

# INTRODUCER APPOINTED REPRESENTATIVE AGREEMENT

THIS AGREEMENT is made on \_\_\_\_\_ (day) \_\_\_\_\_ (month) \_\_\_\_\_ (year)

## BETWEEN:

**Safe&Secure Insurance Services Limited** whose registered office is at 12 Stadium Business Court, Millennium Way, Pride Park, Derby DE24 8HP ("**Safe&Secure**")

And (the "**Introducer Appointed Representative**")

## WHEREAS:

- (1) Safe&Secure is an insurance intermediary directly regulated by the FCA for the conduct of certain related activities.
- (2) The Introducer Appointed Representative (IAR) is not Directly Authorised by the FCA.
- (3) Safe&Secure wishes to appoint the IAR to introduce customers to Safe&Secure (and carry on certain related activities) with a view to facilitating General Insurance.

## IT IS AGREED:

### 1. INTERPRETATION

1.1. In this Agreement, unless inconsistent with the context or otherwise specified:

- (a) **Applicable Regulations** means all laws, regulations, orders, directions from Regulators and industry codes of practice applicable to the marketing, selling and/or variation of mortgages, insurance and related products, including (without limitation) the FSMA, the FCA Handbook, the DPA, the CCA, the Council of Mortgage Lenders' Mortgage Code, the General Insurance Standards Council's rules and codes, the Advertising Standards Authority's British Code of Advertising, Sales Promotion and Direct Marketing, the Money Laundering Regulations 2003 and the Proceeds of Crime Act 2002, as re-enacted, amended or extended from time to time;
  - (b) **CCA** means the Consumer Credit Act 1974;
  - (c) **Commencement Date** means the date on which Safe&Secure has given the IAR notice under clause 2;
  - (d) **Counterparty** means a person other than Safe&Secure;
  - (e) **DPA** means the Data Protection Act 1998;
  - (f) **Financial Promotions** means Non-Investment Financial Promotions and Qualifying Credit Promotions;
  - (g) **FCA** means the Financial Conduct Authority;
  - (h) **FCA Handbook** means the FCA's Handbook of rules and guidance made under the FSMA;
  - (i) **FSMA** means the Financial Services and Markets Act 2000;
  - (j) **ICOB** means the Insurance: Conduct of Business sourcebook in the FCA Handbook;
  - (k) **Insurance Policies** means the insurance policies referred to in schedule 1 to this Agreement as may be varied from time to time;
  - (l) **Intellectual Property Rights** means all intellectual and industrial property rights including, without limitation, any invention, patent, design or utility model rights, any copyright and trade marks, service marks, database rights, topography rights, know how or trade secrets, and any other rights of a similar nature whether or not any of the same are registered, and the right to apply for any of them;
  - (m) **Product Information** means information, data, files and documents in the possession or control of the Introducer or Safe&Secure which, in the context of this Agreement, relate to the Products or their sale including (without limitation) any such information, data, files and documents relating to customers and potential customers;
  - (n) **Product Providers** means underwriters of Insurance Policies, in relation to which Safe&Secure requires or allows the IAR to carry on any activities under this Agreement.
  - (o) **Products** means General Insurance Policies only;
  - (p) **Regulated Activities Order** means the FSMA (Regulated Activities) Order 2001;
  - (q) **Regulated Contracts** means Contracts of Insurance;
  - (r) **Regulator** means the FCA, the Office of Fair Trading and any other enforcement authorities or regulators of activities carried on by the IAR or Safe&Secure; and
  - (s) **Staff** means any individual or individuals working directly or indirectly for the IAR including, if the IAR is an individual or individuals, the IAR;
  - (t) **SUP** Means the Supervision manual in the FCA Handbook;
  - (u) **Third Parties** means any third party provider of an insurance sourcing system, product providers, valuers, actual or potential customers of product providers and any other persons affected by the activities contemplated under this Agreement;
- 1.2. In this Agreement, the following terms will have the meaning given to them in the glossary to the FCA Handbook: **Approved Person, Business Day, Client Money, Contract of Insurance, Controlled Function, General Insurance Contract, Illustration, Introducer Appointed Representative, Lifetime Mortgages, Non-Investment Financial Promotion, Non-Real Time Qualifying Credit Promotion, Permission, Principle, Pure Protection Contract, Qualifying Credit Promotion, Real Time Qualifying Credit Promotion, Regulated Activity, Regulated Mortgage Contract and Threshold Condition.**

### 2. TERM AND THE COMMENCEMENT OF ACTIVITIES

2.1 This Agreement shall commence on the date of this Agreement and shall continue until terminated in accordance with the provisions of this Agreement.

