

Terms of Business Agreement between

Direct Fleet Insurance Services Ltd

and

FCA number: _____

TERMS OF BUSINESS AGREEMENT

This agreement is entered into between the following **parties**:

Direct Fleet Insurance Services Ltd (Co Reg No 05816268) (hereinafter referred to as “**The Company**”) is authorised and regulated by the Financial Conduct Authority and their reference number is 788712. DFI’s offices are at 34 Lime Street, London, EC3M 7AT. These details can be verified on the Financial Conduct Authority (FCA) register by visiting the FCA’s website at <https://register.fca.org.uk> or by contacting the FCA on 0800 111 6768.

And

The Intermediary specified on the title page of this agreement (hereinafter referred to as “**The Intermediary**”).

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 **FCA Handbook Glossary**

“**Contract of Insurance**” means a non-investment insurance contract as defined in the **FCA Handbook Glossary**

“**FCA**” means the Financial Conduct Authority or any successor body empowered with regulating **Insurance Mediation Activity**.

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

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

“**Insurer**” 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**.

“**Person**” has the meaning ascribed to it in the **FCA 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, and Northern Ireland

“**Website**” means all the content, operating systems, and privacy policy through which **Insurance** is provided to **The Intermediary’s clients** at www.directfleetinsurance.co.uk

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. This agreement supersedes and extinguishes any and all prior agreements of whatever nature that might exist between the parties.

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 or the date of signature by **The Intermediary** if later 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 separately 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 on-going as at the date hereof.

The Intermediary represents and warrants that it 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. No delegation of any benefit, obligation or responsibility contained in this agreement to any other party is permitted other than as specifically granted in this agreement.

The Intermediary warrants that it shall:

1. perform the **Services** to a high standard in accordance with the responsibilities placed upon it by the rules and guidance of the **FCA** with utmost integrity and shall act with due skill, care and diligence in the course of providing the **Services** and will treat its customers fairly;
2. secure and maintain any and all licenses that may be required by applicable law or convention in the performance of the obligations under this Agreement;
3. develop, maintain, and retain 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 **FCA**, or any successor body having jurisdiction over any of the matters pertaining to this agreement;
5. comply with all applicable data protection laws and regulations relating to the use, processing and storage of data. (For reference to GDPR terms, please see Clause 21).
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 **FCA** requirement for prompt issue is dependent upon receipt of all documentation required. Further, the **Intermediary** shall ensure that any document either contained on the **Website** or supplied by any **Insurer** that is intended to be issued to **Clients**, is issued to such **Clients** in good time so as to meet any regulatory requirement

7. maintain professional indemnity insurance in force to at least the minimum level required by the **FCA**

8. advise **The Company** promptly of any complaint about **The Company's** activities and co-operate with **The Company** in dealing with such complaints

9. carry out any such checks as it deems appropriate prior to recommending any **Policy** to be provided by any of **The Company's** panel of **Insurers** to any of **The Intermediary's Clients**. **The Intermediary** recognizes that **The Company** will use reasonable endeavours to establish the financial standing of **Insurers** it uses but will not accept any liability if they fail to meet their obligations to any **Client**

10. pay to **The Company** all net premiums, fees, and Insurance Premium tax as may become due on or before the due date shown on our invoices. For the avoidance of doubt, we are under no obligation to fund premiums and will not do so. **The Intermediary** is responsible for any prejudicial action taken by any **Insurer** due to non-payment by it of premiums and taxes by the due date

11. be responsible for any and all advice given to any **Client** and will comply with **FCA** rules and guidance in giving such advice including, but not limited to, matters relating to disclosure of material facts, unusual or onerous **Policy** terms, or extent of cover in relation to the **Clients'** needs.

12. recognise that **The Company** has common ownership with Blagrove Underwriting Agency who may provide quotations on **The Company's Website** acting as the agent of certain **Insurers** who have granted underwriting or other binding authorities to them.

