

## Terms of Business Agreement

Between

Evolution Insurance Solutions Ltd  
53a High Street  
Saffron Walden  
Essex  
CB10 1AA  
FSA Firm No: 472438  
("the Company")

and

XYZ  
FSA Firm No: \_\_\_\_\_  
("the Intermediary")

I/We confirm receipt of the Terms of Business Agreement from Evolution Insurance Solutions Ltd, effective from \_\_\_\_\_ 2007, and that I/we have read and understood the terms within it and agree to accept and abide by them.

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

## **1 Definitions**

‘Client’ shall mean the client of the Intermediary.

‘FSA’ shall mean the Financial Services Authority.

‘FSA Rules’ shall mean all rules and requirements issued by the FSA from time to time applicable and all additions, amendments, modifications or variations thereof from time to time.

## **2 Terms of Agreement**

- 2.1 This Agreement is made on the understanding that the Intermediary is authorised and regulated by the FSA and will continue to observe the FSA rules and not to do any act or any thing which may constitute a breach of the FSA rules. The Company accepts no responsibility whatsoever for regulating the General Insurance Activities of the Intermediary.
- 2.2 This Agreement specifies the terms under which the Intermediary will introduce business to the Company on behalf of its client that it wishes to be placed by the Company with insurance companies and Lloyd’s Syndicates.
- 2.3 The Intermediary’s duty to act in the best interest of their client shall be paramount.
- 2.4 This Agreement is personal to the parties hereto and shall not be assignable by either of them.
- 2.5 Nothing in this Agreement shall place the Company under any obligation to accept any proposal for new business or the renewal of existing business put to it by the Intermediary, nor shall the Intermediary be under any obligation to accept on behalf of their client the terms put to them by the Company in respect of any such proposal.
- 2.6 The Intermediary shall acquaint their client fully with the terms of this Agreement which affect the client’s rights, benefits or liabilities and the Company shall only accept business under this Agreement on the basis that any client of the Intermediary has full knowledge of and accepts the terms of this Agreement in so far as they apply to the client.
- 2.7 The Company shall act only on the instructions of the Intermediary as agent for their client, as detailed in this Agreement, or directly with their client where authorised by the Intermediary to do so.
- 2.8 The Company will not deliberately use information obtained from the Intermediary or business transacted under these Terms of Business Agreement to solicit, either directly or indirectly by arrangement with another party, the insurance business of the Intermediary’s client except if the Intermediary’s client makes the first and direct contact with the Company.

- 2.9 Evolution Insurance Solutions Ltd cannot guarantee the solvency of any Guarantor nor do we have the necessary information to assess or approve security. The financial strength of the Guarantor could deteriorate after the contract has commenced.

### **3 Commission**

The Company will pay a commission at a rate of 10% of the gross premium for each bond within 5 working days of receipt of premium in full.

### **4 Authority**

- 4.1 The Intermediary shall not confirm to their client the existence of insurance cover placed by the Company without first having received written confirmation of the existence of such cover from the Company.
- 4.2 The Intermediary shall not issue cover, confirm cover (save as aforementioned) or hold itself out as the insurers' original broker/intermediary.

### **5 Presentation and renewal**

- 5.1 It is the duty of the Intermediary and their client to ensure that all matters material to the risk are accurately and completely disclosed to the Company to make the Company aware of any material changes affecting the risk during the currency of the policy and to ensure that all requirements of the insurers regarding additional information, declarations subsequently required and the like are complied with in a full and expeditious manner.
- 5.2 The Intermediary shall present all information to the Company using such forms and/or proposed forms specified by the Company or in such other manner as may be agreed between the Intermediary and the Company. The Intermediary shall provide all further information required by the Company to permit it to broke the proposed insurance.
- 5.3 The Company reserves the right to withdraw access to the Intermediary where the quality and performance standards of the Company are not being met by the Intermediary.
- 5.4 Upon the Company providing a quotation, the Intermediary, if they wish to present such quotation to their client, shall present it on the same terms as those quoted to them by the Company.
- 5.5 The Company shall not be bound to process and request the issue of the Insurance on behalf of the Intermediary, or their client, until written instructions are received from the Intermediary to commence such cover, and until the Guarantor is in full receipt of the fee/premium and their security is perfected

## **6 Claims**

To be handled by the Guarantor only.

## **7 Insurance bank accounts**

The Intermediary undertakes not to hold Client's funds, in accordance with the terms of the FSA Rules.

## **8 Accounting**

All premiums are payable to the Company.

## **9 Responsibility for premiums**

Guarantee/bonds will be issued once the Guarantor has approved the risk and will be released to the Client when the Company has received cleared funds, the required security is in place and all other terms and conditions have been satisfied.

## **10 Cancellation of Guarantee/bond**

At the point the Guarantor is in receipt of the fee/premium they regard themselves as on risk and the guarantee/bond cannot be cancelled unless by mutual agreement of all parties.

## **11 Errors & Omissions insurance**

Intermediary shall maintain cover against Errors & Omissions with a level of indemnity of at least that specified by the FSA Rules and shall produce to the Company copies of confirmation of the existence of such cover as and when required to do so by the Company.

## **12 Termination**

12.1 This Agreement may be termination by mutual agreement between both parties on giving written confirmation to each other or by either party giving not less than 30 days written notice to the other of their wish to terminate the Agreement.

or

12.2 Forthwith by the Company, in the event of the Intermediary becoming insolvent, appointing a Receiver or Manager, seeking a Liquidation or any analogous proceeding in any jurisdiction, any of its principals becoming bankrupt, if the Company has reasonable ground for suspecting the Intermediary of fraud, dishonesty or bad administration, or if they cease to be authorised by the FSA.

### **13 Jurisdiction**

This Agreement shall be governed by and interpreted in all respects in accordance with the laws of England and both parties hereto agree to submit to the exclusive jurisdiction of the English courts.

### **14 Variation**

Any variation to the terms of this Agreement must be confirmed in writing and signed by both parties hereto.

### **15 Confidentiality and Data Protection**

- 15.1 The Company and the Intermediary shall treat any information relating to the other party, its business and clients as confidential (except to the extent that such information is public knowledge other than as a result of any breach of this Agreement). Neither party shall disclose such information to any third party, nor use it for any purpose except as is necessary for the performance of this Agreement or for the enforcement of that party's right in law or contract. A provision of this clause shall continue notwithstanding any termination of the Agreement.
- 15.2 The Company and the Intermediary are each responsible for ensuring, in relation to business governed by this Agreement, that all processing, uses, sources, disclosures, transfers and personal data, as specific to their business, is in accordance with their registered entry(ies) under the Data Protection Acts in force from time to time.