



JCB INSURANCE SERVICES LIMITED

Lakeside Club
Station Road
Rocester
Staffordshire
ST14 5JS

SUB BROKER TERMS OF BUSINESS AGREEMENT

TERMS OF BUSINESS AGREEMENT

Please note that all Terms of Business Agreements will be made in the name of an FCA principal firm (not Appointed Representatives) and all monies should be paid by the principal firm to JCB Insurance Services Limited.

Between

Company Name	
Address	
Email Address	
FCA Number	

And

JCB INSURANCE SERVICES LTD
Lakeside Club
Station Road
Rocester
Staffordshire
ST14 5JS

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JCB INSURANCE SERVICES LTD INTERMEDIARIES AGENCY APPLICATION FORM -SUB BROKERS

Please complete this form and return it to : JCB Insurance Services Ltd, Rocester, Staffordshire, ST14 5JS

TRADING TITLE		DATE ESTABLISHED	
ADDRESS			
TEL No:		FAX No:	
WEB SITE ADDRESS:		E. MAIL :	
NATURE OF TRADING / STRUCTURE			
SOLE TRADER	YES / NO	PARTNERSHIP	YES / NO
		LIMITED CO	YES / NO
DETAILS OF DIRECTORS, PARTNERS OR SOLE PRINCIPALS			
NAME	D.O.B	PROFESSIONAL QUALIFICATIONS	
1			
2			
3			
F.C.A DETAILS			
F.C.A REGISTRATION NUMBER:			
PROFESSIONAL INDEMNITY			
NAME OF UNDERWRITERS		LIMIT OF INDEMNITY	RENEWAL DATE
BANK DETAILS – Clients Premium/IB Account			
NAME:		ADDRESS:	
SORT CODE:		ACCOUNT NAME:	
ACCOUNT NUMBER		DATE ACCOUNT OPENED:	
DECLARATION			
I/We hereby apply for agency facilities with JCB Insurance Services Ltd and confirm that the above statements are true. I/we undertake to observe and abide by the JCB Insurance Services Ltd terms of business. I/we can confirm that I/we have never become bankrupt or had a receiving order made against me/us or entered into a deed of arrangement with creditors or ever been convicted of a criminal offence. I/we have never been subject to any disciplinary procedures instituted by the F.C.A or any other regulatory body. I/we undertake to advise you should my/our FCA status change in any way.			
SIGNED:		DATED:	
SIGNED:		DATED:	

JCB Insurance Services Limited

Product Value Assessment

As a Sub-Broker to JCB Insurance Services Ltd (Distributor 1) You are therefore Distributor 2 and should be the one in contact with the end customer.

Please assist us with complying with our ongoing duty to evidence 'fair value' to clients by completing the form below.

Information provided should include type / amount of remuneration (incl. fees and commission) where this is part of the cost paid by the customer for the product.

Name		
Fees	New Business/Renewal	£
	MTA's	£
	Cancellations	£
Other Remuneration	Maximum Premium Finance Override %	%

Services Provided

- Advised Sale Yes/No
- Non-Advised Yes/No
- Claims (Distributor provides first notification of loss) Yes/No
- Other (Please describe)

Do you provide additional add on policies in connection with JCB sub broked policies? Yes/No

If so, please answer the following:

Type of Policy

Income (% or fee/commission)

In respect of fair value, please confirm that the above remuneration paid by the customer is consistent with your regulatory obligations as a Distributor Yes/No

Broker Contact Details incl. person responsible for Product Governance

Name

Position

Date

Broker Information

The purpose of this document is to set out the basis of the agreement, how we conduct our business and offer our services to you.

JCB Insurance Services Ltd of Lakeside Club, Station Road, Rocester, Staffordshire, ST14 5JS, are specialist insurance brokers who place business either on our bespoke insurance schemes or with specially selected insurers for certain specialised industries.

We are authorised and regulated by the Financial Conduct Authority. Our FCA registration number is 306372. These details can be checked on the Financial Services Register by visiting their Website www.fca.org.uk/register or by contacting the FCA on 0800 111 6768 or email register@fca.org.uk. All calls may be recorded for training and auditing purposes.

Instructions

All instructions must be provided to us in a durable medium. In urgent cases we accept verbal instructions provided they are confirmed in a durable medium within one working day. We are unable to accept instructions until you have been provided with a formal quotation. All quotations are valid for 21 days from the date of issue. You do not have any authority to issue cover or cover notes on behalf of JCB Insurance Services Ltd. You must return all requested documentation to us within 21 days.