### 3. APPOINTMENT AND THE SERVICES

- 3.1 The IAR may, in accordance with the procedures set out by Safe&Secure distribute Non-Investment Financial Promotions and Non-Real Time Qualifying Credit Promotions approved by Safe&Secure relating to the Products.
- 3.2 Safe&Secure does not accept any responsibility for any other activities of the IAR including, but not limited to any Consumer Credit Activities.
- 3.3 The IAR will, when introducing customers to Safe&Secure, comply with FCA Principles: in relation to the Insurance Policies, from 14 January 2005.

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## 4. LIMITATIONS ON THE IAR'S ACTIVITIES

Under FCA rules, an IAR is not permitted to be involved in any way in the sales process of regulated general insurance policies. The IAR must simply pass contact details of any prospective customer to Safe&Secure, who will then take over all contacts and transactions with the customer. Under this agreement, the IAR is NOT permitted or authorised by Safe&Secure to discuss the calculation or make up of premiums and payment terms or any activity relating to Consumer Credit Activities whatsoever.

Specifically, the IAR must NOT complete a fact find, provide advice on any general insurance products, help a customer complete an application form or endeavour to liaise between the customer and Safe&Secure in the sales process. The IAR is permitted to make reasonable contact with Safe&Secure to check on the progress of any or his/her introduced cases. IAR's CANNOT select products or make use of quotation systems (other than FCA comparative tables).

- 4.1 The IAR shall not represent any Counterparty except as expressly provided for under this Agreement.
- 4.2 The IAR shall not carry on any Regulated Activity, other than that of an IAR, which would conflict with Safe&Secure activity as specified in Schedule 1, paragraph 1.
- 4.3 If Safe&Secure's Permission is varied (or Safe&Secure anticipates a variation) such that Safe&Secure is no longer permitted to carry on any one or more of Regulated Activities, the IAR shall stop carrying on such activities immediately following receipt of notice from Safe&Secure.
- 4.4 The IAR will not make or distribute any Financial Promotions (or any kind of financial promotion) in relations to the Safe&Secure introductions, other than in accordance with clause 3.1

## 5. COMPLIANCE

- 5.1 The IAR must make all appropriate notifications, and obtain and maintain all appropriate licences, memberships and registrations, as required under Applicable Regulations including (without limitation) the CCA and DPA.
- 5.2 The IAR will obtain any consents that it may require from its Staff and customers in order to perform its obligations pursuant to this Agreement.
- 5.3 The IAR shall comply with any instruction that Safe&Secure may give concerning investigations which may be carried out by the Regulator or with any instruction which may result from the exercise of intervention powers by any Regulator.
- 5.4 Safe&Secure reserve the right to change the payment terms to the IAR if at least two new clients are not successfully converted to signed up cases by Safe&Secure per month.

## 6. PAYMENTS

- 6.1 Safe&Secure will pay introducer fees by BACS on a monthly basis after completion of any introduced cases once Introducer Fees have been received from the Product Provider.
- 6.2 Safe&Secure may off set any sums payable to the IAR under this Agreement against any sums that are due from the IAR to Safe&Secure or a Third Party under this Agreement or otherwise.
- 6.3 In the event of a Lapse, the IAR agrees to repay any reclaimed Introducer Fees.

## 7 CUSTOMERS AND RELATED INFORMATION

- 7.1 Either party may request and require the other party to disclose any customer information in its possession or control as necessary for requesting party to comply with its obligations under Applicable Regulations or pursuant of this Agreement. However this clause shall only apply if the disclosing party is permitted to make such disclosure; or can reasonably procure permission to make such disclosure, provided that all reasonable costs incurred by the disclosing party in procuring permission in accordance will promptly be reimbursed by the requesting party.
- 7.2 All Product Information belongs to Safe&Secure.
- 7.3 The IAR will treat all Intellectual Property Rights in any other Product Information as belonging to Safe&Secure.

