



**T H O R N H I L L**  
**I N S U R A N C E**  
EST—1982

## Terms of Business Agreement for Sub-Agents

Agreement date

### Introduction

This agreement is between Brian Thornhill & Son Insurance Brokers Limited and the sub-agent who is a firm authorised and regulated by the Financial Conduct Authority in respect of the proposed activities relating to regulated non-investment insurance contracts.

### Parties to the agreement:

Name:

Address:

Telephone:

Company email:

FCA FRN:

Hereafter described as **'the sub-agent'**.

### And

Name: Brian Thornhill & Son Insurance Brokers Limited T/A Thornhill Insurance

Address: 704 Huddersfield Road, Ravensthorpe, West Yorkshire, United Kingdom, WF13 3HU

FCA FRN: 684402

Hereafter described as **'the Firm'**.

### Signatures

In signing this agreement both parties agree to be bound by its terms:

For the firm:

Position: Director

Name: Jacqueline Thornhill

Signed:

Date:

For the sub-agent:

Position:

Name:

Signed:

Date:

## **Non-Solicitation Clause**

We confirm that we will not approach your clients directly now or at any time in the future for marketing purposes nor in the normal course of business unless circumstances make this absolutely necessary to complete your contractual obligations.

### **1. Definitions**

Authorisation:	Means all necessary authorisation from the FCA pursuant to FSMA
FCA:	Means The Financial Conduct Authority and/or any successor body and their officers and agents
FSMA:	Means The Financial Services and Markets Act 2000 and the rules and regulations made or having effect thereunder]
IPT:	Means Insurance Premium Tax as provided for in Part 111 of the Schedules 7 and 7a to the Finance Act 1994 and all subsequent legislation to the taxation of insurance premiums whether made before of after the date of this Agreement and all regulations made there under and all published and generally applied practices of HM Customs & Excise in relation thereto and any similar tax payable in respect of insurance premiums which replaces it or is introduced in addition thereto
The Firm/We/US:	Means Brian Thornhill & Son Insurance Brokers Limited - registered address is 704 Huddersfield Road, Ravensthorpe, West Yorkshire, United Kingdom, WF13 3HU
Sub-agent/You/Your:	The Insurance intermediary detailed within the Schedule to this Agreement
Client/Insured:	Means an individual or corporate body whom You can demonstrate to be Your existing and/or prospective customer
Regulated Activities:	Means all applicable statutes, statutory instruments, orders, regulations and codes of practice (whether or not having the force of law) in force from time to time and in particular but without limitation the requirements, rules, regulations, guidance and codes of practice of the FSMA and the FCA
Underwriters:	Means Lloyds Syndicates, Lloyds Managing Agents, Coverholders and/or Insurance Companies with whom We are authorised by agreement to bind insurance contracts or who permit us to issue cover on their behalf.

### **2. Introduction**

- a. This Agreement is made and regulates the terms of business between Brian Thornhill & Son Insurance Brokers Ltd (The Firm) and the Insurance Intermediary (The sub agent) (whether sole trader, partnership or body corporate) named in the Schedule hereto and takes effect from the Effective Date detailed within the Schedule to this Agreement.
- b. We are authorised and regulated by the FCA in accordance with the FSMA in the dealing with non-investment insurance contracts as agent and the assisting in the administration and performance of a contract of insurance.

- c. It is a condition precedent to and a continuing term of this Agreement that You continue to be authorised by the FCA or exempt and have Permission to undertake the Regulated Activities to be conducted under this Agreement.
- d. For the purpose of this Agreement You are acting at all times as an agent of the Client and not of the Firm and You have no authority to act on behalf of the Firm, except for the purposes of risk transfer as detailed elsewhere. You are solely responsible for the advice You give to your Clients.