Policy Documents, Certificates of Insurance, Policy Schedules and Cover Notes

It is your responsibility to read and check all documentation and to contact us to request any amendments.

Failure to do this could mean that the cover is insufficient or incomplete and might not provide your client with indemnity in the event of a claim.

Statement of Fact

For most classes of business, a Statement of Fact will be issued, this will contain material facts where assumptions have been made. Please pay particular attention to the duties of disclosure (see below), as it is essential that we and/or the insurers are informed of all material facts before placing cover on your behalf. All Statement of Facts will be provided by JCB Insurance Services Ltd, if any of the information noted is incorrect, you must notify us immediately.

Duty of Disclosure

- It is your responsibility as agent of the client to make a fair presentation of the risk to us when obtaining cover (and throughout the term of the policy and at the renewal), whether or not proposal forms are applicable or completed
- You must disclose to us every material circumstance which your client or you as agent know or ought to know
- You must ensure that, in such disclosure, any material representation as to a:
 - a) matter of fact is substantially correct and
 - b) matter of expectation or belief is made in good faithSuch disclosure should be made in a reasonably clear and accessible manner.
- Neither the insurer nor JCB Insurance Services Ltd are required to make enquiries. The onus falls upon the insured and any information obtained by you as agent of the insured should be disclosed
- If you fail to make a fair presentation of the risk then this could affect the extent of cover provided or could invalidate your client's policy. If you are in any doubt as to whether a circumstance is material then you should disclose it
- When the insured makes any mid-term changes to their insurance you must contact us immediately in a durable medium and provide us with any information requested

Information about the Proposed Insurance

We will ensure that:

- We provide you with comprehensive information early enough for you to make an informed decision about the insurance being proposed.
- We will provide confirmation in a durable medium of the insurance proposed including:
 - a) The basis of cover
 - b) IPID/Summary of Cover/Key Facts/Product or Policy Summary from Insurers, if applicable
 - c) Any significant or unusual restrictions, exclusions, conditions or obligations

It remains your obligation to ensure the cover meets your client's needs.

Confirmation of Cover

We will provide you with confirmation that cover has been put in place and where applicable any relevant certificates. These will normally be sent to you within five working days from the date when cover began.

We will provide a full policy wording.

Claims

It is essential that we are notified immediately of any claims, or circumstances, which could give rise to a claim. When you notify us, you must include all material facts concerning the claim. The policy wordings will describe in detail the procedures and conditions in connection with making a claim.

Where agreed we will provide a claims handling service and we will:

- Give guidance to assist the insured in pursuing a claim under the insurance
- Handle claims fairly and promptly and keep you informed of their progress
- Inform you in writing if we are unable to deal with any part of a claim
- Advise you as soon as possible of claim settlement details

Settlement Terms

Commission will be paid on new business, mid term adjustments and renewals exclusive of any taxation unless we advise to the contrary – see Appendix I. You agree that we may recover from you the relevant amount of commission on cancelled policies or where an adjustment has resulted in a return of premium and in the event of any unpaid premium instalments by the client, we may recover commission from you on a pro-rata basis or in accordance with any cancellation handling condition within the policy.

Statements will be issued on a monthly basis, with settlement net within a strict 30 days. No allowance will be made for any delays due to deficiencies in your own accounting systems.

For the avoidance of doubt, we have no obligation to fund any premiums, duties, fees and taxes on your or the Insured's behalf and have no responsibility for any loss which you or the insured may suffer as a result of insurers cancelling the insurance or taking any other prejudicial steps as a result of the late payment of such sums if such delay is attributable to you or the insured. If you collect a premium from the client you will contact us immediately and we will advise you if the client will remain on risk and the action we may require.

In certain circumstances insurers may impose a specific premium term whereby they require payment of premium by a certain date. We must stress that breach of that term may enable insurers to void the insurance from inception. We reserve the right to correspond directly with the insured in the event of non-payment of their premium on your account.

Where an insurer has paid a claim before we receive a full premium due, including any adjustments, you will be responsible for payment to us of that premium.

Client and insurer money will be held in a non-statutory trust account in accordance with FCA rules. The Broker may deduct the commission upon receipt of the premium from the client.

