising under or in connection with any **Insurance** or any matter pursuant to this Agreement, which comes to the attention of **The Intermediary** and co-operate fully in the investigation and adjustment of all such claims and/or suits. In some cases, the **policy** documents (if issued) may have a direct claims notification telephone or fax number.

8. Limitation of Authority and The Company's right to cancel

The Intermediary is not empowered to bind **The Company** by contract or to impose any liability on **The Company** by any statement whether written or oral or by conduct unless previously instructed in specific terms in writing.

Cover on new **policies**, renewals or alterations will only be in force following receipt by **The Company** of a written request from **The Intermediary** and written confirmation by **The Company** sent. **The Company** is not bound to accept any enquiry or proposal for new **policies**, renewals, or alterations. Subject to the terms and conditions of any specific **Insurance** may be exercised by **The Company** at any time and (provided such cancellation or declination is exercised legitimately) no financial compensation shall be due to **The Intermediary** as a result of the same.

9. Premium Payments and Accounting

Subject to any agreement to the contrary Premiums, IPT and Fees for **Services** are to be accounted for by **The Intermediary** not later than 21 days after the effective inception, renewal or adjustment date (as appropriate) of the **policy** whether or not collected by **The Intermediary**. In each case **The Company** will issue an invoice to **The Intermediary**. In the absence of payment of the premium by the due date **The Company** reserve the right to either cancel the cover or consider the case as not taken up (if underwriters accept). If policies are cancelled **The Intermediary** will be responsible for any fees (our fees are not refundable in any case/situation) and time on risk charges should any incepted risk not proceed or are cancelled by either party named in this contract including **The Insurer**.

The Intermediary is responsible for complying with the terms of any premium payment to **The Company** in sufficient time to allow **The Company** to remit the relevant funds to **The Insurer** before expiry of any period stated in such warranty or condition. **The Company** will endeavor to assist in extending its credit terms only if premiums are due via a premium funder, in this case **The Company** will confirm to you in writing.

All **Client Money** that **The Intermediary** receives and holds, pursuant to this Agreement shall be held on behalf of its **Clients** in accordance with **FSA** rules and not on behalf of **The Company**.

The Company does not pass risk transfer to any **Introducer** or **Intermediary** (unless agreed in writing) so all monies collected for insurance purpose must be treated as client money as detailed within the **FSA** handbook and according to your **FSA** permission.

Any money paid to and held by **The Company** on behalf of **The Intermediary's Clients** will be held in a Statutory Trust Account operated by **The Company** pending settlement to any **Insurer** or underwriter as set out under the **FSA** handbook..

10. Company Fees

The Company will charge a fee on all **policies** transacted (including new, renewals and adjustments) in addition to the premium (minimum £100) and will be disclosed at quotation stage in writing. **Any fees charged are not refundable in any case.**

11. Intermediary's Commission

If commission is given by **The Company**, **The Intermediary's** entitlement to the same is conditional upon the following points being satisfied:

- A That **The Intermediary's** appointment with **The Company** is still in force.
- B That the **Client** has been introduced, and the **policy** negotiated on behalf of the **client** by **The Intermediary** directly.
- C That the premium for the **Insurance** has been paid to and received by **The Company**.
- D That **The Intermediary** continues to act for the **Policyholder** directly for the duration of the **policy**.

The commission is payable on net premiums excluding rebates, discounts, fees, IPT, or any deduction due to the **Policyholder**. Should **The Company** give a refund of premium (for whatever reason). **The Intermediary** will repay the commission upon the amount refunded.

12. Client Ownership

The Company undertakes not to solicit any **Client of The Intermediary**, or contact them other than in the following circumstances:

- A Where specifically requested by **The Intermediary**
- B Due to non-payment of the premium or we are aware the **Intermediary** is known to us as ceased trading or deceased. Note that we are responsible only for the advice or cover we have arranged from the time we act directly to the **Client** and not prior to this time.
- D Where this agreement has been terminated for any reason detailed in Clause 15 below.
- E The client (insured) requests us to in writing or by phone in which case **The Company** will advise **The Intermediary**.

13. Proposals

All proposal forms and any other material documentation are to be sent to **The Company** on the same day as received or as quickly as possible after receipt, and in any event within 21days in inception of a **Policy** or as request by **The Company** at quotation stage.