13. fulfill its responsibilities under any legislation relating to financial crime including, but not limited to, the Money Laundering Regulations 2007, the Joint Money Laundering Steering Group guidance notes, and the Asset-Freezing Act 2010, and the provision of any necessary identity checks

14. to put in place and maintain adequate systems and controls to ensure that any conflicts of interest are managed and that it meets the provisions of the Bribery Act 2010

15. notify **The Company** in the event that **The Intermediary** becomes aware that it has, or will, breach any of the regulatory requirements where such breach might have a material effect upon the performance of this agreement

16. not use any logo, brand name, or trademark belonging to either **The Company**, or any of the **Insurers** used by **The Company**, or to purport to represent **The Company** or any of the **Insurers** save as agreed in this agreement, or to create or distribute any advertisement using either the name of **The Company** or any **Insurer** without the prior agreement in writing of the owner of such logo, brand name, or trademark

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 come to the attention of **The Intermediary** and co-operate fully in the investigation and adjustment of all such claims and/or suits. This Clause 7 is not intended to replace, or act as a substitute for any claims notification requirements contained in any **Policy** which must be complied with.

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

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

Subject to the terms and conditions of any specific **Insurance**, **the Company's** right to cancel or decline any **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

The Company acts as the agent of all **Insurers** on the **Website** for the purposes of receiving and holding premiums from the Insured and for receiving and holding refunds prior to transmission to the Insured (i.e., risk transfer applies but only to Premiums, Adjustments, and Return Premiums).

Subject to the "Important Notice" at the end of this section 9, **The Company** has authority from all its insurers to cascade risk transfer and for the purposes of this agreement, unless otherwise advised, risk transfer extends to **The Intermediary**, which means that:

- a) Monies **The Intermediary** receives from the **client** in respect of premium payments will be treated as paid to Insurers.
- b) Monies **The Intermediary** receives from **The Company** or **Insurers** for premium refunds will only be deemed as paid when paid by **The Intermediary** to the **Client**.
- c) All monies **The Intermediary** receives from the **Client** or from **The Company/the Insurer** for the benefit of the Insured shall be the property of the **Insurer** and must be held by **The Intermediary** in trust for the **Insurer** either in a Statutory, or Non Statutory trust account subject to the **FCA CASS** rules, with an approved UK Bank and designated for this purpose ("Trust Account") **The Intermediary** must have suitable systems in place to enable **The Intermediary** to identify such monies. **The Intermediary** is entitled to retain any interest earned on such monies.
- d) Where **The Intermediary** holds **Client Money**, **The Insurer** agrees that money which **The Intermediary** holds in trust for them may be co-mingled in a **client** money bank account with other "**client** money" as defined in the **FCA Client Assets Sourcebook (CASS)** or **Insurer** money held under risk transfer agreements. The **Insurer** further agrees that any interest they have in monies so held is to be subordinated to the interests of **clients** to the extent required by the **FCA CASS** rules.
- e) Unless otherwise advised, **The Intermediary** is not authorised to act as the agent of **The Company** or of the **Insurer** for the purposes of receiving or holding claims money.
- f) Subject to any agreement to the contrary net Premiums, IPT and any Fees are to be accounted for by **The Intermediary** not later than 45 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** reserves the right to either cancel the cover or consider the case as not taken up. **The Intermediary** will be responsible for any time on risk charges should any case not proceed for whatever reason.
- g) **The Company** reserves the right to deal directly with the Insured in the event of a default on our credit agreement.
- h) **The Intermediary** is responsible for complying with the terms of any premium payment warranty or condition imposed by any **Insurer** and making any premium payment to **The Company** in sufficient time to allow **The Company** to remit the relevant funds to **The Insurer** before the expiry of any period stated

in such warranty or condition.

In consideration of the granting of cascaded risk transfer by any **Insurer** to **the Intermediary**, **the Intermediary** warrants that it will, for any **Insurer** that has provided cascaded risk transfer to it, provide such rights of access to its premises within business hours and any documentation or records that any **Insurer** may require in establishing that monies held on their behalf are properly recorded and adequately protected.

