

Terms of Business Agreement

This agreement regulates the terms of business between Bollington Underwriting Ltd and the Agent

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following words and expressions in bold have the stated meanings:

Agent: the Agent or Agents who are party to this agreement with whom or with which **CompuQuote** deals in respect of General Insurance Business

Appointed Representative has the meaning set out in section 39 of the FSMA

Client: a person or persons or a legal entity who or which is a Policyholder whose business is referred to **CompuQuote** by the Agent

Commission: the commission payable to the Agent by **CompuQuote** in accordance with the terms of this agreement

Commencement Date: 1st January 2009 or any subsequent date

CompuQuote: a trading division of Bollington Underwriting Ltd, part of The Bollington Group (Holdings) Limited.

Documentation includes all correspondence, forms and all other information and paperwork relating to a Policy

Enforcement Action: any formal action begun by the FSA which involves the issue by the FSA of a warning notice, decision notice or final notice under FSMA

FSA: the Financial Services Authority

General Insurance Business: insurance business as described within the FSA Handbook Glossary

Insurer: the risk carrier or their agency on whose behalf **CompuQuote** is acting or with whom the risk is placed

IPT: Insurance Premium Tax at the prevailing rate

Policy: any policy or contract of insurance and Policyholder shall be constructed accordingly

Regulatory Requirements: the FSA Rules and the applicable statutory and non statutory rules, regulations, instruments and provisions in force from time to time including (without limitation) the rules, codes of conduct, codes of practice, practice requirements and accreditation terms stipulated by any regulatory authority.

1.2 The singular includes the plural and vice-versa and any words importing gender include the other gender.

1.3 References to statutory provisions shall include any modification, re-enactment or consolidation.

1.4 **CompuQuote** is a general insurance broker and acts on behalf of various Insurers. Any business placed by the Agent via **CompuQuote** with the Insurer is placed following the express authority of the Insurer for **CompuQuote** to accept business on the Insurer's behalf from the Agent always subject to the terms of this agreement.

2. GENERAL TERMS

2.1 This agreement shall come into force on the Commencement Date and replaces any other Agency Agreement or Terms of Business Agreement issued by **CompuQuote**.

2.2 The appointment and continuance of the Agency is strictly conditional upon the Agent being authorised by the FSA for insurance selling and administration of General Insurance Business.

2.3 For the purposes of this Agreement the Agent shall, at all material times, be considered the agent of the Client in respect of all insurance advice given, premiums received, transactions effected and proposal forms completed and has no authority to act on behalf of **CompuQuote** unless expressly stated in writing.

2.4 The parties acknowledge that the clients are clients of the Agent. **CompuQuote** undertakes not directly and knowingly to solicit such Clients away from the Agent during the currency of this agreement and during the period of 5 years following termination of this agreement, subject to clause 11.

2.5 **CompuQuote** hereby agrees that all insurance business transacted in performance of this Agreement arises out of an agent/client relationship and acknowledges that the Policyholders' goodwill rests with the Agent.

2.6 **CompuQuote** reserves the right to contact the Client where required to do so by virtue of any statutory requirements, Policy term or instruction from the Insurer.

2.7 The Agent shall not appoint any sub-agent or Appointed Representative to deal with the insurance business of **CompuQuote** unless specifically authorised to do so in writing by **CompuQuote**. The provisions of this agreement shall apply to any such Appointed Representative of the Agent and the Agent shall be responsible as principal for its Appointed Representatives' compliance with all Regulatory Requirements. The Agent will procure its Appointed Representatives' compliance with this Agreement.

2.8 The parties hereto may, by mutual consent, agree to vary the terms of this agreement at any time in writing. In the event of mutual consent not being attained, **CompuQuote** reserves the right to give 30 days written notice of variation to the terms of this agreement.

2.9 The Agent shall immediately advise **CompuQuote** in writing:

2.9.1 of any changes in the structure, location or domicile of the Agent, its directors or partners or if the business of the Agent is acquired, amalgamated, controlled or administered by any other person, partnership, company, corporation or authority;

2.9.2 if its legal ability or authorisation to transact business hereunder ceases or is likely to cease, or if it is in breach of its authority under the FSA or any regulatory body or it is likely to terminate, lapse or otherwise come to an end or upon the termination, suspension removal or impairment of any relevant licence to conduct business in the manner envisaged by this agreement or if it is notified of any such forthcoming event including (without limitation) where the FSA initiate an investigation or any Enforcement Action is taken in respect of the Agent, its employees, agents Appointed Representatives, representatives or sub-contractors;

2.9.3 if a Terms of Business Agreement it has in place with an Insurer is terminated stipulating the reason for the termination.

2.10 The Agent shall at all times maintain Professional Indemnity insurance in accordance with the FSA requirements.

2.11 The Agent shall indemnify **CompuQuote** against costs, loss, liability or any expense whatsoever which may be suffered by **CompuQuote** directly or indirectly as a result of any service performed or action taken by the Agent under or following any breach or termination of this agreement save to the extent that the same is due to **CompuQuote** negligence, wilful neglect or fraud.