Risk Transfer

You shall hold monies as the agent of the Insurer in respect of the insurers stated below, as the Producing Broker to Us, where you hold:

- Premium due to be paid to the Insurer
- Return premium due to be paid to the client
- Claims monies due to be paid to the client
- Money received by You from Us for onward payment to agents of the Insurer in respect of claims adjustment, legal and similar professional fees

Aviva	Axa
Chubb Insurance	Covea (unless you do not hold an agency direct with Covea)
DAS	HSB Engineering
NIG	QBE
Royal & Sun Alliance	Zurich

As the Producing Broker to Us you have no authority under this Agreement to permit any third-party, sub-agent or Appointed Representative (as defined in the FCA's Handbook) to receive, hold, or pay any money on behalf of the Insurer, without the Insurer's consent. You shall advise Us within 7 days of receipt of any request from the Insurer, whether You have received any specified premiums.

Pending payment to Us or the client (as the case may be), You shall hold the monies described above as the agent and trustee of the Insurer within your client money account, which shall be a non-statutory or statutory trust account, established in accordance with CASS 5.4 or CASS 5.3.

The Insurers above hereby consent to such monies being co-mingled with the Producing Broker's other client monies. The Insurers above also consent to its rights with regard to monies held in the Producing Broker's client monies account being subordinated to those of the clients, in accordance with CASS 5 and further agrees that any interest earned on the said account shall accrue to the Producing Broker.

Where you do not hold Insurer monies and a statutory or non-statutory trust account, monies should be held in a client bank account held solely for the purpose of client money.

Where a policy is placed with an Insurer other than those noted above, We will notify the Producing Broker on a case by case basis whether risk transfer applies.

Cancellations

Premiums quoted are for 12 month policies unless stated otherwise. Insurers will usually allow refunds in the event of mid term cancellation. Refunds of premium will be passed to you less a 15% fee on the gross return premium or £50 whichever is the greater. Where a Scheme policy is cancelled any return premium will be net of any cancellation charges and JCB Insurance Services Commission.

Cost and Remuneration

We will:

- Provide details of the premium cost for each of the insurances offered
- Be paid for arranging the insurance in the form of commission or brokerage paid to us by the insurers underwriting the insurance, unless we have an arrangement with you that our services are provided for an agreed fee

- Not impose any fees or charges in addition to the premium required by the insurer without first disclosing the amount and purpose of the charge other than:

New Business/Renewals

Premium including IPT	Fee per policy
Upto £1000	£20
£1000 to £3000	£35
£3000 to £5000	£60
Over £5000	£100

- £25 charge for mid term adjustments, including change of address
- We will disclose any fees prior to you committing to purchase any products

Our fees are non refundable.

As well as any brokerage or commission or an agreed fee, as appropriate, we will be entitled to benefit from, and retain:

- Any earnings we are able to generate due to the amount of business placed with certain insurers and their underwriting performance, which are not identifiable to any specific clients
- Any interest on client bank accounts
- Any earnings in relation to business placed with premium finance providers

Market Security

We do not guarantee the financial position and solvency of any market utilised and we cannot guarantee the future stability of any insurer to meet its policyholder obligations and therefore the final decision on the suitability of any insurer rests with you as agent of the Insured. If you have any concerns about the security offered, please contact us immediately.

A liability for the premium, whether in full or pro-rata, may arise under policies where a participating insurer becomes insolvent.

Data Protection and Confidentiality

Both 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.

In respect of the Personal Data each Party processes under or in connection with this agreement, the Party:

- shall comply at all times with its obligations under Data Protection Law
- shall notify the other Party without undue delay after, in any event within 24 hours of, becoming aware of a Personal Data Breach
- shall assist and cooperate 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

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 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.

For the purposes of this clause:

- “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

Bribery and Corruption

Both parties agree to comply with the relevant UK legislation and regulatory requirements in relation to Bribery and Corruption. For the benefit of clarity this means that either party is prohibited from giving or receiving bribes to obtain or retain business.

Money Laundering/Financial Crime/International Sanctions

It will be the responsibility of you the Broker to undertake responsible checks to verify the identity of clients and comply with the FCA's requirements for reducing financial crime. You will report any suspicious transactions or adverse information in accordance with its own internal reporting arrangements and its obligations under relevant legislation and any subsequent regulations. It will be your responsibility to carry out all relevant checks to ensure that your clients do not fall within the UK's Financial Sanctions regime.

Conflicts of Interest

Both parties agree to manage conflicts of interest fairly, having due regard for the interests of the client. This will apply to all aspects of the business.

Professional Indemnity Insurance

We carry professional indemnity insurance to meet the requirements of the FCA. The level of cover we hold exceeds the minimum requirements required by the FCA and full details are available from us on request.

