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**Non Risk Transfer**

**Terms of Business Agreement**

 **Brown & Brown Insurance Brokers (UK) Limited**

## Terms of Business Agreement (Non Risk Transfer)

An Agreement dated **XXXX** governing the conduct of Insurance Business between:

Brown & Brown Insurance Brokers (UK) Limited, 7th Floor, Corn Exchange, 55 Mark Lane, London EC3R 7NE. Registered in England No 09850559, FRN 745618 (the **Placing Broker**)

and

**Enter full legal name of Broker** (the **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.

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:** UK Regulator's Insurance Conduct of Business Sourcebook.

1.6 **Insured:** Any Party 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.

1.8 **Records:** Anything on which any information of any description is recorded.

1.9 **Taxes:** All Insurance Premium Taxes (IPT) and other para-fiscal charges which may be levied by overseas fiscal authorities on insurance premiums.

1.10 **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.

**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.

2.2 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 or to contract in its name for any purpose.

2.3 Subject to clause 10 (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 Placing Broker, 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.

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 Placing Broker 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 Placing Broker.

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 Placing Broker 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**

* 1. The Broker warrants that it isauthorised 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 Placing Broker warrants that it is authorised to conduct Insurance Business from the date of this Agreement.
	2. The Broker shall inform the Placing Broker immediately in writing in accordance with clause 23 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 Placing Broker shall inform the Broker immediately if:-

 3.3.1 The UK Regulator (or other EEA regulatory body) suspends or withdraws the Placing Broker’s authorisation; or

* + 1. The Placing Broker 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
		2. The Placing Broker becomes insolvent.

**4. Authority**

* 1. This Agreement sets out the basis on which the Placing Broker will accept Insurance Business from the Broker.
	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 Placing Broker’s behalf without the Placing Broker's prior written consent, and/or commit the Placing Broker in any way.

**5. Remuneration**

5.1 Commission shall be agreed between the Parties TBC.

* 1. 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 Placing Broker;

 (b) return premium due to be paid to the Broker’s client; or

1. 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 Placing Broker, without the Placing Broker’s consent.

6.2 Unless otherwise agreed, the Broker shall remain liable to the Placing Broker for premiums.

6.3 In the event of the cancellation or avoidance of a contract of insurance, where the Placing Broker 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 this 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 Placing Broker shall refund premiums net of Commission.

**7. Compliance**

7.1 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 Placing Broker under this Agreement.

7.2 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.

7.3 The Broker will inform the Placing Broker in relation to all Insurance Business whether the Insured is classified as a consumer or a commercial customer for the purposes of ICOBS.

7.4 The Broker will forward promptly notices of Insureds’ rights to cancel Insurance Business in all instances where such notices are required by Chapter 7 of ICOBS and in accordance with those rules.

7.5 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 laws and regulations which bind the relevant customer, the Broker or the Placing Broker.

7.6 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).

7.7 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).

7.8 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 7.5 to 7.7 above.

**8. Data Protection**

8.1 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.

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

1. shall comply at all times with its obligations under the Data Protection Law;
2. 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
3. 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.

8.3 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.

8.4 For the purposes of this clause 8:

“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.

**9. Termination**

9.1 This Agreement shall terminate:-

9.1.1 at any time by one Party giving written notice of termination to the other;

9.1.2 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;

9.1.3 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.

9.2 Following termination:-

9.2.1 the Parties will agree the procedure for administering the Insurance Business current at the time of termination;

9.2.2 the Broker will make all reasonable efforts to provide the Placing Broker with contact details for any Insured or other party with whom the Placing Broker has contracted in the conduct of Insurance Business where:-

9.2.2.1 the Broker has acted as the agent of the Placing Broker; or

9.2.2.2 where such information is reasonably required in order for the Placing Broker to carry out its obligations in relation to Insurance Business concluded in accordance with this Agreement.

9.2.3 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.

**10. Post-termination restrictions**

Unless otherwise agreed by the parties, the Placing Broker agrees not to make any arrangements to communicate directly with any of the Broker’s clients post termination, except for the purposes as necessary under clause 9.2.

**11. Access to Records**

11.1 The Broker will retain all of the Records created or held by it in its capacity as agent of the Placing Broker 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 six years and in any eventthe minimum periods required by law or any regulatory body with jurisdiction over the Broker, the Placing Broker or the Insurance Business.

11.2 The Broker agrees to allow the Placing Broker, on reasonable notice, to inspect and to take copies of the following:-

11.2.1 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 endorsements, addenda or bordereaux in the possession of the Broker relating to the Insurance Business; and

11.2.2 documents as may be in the possession of the Broker which were disclosed to the Placing Broker 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. Confidentiality**

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.

**13. 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.

**14. 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 trade marks.

**15. 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.

**16. 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.

**17. Variation and Assignment**

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

**18. 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.

**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 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 19 above, be determined in the Law Courts of England and Wales.

**21. 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.

22. 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.

**23**. **Service of Notices**

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

**24.** **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 and on behalf of Brown & Brown Insurance Brokers (UK) Limited**

|  |  |
| --- | --- |
| Signature |  |
| Name | Alastair Christopherson |
| Position | Managing Director |
| Date |  |

**Signed for and on behalf of the Broker**

|  |  |
| --- | --- |
| Signature |  |
| Name |  |
| Position |  |
| Date |  |