2.12 Any complaints made or intimated by any party to the insurance contract must be notified to **CompuQuote** within 48 hours of receipt of such complaint. The Agent agrees to co-operate fully with **CompuQuote** and/or the Insurer to facilitate the fair and efficient resolution of complaints.

2.13 The Agent shall pass immediately to **CompuQuote** any material information relating to the Client or provided by the Client to the Agent prior to the inception of, and at any time

during the currency of, a Policy and thereafter in relation to any claim under a Policy.

3. DOCUMENTATION AND PROPOSALS

- 3.1. The Agent is responsible for the proper and accurate preparation and the prompt despatch of all Documentation on behalf of CompuQuote. CompuQuote expressly reserve the right to refuse any business introduced.
- 3.2. The Agent shall not issue or bind cover on behalf of CompuQuote. The Agent shall not confirm cover on behalf of CompuQuote unless expressly authorised to do so in writing by CompuQuote. When so authorised in writing the Agent shall abide by the specific instructions issued by CompuQuote.
- 3.3. The business must be renewed on or before the renewal date. If the business is not renewed any applicable Documentation must be returned to CompuQuote no later than 10 days after the renewal date.
- 3.4. The Agent will comply with the requirements of the Motor Insurance Information Centre and submit relevant information to CompuQuote promptly and in line with any industry standard or required timescales so that CompuQuote is also able to comply.

4. COMMISSION/FEEES

- 4.1. CompuQuote will allow to the Agent commission at a rate agreed and confirmed in writing.
- 4.2. CompuQuote will confirm to the Agent in writing where commission is not allowable on any Policy.
- 4.3. CompuQuote may alter its commission terms, administration fees and/or any credit period allowed by giving 30 days notice in writing to the Agent.
- 4.4. CompuQuote will make an administration charge for arranging, amending or cancelling any policy arranged by us. We will give details of these charges at quotation and renewal. The Agent will inform the Client of these charges before any cover is purchased, in accordance with FSA requirements.
 - 4.4.1. If the Agent charges a fee in addition to CompuQuote charges this will be made clear to the Client, separate to, and in addition to CompuQuote charges, in accordance with FSA requirements. Any fee will not be excessive and in line with normal market practice.
- 4.5. Commission will only be payable if:
 - 4.5.1. the Agent can (if requested) produce written evidence that the Policyholder recognises the Agent as his agent;
 - 4.5.2. the gross premium has been paid to and retained by CompuQuote or;
 - 4.5.3. the Agent is authorised to deduct commission due to the Agent in respect of a specific case from the gross premium collected for that case only upon payment to CompuQuote of the remaining net premium due to CompuQuote;
- 4.5.4. this Agreement is not terminated.
- 4.6. If CompuQuote allows any refund of premium the Agent shall repay to CompuQuote or the Client the commission due thereon
- 4.7. CompuQuote reserves the right to off-set and deduct from any commission due to the Agent from time to time any monies due to CompuQuote from the Agent on any account whatsoever.

5. PREMIUMS AND ACCOUNTING

- 5.1. CompuQuote acts as an agent for the Insurer for the purposes of receiving and holding premiums from Clients and for receiving and holding premium refunds prior to transmission to Clients.
- 5.2. The Agent is not authorised to act as an agent of the Insurer.

5.3. The Agent shall comply in all respects with the Regulatory Requirements for Client money.

- 5.4. The Agent is entitled to retain any interest received in respect of the deposit of premiums, part premiums and refund of premiums paid to you in accordance with the Regulatory Requirements.
- 5.5. The Agent is responsible to CompuQuote for the payment of all premiums (including IPT) and any time on risk charge whether or not the Agent has collected the payment from the Client.
- 5.6. CompuQuote may cancel the insurance cover immediately if premiums are not paid to CompuQuote by the agreed date and the Agent shall indemnify CompuQuote in respect of all costs, charges and expenses incurred.
- 5.7. CompuQuote expects all payments to be made on a net of commission basis. The Agent accepts that any unclaimed commission which remains in CompuQuote's accounts one year and one day after the end of CompuQuote's financial year in which the commission was originally due shall from that date no longer be due to the Agent.

6. PAYMENTS DUE TO/FROM COMPUQUOTE

- 6.1. Invoices will be rendered to the Agent with each cover confirmation. Each invoice must be reconciled and returned to CompuQuote together with the necessary remittance in settlement to be received by CompuQuote no later than 60 days following the date of the invoice.
- 6.2. CompuQuote reserves the right to charge the Agent interest from the date payment is due until the date of the actual payment at a rate of 3% above the prevailing Bank of England base rate.

7. INSTALMENT PREMIUMS

- 7.1. CompuQuote shall not be responsible for, nor be party to, any arrangements made by the Agent to collect premiums from the Client/Policyholders by way of extended period(s) of credit instalments. Any such arrangements including the acceptance of payments whether guaranteed or otherwise, shall be made entirely at the Agent's own risk, and shall not affect the Agent's obligations to account to CompuQuote for premiums hereunder, unless otherwise agreed by CompuQuote in writing.
- 7.2. This restriction shall not apply where any agreement covering the collection and/or payment of premiums is between the Client and CompuQuote or Insurer directly.