14. Assignability

This agreement is personal to **The Intermediary** and no assignment is possible.

15. Notification of Change

The Intermediary shall immediately notify **The Company** in writing:-

- A Of any change of trading style or address
- B Of any change in Partners (where a partnership)
- C If he or any Partner or Director compounds with creditors, or becomes bankrupt, or has a receiving order made against him or (in case of a company) goes into liquidation or a Receiver is appointed or (in the case of a partnership) is finally dissolved.
- D In the event of any other changes which are material to this Agreement or listed within the Declaration section of the Agency Application Form.

16. Termination of Agreement

Either party shall have the right, at any time, to terminate this Agreement by serving upon the other party written notice specifying the effective date of termination, which shall be not less than thirty days thereafter.

This Agreement will immediately terminate without notice:

- A if **The Intermediary** fails to keep **The Company** informed of any matters referred to in Clause 15;
- B on the death of **The Intermediary** (if a sole trader);
- C on the expiry, termination or suspension for any reason of any license or permission. **The Intermediary** is required to have to comply with the terms of this Agreement (including but not limited to the withdrawal of any permission or authorization of **The Intermediary** by the **FSA**);
- D on the insolvency, liquidation or bankruptcy of **The Intermediary**;
- E on the institution of any proceedings by or against the creditors, either seeking to adjudicate **The Intermediary** bankrupt or insolvent, or seeking its liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors;
- F on the institution of any proceedings by or against **The Intermediary** seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property.

This Agreement may be terminated by either party upon written notice. In this termination, so long as any part or all of clause 15 or 16 do not apply. Any outstanding premiums, fees, taxes or documentation due the **The Company** must be forwarded immediately.

The Company shall not be liable to any **Intermediary** or third party for any compensation in respect of any losses consequential or otherwise, arising as a result of the termination of this agreement.

17. Complaints

If the **Intermediary** or **Client** has any cause for complaint, they should in the first instance contact **The Company** verbally (as most common complaints may be a simple delay or misunderstanding by either party). If you are dissatisfied with the response then you should write to us and we will acknowledge your complaint within 5 working days advising you of how and who will be dealing with your complaint.

The Company will endeavor to resolve the complaint within 4 weeks. If for any reason the complaint takes longer to resolve, we will keep you informed and will endeavor to resolve your complaint within 12 weeks.

If the matter is not resolved to your satisfaction it may be possible for you to refer your complaint to the **Insurer** who is contracted to your **policy**, in this case you will find the complaints procedure within the **policy** documents issued. If you do not have your **policy** documents then please contact us for the correct details.

If you are still dissatisfied with the way your complaint has been resolved or it has not been resolved at all, then you may refer your complaint to the Financial Ombudsman Service on 0845 080 1800.

18. Confidentiality

The Intermediary shall during the term of this Agreement and thereafter, safeguard and maintain in confidence all trade secrets and other information relating to **The Company**.

If **The Intermediary** obtains an agency with any **Insurer** or **Underwriters** as a result of the knowledge of **The Company**, any **client's policy** placed via us through the same agency cannot be transferred without the consent of **The Company**. Should **The Company** lose any revenue as a result of this, then it will seek compensation and costs for recovery from the **Intermediary**.

19. Severability

In case any one or more of the provisions contained within in this Agreement shall, for any reason, be held to be unenforceable, without invalidating the remainder of such provision or other provisions of this Agreement this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein, unless such construction would be unreasonable.

20. Governing Law and Jurisdiction

The construction, validity and performance of this agreement shall be governed in all respects by English Law and any proceedings arising out of or connected with this Agreement shall be subject to the exclusive jurisdiction of English Courts.

NOTE: You should not sign to agree this agreement if you disagree or you are not authorized to bind yourself and the intermediary or any party that would be legally bound to this Agreement.

Signed for and on behalf of **Direct 2 Networks (Business Solutions) Limited**

Sub – Broking Division or Director

Date : July 2007 – July 2008



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Signed for and on behalf of **The Intermediary or Introducer** by a **duly authorized Director/Partner/Principal**, or any person who has permission to bind to this agreement (this permission must be attached to the agreement only if you are not the Director/Partner/Principal).

Signed _____ Date _____

Position _____

Your Business Stamp here