Important Notice – withdrawal of cascaded risk transfer in certain circumstances

Certain Insurers may decline to cascade risk transfer to particular **Intermediaries** for their own reasons of which we are not aware. Where we are advised by an **Insurer** that a particular **Intermediary** cannot receive the benefit of cascaded risk transfer, we will advise the **Intermediary** that for cases placed with that particular **Insurer** premiums and refunds must be held as **Client money** and not as agent of the **Insurer**

10. Commission

Our remuneration is predominantly obtained by way of commission allowed to us on contracts concluded by **Insurers** through the **Website**. You acknowledge and will, if required, inform your **client** that we may also receive expenses or other money including profit commissions or administrative fees from **Insurers** in addition to commission. We may also receive income from premium finance arrangements. Any interest earned on premiums held by us pending payment will be for our account.

Commission may be allowed by **The Company** at rates advised to you from time to time. **The Intermediary's** entitlement to commission is conditional upon the following points being satisfied:

1. That **the Intermediary's** appointment with **the Company** is still in force.
2. That the **Client** has been introduced, and the **policy** negotiated on behalf of the **client**, by **the Intermediary** directly through the **Website**.
3. That the premium for the **Insurance** has been paid to and received by **The Intermediary** in cleared funds.
4. 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.

The Company also reserves the right to charge **the Intermediary** the following fees for the placement of new business and renewals and for adjustments:

Premium Band of Risk	New Business and Renewal Fee attaching
£1 - £4,999	£50.00
£5,000 - £14,999	£80.00
£15,000 - £24,999	£150.00
Over £25,000	by negotiation

Admin Fees

Declaration Policies

Per Adjustments	£7.50 Fee
Vehicle Substitution	£7.50 Fee
Change of registration	£7.50 Fee

As and When Policies

Per Single Adjustment	£10
Vehicle Substitution	£10
Change of registration	£10

11. Client Ownership

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

1. Where specifically requested by **The Intermediary**.
2. Due to non-payment of the premium or non-receipt of documents requested and still outstanding.
3. Where this agreement has been terminated for any reason detailed in Clause 15 below other than termination arising from a change in control.

The Company undertakes not to solicit any **Client** of **The Intermediary**, or contact them for a period of 1 (one) year from the date of termination of this agreement except for the reasons 1 – 3 above or where necessary to fulfil any regulatory requirement

12. Proposals, Adjustments and Website Usage

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 28 days of inception of a **Policy** or a request by **The Company**.

For any new **Policy** or adjustment to one that requires an entry to be made on the Motor Insurance Database the relevant information must be provided in a timely manner that permits **The Company** or its **Insurers** to make the required entries within the required timescales

Cover on new proposals, adjustments and renewals will take effect from the point at which **The Intermediary** uses the “accept” button on the **Website** (or later date if requested by **The Intermediary**) and this is the only method to be used in these cases. **The Intermediary** will receive a confirmatory message through the **Website**. Cancellations and any other matter in relation to any **Policy** should be advised to the **Company** by post, fax, or email.

13. Assignment and Third Party rights

This agreement is personal to **The Intermediary** and no assignment of any of the rights and obligations contained in it is possible.

The terms of the Contracts (Rights of Third Parties) Act 1999 are not intended to apply to this agreement and no part of this agreement is enforceable by a Third Party under that Act.

14. Notification of Changes

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

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

15. 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 twelve months from the date of this agreement. **The Company** requires **The Intermediary** to give at least 90 days written notice within the first twelve months of this contract to expire no earlier than at the end of the period of twelve months referred to above and thirty days' notice thereafter.

This Agreement will immediately terminate without notice:

1. if **The Intermediary** fails to keep **The Company** informed of any matters referred to in Clause 14 (3 and 4);
2. on the death of **The Intermediary** (if a sole trader);
3. 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 authorisation of **The Intermediary** by the **FCA**);
4. on the insolvency, liquidation or bankruptcy of **The Intermediary**;
5. 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, reorganisation, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganisation or relief of debtors;
6. 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 immediately upon written notice at **The Company's** option in the event that:

1. **The Intermediary**, in the opinion of **The Company** commits any fraudulent act or similar illegal conduct; or
2. there is a “change in control” of **The Intermediary**. “Change in Control” will be deemed to have occurred if 20% or more of the stock evidencing ownership of **The Intermediary** is transferred to a **person** that was not the owner of such stock on the effective date of this agreement, or
3. **The Intermediary** defaults on any obligation to repay any credit line, bank or other loan.