## 8 REPORTING AND CONFIDENTIALITY

- 8.1 Either party must promptly notify details to the other on becoming aware that any of the following events has occurred or is likely to occur:
  - (a) it is no longer able to meet its financial obligations to any creditor;
  - (b) it otherwise becomes insolvent.
- 8.2 The IAR must promptly give Safe&Secure details of any circumstances which might have a significant impact on, or implications for, the fitness or propriety of the IAR or any of its Staff.
- 8.3 Each party undertakes that it shall not divulge any information relating to (1) the affairs or business or method of carrying on business of the other which it knows or should reasonably know to be confidential or (2) the terms of this Agreement, other than to any Regulator or (where Safe&Secure is the disclosing party) Third Party as necessary for the disclosing party to exercise or enforce its rights or carry out its obligations to the Regulator or Third Party in question.
- 8.4 Safe&Secure owns the copyright in this Agreement and any other documents that Safe&Secure provides to the IAR pursuant to this Agreement. The IAR may make copies of such materials for its internal use only and may not disclose such materials to any other persons.
- 8.5 Safe&Secure agree not to cross sell any products to any introduced client without the express consent of the IAR.

## 9 VARIATION

- 9.1 Safe&Secure may at any time vary:
  - (a) the Products;
  - (b) this Agreement as necessary:
    - (i) for Safe&Secure to meet its obligations under Applicable Regulations or to any Regulators or Third Parties;
    - (ii) to reflect any changes to processes that Safe&Secure uses internally, or which are imposed by Third Parties; and/or
    - (iii) to reduce the cost of any insurance maintained by Safe&Secure
- 9.2 Safe&Secure may, by giving at least 3 months' prior notice to the IAR, make any other variations to this Agreement. In the event of Safe&Secure making a variation, the IAR may, by giving at least 1 month's prior notice to Safe&Secure, terminate this Agreement on the date the variation is due to come into effect.

## 10 GENERAL

- 10.1 Any notices under this Agreement shall be made in writing unless otherwise stated.

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- 10.2 Nothing in this Agreement shall constitute a partnership between the parties or constitute either as agent of the other for any purpose whatever and neither shall have authority or power to bind the other or to contract in the name of or create liability against the other in any way or for any purpose save expressly authorised in writing by the other from time to time.
- 10.3 The IAR will not hold itself out as agent of Safe&Secure or any Product Provider and will take reasonable steps to notify Third Parties that it is not the agent of Safe&Secure or any Product Provider.
- 10.4 The IAR may not assign, subcontract, delegate, outsource or transfer all or any of its rights or obligations in connection with this Agreement without the prior written consent of Safe&Secure.
- 10.5 This Agreement (together with any documents referred to in this Agreement) contains the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of this Agreement.
- 10.6 Each of the parties acknowledges and agrees that it does not enter into this Agreement on the basis of and does not rely, and has not relied, upon any statement or representation (whether negligent or innocent) or warranty or other provision (in any case whether oral, written, express or implied) made, given or agreed to by any person (whether a party to this Agreement or not) except those expressly repeated or referred to in this Agreement and the only remedy or remedies available in respect of any misrepresentation or untrue statement made to it shall be a claim for breach of contract under this Agreement.
- 10.7 Any waiver of a breach of any of the terms of this Agreement or of any default under this Agreement shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of this Agreement.
- 10.8 The rights and remedies provided by this Agreement are cumulative and are not exclusive of any rights or remedies provided by law.
- 10.9 If any provision of this Agreement is held to be illegal, invalid or unenforceable in whole or in part in any jurisdiction this Agreement shall, as to such jurisdiction, continue to be valid as to its other provisions and the remainder of the affected provision; and the legality, validity and enforceability of such provision in any other jurisdiction shall be unaffected.
- 10.10 Safe&Secure agree not to directly contract any employee of the IAR for a period not exceeding 12 months after their contract has terminated with the IAR and the IAR should make best endeavours to ensure Safe&Secure are advised of all such terminations. Safe&Secure cannot be held accountable in the event no notification of termination has been provided.
- 10.11 The Agreement shall be governed by, construed and take effect in accordance with English law.

## 11 LIMITATIONS OF LIABILITY

- 11.1 Safe&Secure will only be responsible for direct loss to the IAR, and then only if Safe&Secure deliberately or negligently caused the loss. Safe&Secure will not be responsible or liable for any indirect loss, any type of special or resulting loss, any loss of business, opportunity or profit or anything beyond Safe&Secure's reasonable control.
- 11.2 However nothing in this Agreement will exclude or restrict any duty or responsibility Safe&Secure may have or owe to the IAR by law. In particular, nothing in this clause will exclude or restrict Safe&Secure's liability for injury or death or where Safe&Secure has acted fraudulently.

## 12 INDEMNITY

The IAR agrees to indemnify and keep indemnified Safe&Secure on demand against all actions, claims, demands, expenses, costs, liabilities and losses which may be made against Safe&Secure or which Safe&Secure may suffer or incur as a consequence of or which relate to or arise from, directly or indirectly, any breach by the IAR of the terms of this Agreement or obligations under Applicable Regulations. The indemnity shall not apply to the extent that the breach by the IAR is as a result of the negligence or wilful default of Safe&Secure.