Client Ownership

We acknowledge that ownership of the client remains with you. We will not knowingly contact your client directly under any circumstances unless:

- you have authorised us to do so or
- you are not authorised by the FCA to transact business
- if the situation arises when an insurer seeks to void a policy for any reason
- We reserve the right to correspond directly with the insured in the event of non-payment of their premium on your account or in the case of fraud

In these latter two cases, we reserve the right to inform the insured direct of the fact by recorded delivery letter.

In the event that you become insolvent, bankrupt, compound with creditors, appoint a receiver, go into run off or become unauthorised by the FCA, we reserve the right to approach the client directly to protect their best interests.

Placing Business on Behalf of Other Intermediaries

We do not permit intermediaries to in turn place cover on behalf of other intermediaries, thereby creating a chain.

Complaints

If you wish to register a complaint, please contact us: In writing:

JCB Insurance Services Ltd
Lakeside Club
Station Road
Rocester
Staffordshire ST14 5JS

By phone: 01889 590219
Email: insurance@jcb.com

Law and Jurisdiction

These terms of business shall be governed by and construed in accordance with English Law. In relation to any legal action or proceedings arising out of or connection with these terms of business we both irrevocably submit to the non-exclusive jurisdiction of the English courts.

Termination

This agreement may be terminated by the Broker or JCB Insurance Services Ltd:-

- Any time by mutual agreement or
- On the expiry of 30 days written notice by email or
- Without notice if there are reasonable grounds to suspect fraud, or in the event of the bankruptcy, insolvency or liquidation of the Broker or Company, or on the approval by creditors of the Broker or the Company of a voluntary arrangement or on the making on an Administration order in relation to the Broker or the Company or
- Without notice if the authorisation by FCA of the Broker or the Company to undertake any general insurance regulated activities is terminated following any proposed or actual disciplinary proceedings for any failure to comply with the Rules, or for any failure to comply with the Rules in respect of any regulated activities undertaken by the Broker in pursuance of the duties delegated to the Broker under this agreement

Or,

- If the Broker or the Company fail to remedy any action of the agreement, or any unsatisfactory conduct, within a reasonable period of the Broker or the Company notifying the other party in writing or
- Failure to pay our Statement of Account as detailed in the Settlement of Terms section of this agreement or
- If instructed by an Insurance Company whom we place business with on your behalf
- If the Broker fails to comply with any FCA regulation or Principle

On termination of the agreement:

No further insurance business will be placed or transacted under the terms of this Agreement and no further renewal will be issued;

- You shall not issue any renewal invitations on behalf of JCB Insurance Services Ltd and shall return all documentation and other property of JCB Insurance Services Ltd and the Insurers immediately to JCB Insurance Services Ltd
- All monies due to JCB Insurance Services Ltd shall become immediately due and payable
- The Agreement shall continue in respect of all Insurance Business written prior to the date of termination, except for renewals following the date of termination, and all sums due shall be paid in accordance with the Terms of Business Agreement

Following termination:

JCB Insurance Services Ltd and the Broker 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.

Notification of Changes

The Broker shall immediately notify JCB Insurance Services Ltd in writing:

- Of any change of trading style or address
- Of any change in Partners (where a Partnership) or Directors

- If they 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
- Any action taken by the Financial Conduct Authority in respect of your firm or a Senior Manager within your firm
- In the event of any other changes which are material to this Agreement

Website Access

Access to the JCB Insurance quote and buy website is at our discretion and may be restricted to certain classes of business. The Broker shall notify us of any changes required to the user access and immediately notify us of any users who should have access terminated.

JCB Insurance does not accept any responsibility for The Broker misusing the quote and buy website.

WHOLESALE COMMISSION

APPENDIX I

Unless we advise you to the contrary, commission rates will be:

INSURER	CLASS OF BUSINESS	COMMISSION AMOUNT
<u>Aviva</u>	Trademaster Engineering Commercial Combined	10% 10% 10%
<u>AXA</u>	Motor Trade	7.5%
Chubb	Engineering	7.5% - 10%
DAS	Legal Expenses	10%
HSB Engineering	Engineering	10%
Covea	Trademaster Plus	10%
<u>NIG</u>	Plantmaster Plantmaster – Road Risks	10% 7.5%
QBE	Trademans	10%
Royal & Sun Alliance	Plantmax	10%
Zurich	Commercial Combined	7.5%