8. LEGISLATION

- 8.1. The Agent shall at all times in relation to any dealings to which this agreement applies observe and comply with the Regulatory Requirements and shall comply at all times with legislation, regulations and directives applicable to its business including without limitation the Financial Services and Markets Act 2000, the Data Protection Act 1998 and any other applicable legislation concerning the personal data of Clients, the Consumer Protection Act 1987 and the Consumer Credit Act 1974 as amended.

9. RECORDS

- 9.1. The Agent shall create and maintain a full record of business transacted with CompuQuote.
- 9.2. All required Documentation must be provided to CompuQuote by the Agent promptly, fully completed and in a legible format.
- 9.3. The Agent shall allow CompuQuote and/or the FSA to access the premises of the Agent and any representatives or sub-contractors used pursuant to this agreement to inspect review and/or copy without limitation all records, documents files, audio and video tapes, computer databases, information stored electronically and any other material or information that CompuQuote or the FSA may require which relate to the Agent's obligations under this agreement and/or the Regulatory Requirements for General Insurance Business.

- 9.4. Notwithstanding the above the Agent shall at all times comply with all Regulatory Requirements for the creation, maintenance and retention of business records.
- 10. INTELLECTUAL PROPERTY**
- 10.1. The Agent shall not use CompuQuote or the Insurer's name or logo or other trademark or similar device without the written permission of CompuQuote or the Insurer, nor shall any intellectual property rights in the same be transferred to the Agent as a result of this agreement. All intellectual property rights in Policy or other Documentation or marketing materials relating to Policies or otherwise shall remain with and vest in CompuQuote and/or the Insurer.
- 11. TERMINATION**
- 11.1. Either party may by giving 30 days written notice to the other terminate this Agreement.
- 11.2. In the Event of such termination the parties shall continue to observe the provisions hereof in relation to any Policy in force prior to the expiry of notice of termination until all risks under such Policy shall have expired and all claims thereunder have been finally dealt with; and the parties shall co-operate with each other in providing such information as is necessary to achieve an orderly run-off of outstanding Policies.
- 11.3. Either party may terminate this Agreement immediately on written notice to the other if:
- 11.3.1. in respect of the other party any resolution is passed or order made for the winding up of the company or a receiver, administrator or administrative receiver is appointed over the assets, or any arrangement or composition is made with its creditors or a petition for bankruptcy or an administrative order is filed, or it is adjudged bankrupt;
- 11.3.2. where one party has reasonable grounds for suspecting fraud or dishonesty by the other party, its staff, agents or Appointed Representatives or;
- 11.3.3. the other party commits a material breach of any provision of this agreement.
- 11.4. CompuQuote may at any time suspend or terminate this agreement forthwith if:
- 11.4.1. the Agent ceases or threatens to cease to carry on business or suspend payments or is unable to pay its debts as they fall due;
- 11.4.2. the Agent takes up residence or becomes domiciled outside the UK;
- 11.4.3. the Agent is in breach of this Agreement;
- 11.4.4. the Agent ceases to be authorised by the FSA;
- 11.4.5. the Agent has breached or is likely to breach any of the Regulatory Requirements;
- 11.4.6. the Agent or any Director or Partner of the Agent is convicted of a criminal offence (other than minor driving offences) or;
- 11.4.7. the Agent gives a notice under clause 2.9.
- 11.5. On termination of the Agreement under 11.3 or 11.4:
- 11.5.1. CompuQuote reserves the right to deal direct with Clients/Policyholders, and in such circumstances the Agent will not be entitled to any payment for goodwill which may arise from such arrangements neither will CompuQuote be under any duty to account to the Agent in respect of such arrangements in any way whatsoever;
- 11.5.2. all rights to commission cease from the date of termination other than in respect of completed business placed by the Agent up to and including the date of termination;
- 11.5.3. all Documentation, books, papers, records, software and other property of CompuQuote must be surrendered immediately;
- 11.5.4. if required, the Agent must provide to CompuQuote full details of and Documentation relating to all transactions being carried out by the Agent in the course of the agreement at the date of termination;
- 11.5.5. all monies outstanding to CompuQuote become immediately due and payable and;
- 11.5.6. where at the date of termination, premiums are due from Policyholders for cover issued before termination CompuQuote may collect the premium direct from the Policyholder and retain the commission in respect of all monies owed by the Agent to CompuQuote.
- 12. GENERAL**
- 12.1. This Agreement shall be constructed according to English law and any disputes arising under it shall be determined in the English courts.
- 12.2. This Agreement is personal to the parties and the benefits and obligations may not be assigned or delegated by any party without CompuQuote's written consent.
- 12.3. No failure by either party in enforcing any of its rights shall prejudice its rights to do so in the future.
- 12.4. If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable the invalidity or unenforceability of such provision shall not affect the other provisions of this agreement which will remain in full force and effect. In such event the parties shall negotiate in good faith with a view to replacing the invalid or unenforceable provisions with the legal and enforceable provisions which achieve to the greatest extent possible the economic legal and commercial objectives of the invalid or unenforceable provision.

CompuQuote is a trading division of
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 FSA Firm No: 307454