## 13 TERMINATION

- 13.1 This Agreement shall terminate immediately in the event of Safe&Secure losing its Permission.
- 13.2 Either party may terminate this Agreement at any time by giving the other party not less than three months' prior notice
- 13.3 Safe&Secure may, after first having given (where possible) the IAR reasonable notice, at its option, immediately terminate this Agreement if:
- (a) the IAR repeatedly breaches any provisions of this Agreement;
  - (b) the IAR fails to pay in full any sum payable by it under this Agreement within 30 days of its due date;
  - (c) the IAR is the subject of any form of disciplinary action or has been found to be in breach of any obligation or duty following investigation by any Regulator;
  - (d) Safe&Secure reasonably believes that continuing its association with the IAR may have a detrimental effect on Safe&Secure's reputation, Safe&Secure's relationship with any Regulator or Safe&Secure's ability to comply with any obligations under this Agreement or Applicable Regulations or any obligations towards Regulators or Third Parties;
  - (e) any step, application, order, proceeding or appointment is taken or made by or in respect of the IAR for a distress, execution, composition or arrangement with creditors, winding up, dissolution, administration, receivership (administrative or otherwise) or bankruptcy, or if the IAR is unable to pay its debts.
- 13.4 In event of this Agreement being terminated, termination will not affect any legal rights or obligations which arise or may have already arisen as a result of this Agreement.

## 14 EFFECT OF TERMINATION

- 14.1 On termination of this Agreement by either party, the IAR shall be entitled to Introducer Fees only in respect of premiums received by the Product Provider prior to termination. Any payment of Introducer Fees in respect of premiums paid after termination shall be paid entirely at the discretion of the Product Providers.

## 15 AUDIT

The IAR shall be entitled from time to time and on giving reasonable notice undertake an audit of Safe&Secure in connection with the performance of its obligations under this Agreement. Safe&Secure shall promptly allow the representatives of the IAR reasonable access to any of its offices during normal office hours for this purpose. Safe&Secure shall co-operate fully with such audit and supply such information, data and records of whatsoever nature as may be requested by the IAR which shall be entitled to make copies or take extracts of the same.

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**AS WITNESS** *the hands of these parties on their duly authorised agents the day and year first above written*

Signed by .....

for and on behalf of **Safe&Secure** .....[print name]

Signed by .....

for and on behalf of **IAR** .....[print name]

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## SCHEDULE 1 – THE PRODUCTS

### 1. **Insurance Policies**

The General Insurance Contracts offered by Safe&Secure may vary from time to time. They may include any of the following (in combination or otherwise):

- (a) buildings insurance;
- (b) contents insurance;

## SCHEDULE 2 – INTRODUCER FEES

Safe&Secure will deal with customer enquiries introduced by the IAR in whatever way Safe&Secure sees fit in order to bring the case to a satisfactory completion. Safe&Secure are required, under FCA rules, to:

- (a) pay due regard to the interests of customers and treat them fairly (Principle 6)
- (b) pay due regard to the information needs of clients and communicate information to them in a way which is clear, fair and not misleading (Principle 7)
- (c) take reasonable care to ensure the suitability of advice (Principle 9)

Safe&Secure will endeavour in every case to advise customers on and to arrange suitable home (buildings & contents) products. These products are regulated by the FCA from 14<sup>th</sup> January 2005 and Safe&Secure will adopt the standards set out in the Insurance Conduct of Business (ICOB) rules when advising and selling on these products.

### **Charges**

Safe&Secure will not charge the customer for advice given.

### **Introducer Fees payable to the IAR**

<b>Product</b>	<b>Indemnity Introducer Fees*</b>	<b>Renewals Introducer Fees*</b>
Buildings & Contents	17.5%	17.5%
Buildings Only	17.5%	17.5%
Contents Only	17.5%	17.5%

Introducer Fees are paid the month after the first premium has been paid by the client (NB: Collection of the first premium is normally 7-10 days from On Risk Date.) Introducer Fees are paid around the 30<sup>th</sup> of the month following receipt of payment from the Product Provider.

Residential Home Insurance is payable indemnity (upfront) and Landlord buildings is payable non-indemnity (drip)

### **Taxation**

The IAR is responsible to the Inland Revenue for payment of income tax and national insurance on any sums paid to him/her under this arrangement by Safe&Secure.