Any termination as detailed above shall not affect the rights and obligations of the parties hereto as to transactions, acts or things done or that should have been done by either party prior to the effective date of termination. In particular, termination of this Agreement shall not act to terminate any contract of **Insurance** in force at the time of such termination, nor shall it act to terminate or diminish **The Intermediary’s** obligations pursuant to this Agreement in connection with such **Insurance Policies**, unless **The Intermediary** is expressly released from such obligation by **The Company** in writing.

Upon termination of this Agreement, unless otherwise agreed in writing by **The Company**, **The Intermediary** shall immediately pay to **The Company** all premiums together with all taxes and fees (including IPT) which have not been paid to **The Company** in relation to any **Insurance Policy**.

Upon termination of this Agreement for whatever reason, **The Intermediary** agrees that all of the **Client’s Insurance Policies** shall remain with **The Company** for the full **policy** period of that **Insurance**.

After the effective date of termination **The Intermediary** shall not sell or arrange to offer any **Insurance** or provide any **Services** on behalf of **The Company** or access the **Website** unless otherwise agreed in writing.

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

16. Complaints

If **The Intermediary** or any **Client** has any cause for complaint they should in the first instance contact the Director (Direct Fleet Insurance Services Ltd) at the address shown on the **Website** in writing. The matter will then be dealt with in accordance with **The Company’s** complaints procedures. If the matter relates to an **Insurer**, then the complaint may also be taken up with **The Insurer**. In such circumstances **The Company** will provide full details of the appropriate contact at **The Insurer**.

17. 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** including, but not limited to, any matter relating to the **Website** and particularly any log-in or password issued by **The Company** to the **Intermediary**.

Both Parties acknowledge that the content of this agreement and the insurance affairs of any **Client** are confidential and, except as may be required by law or by the requirements of anybody set up to regulate **Insurance Mediation Activity** shall treat all such information as confidential and shall not use or disclose such information for any purpose other than in connection with the fulfillment of each party’s obligations under this agreement.

18. Communications by email

Each party accepts that the use of email carries risks when used as part of a contractual process as it may not be apparent that emails or attachments have been received without corruption, or at all, by the other party. **The Company** will accept no liability for the non-receipt or corruption of emails or attachments.

19. Waiver and Severability

Failure to exercise, or delay in exercising or enforcing any right or remedy in this agreement by either party shall not constitute a waiver of such right or remedy and any partial exercise or enforcement of any right or remedy shall not preclude or restrict the further exercise or enforcement of any such right or remedy

In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be unenforceable, such provision or provisions shall be ineffective only to the extent of such unenforceability, 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 a 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 the English Courts.

21. Data Protection

21.1 **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.

21.2 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.

21.3 **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.

21.4 For the purposes of this clause 21:

“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.

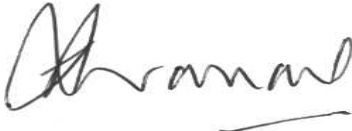
22. Notices

Any notice required to be given under this agreement by the parties may be given by post to the last known place of business of that party and shall be deemed to be validly given 48 hours after any such notice was posted. Proof of posting to the last known address of the party shall be deemed sufficient proof of receipt by the other party.

23. Variation

The Company reserves the right to vary this agreement at any time by giving not less than 30 days’ notice to you either by post or by email. Use of the **Website** by **The Intermediary** for the placement or administration of **Clients’ Insurances** after the issue of any notice of variation and the expiry of 30 days will constitute acceptance of the changes contained in any such notice of variation.

Signed for and on behalf of **Direct Fleet Insurance Services Ltd**

Signature	
Name of Signatory	Andrew Wallace
Position	Managing Director
Date	23/04/2018

Signed for and on behalf of **The Intermediary** by a duly authorized Director/Partner

Full Company Name	
FCA number	
Name of Signatory	
Date	