### **3. Scope**

- a. We will be responsible for the placement and transaction of the insurance business with Underwriters, introduced by You and in doing so shall at all times conduct its activities and relationship with You with utmost good faith and integrity and in accordance with the Rules and Regulations of FCA relating to the Regulated Activities for which We are authorised.
- b. Nothing in this Agreement shall however require Us to accept any proposal for insurance or renewal of any existing insurance or to maintain cover in respect of any existing insurance.
- c. If in the event of the underwriting Company declining to offer renewal to a Client You will be informed as soon as reasonably practicable.
- d. You undertake to conduct all activities and relationship with Us with utmost good faith and integrity and give written confirmation of all instructions to Us.
- e. You undertake to advise Us of any material facts provided by the Client in respect of any insurance underwritten or proposed to be underwritten by Us on behalf of Underwriters and/or in the event of You becoming aware of any non-disclosure of information by the Client you undertake to inform Us immediately.
- f. You undertake to ensure that each of your clients is fully aware of the nature, scope and extent of its insurance and their obligations and rights in respect of such insurance including without limitation:
  - i. the extent of cover provided by any insurance policy, contract, cover note and the like
  - ii. the duty of fair disclosure and the obligations to disclose all circumstances material to the insurance effected or to be effected that could reasonably be expected to be known and the consequences of failure to disclose such information to Insurers (In accordance with the Insurance Act 2015)
  - iii. the responsibility to ensure that all answers or statements made in completion of any proposal form or statement of fact, claim form or other material documents are true accurate and complete and that the inclusion of any incorrect information or omission of material fact may result in a claim being repudiated. Subject to the provisions of the Insurance Act 2015 and associated legal requirements.
  - iv. the obligation concerning the timely payment of premiums in accordance with Section 4 hereunder and the Firms right to cancel insurances in the absence of such payment.

### **4. Credit and Premium Payment**

- a. You are responsible for the payment of premiums on all new policies, amendments and renewals written by Us under this Agreement from the effective date of said new policy, amendment or renewal.

- b. Premium payments shall be made net of commission properly due to You.
- c. Your obligations to us shall be unaffected by any arrangement whereby You have allowed credit to the insured or your inability to obtain monies from the insured.
- d. An Account shall be issued at inception of each new policy/renewal or adjustment and premiums on the said account shall be paid to Us within the Credit Period stated within the Schedule. The said period shall be calculated from the date of inception of cover or in the case of adjustments, this will be from the date the account is issued.
- e. If all payments due to Us are not received by Us within the credit period defined within the Schedule, we reserve the right to withdraw future credit, withhold policy documentation or refuse to accept further instructions from You which may increase Your liability for payments to Us.
- f. In the absence of payment of premium for any specific insurance within the Credit Period stated within the Schedule, the specific insurance shall be cancelled. You shall be informed of the effective date of cancellation and You shall be responsible for the payment of any premium due for any period during which insurance cover had been provided by Underwriters
- g. Thornhill Insurance may use information obtained from several sources including credit reference agencies. This helps us to confirm your Client's identity, allows us to give a quote and decide which payment options we can offer, for example, paying monthly. Whilst your Client may see a record of this search if they request a Credit Report, this is not visible to any other organisation who may conduct credit searches and the search will not affect your Client's credit record or credit rating in any way.
- h. Thornhill Insurance may also check your Client's information against a range of registers and anti-fraud databases for completeness and accuracy. We may also share your Client's information with law enforcement agencies, other organisations and public bodies if we find that false or inaccurate information has been given to us, or we suspect fraud, we'll take appropriate action. If fraud is identified, details will be passed to fraud prevention agencies and law enforcement agencies may access and use this information.
- i. We and other organisations, including those from other countries, may also access and use this information to prevent fraud and money laundering, for example, when:
  - i. Checking details on applications for credit and credit related or other facilities
  - ii. managing credit and credit related accounts or facilities or recovering debt
  - iii. checking details on proposals and claims for all types of insurance
- j. Please contact us at Thornhill Insurance, 704 Huddersfield Road, Ravensthorpe, West Yorkshire, WF13 3HU if you want to receive details of the registers and fraud prevention agencies.
- k. If a policy has been bound online, cover is accepted subject to the above searches being carried out. If we are not satisfied with the result we reserve the right to void cover ab initio.

## **5. Risk Transfer**

- a. We have risk transfer with all our Insurers and they allow us to cascade this to you. For the avoidance of doubt therefore we are appointing you as our agent for this purpose and we grant you risk transfer in respect of all premiums (including additional and return premiums, but not claims payments).

## **6. Banking**

- a. You must bank all premiums in a statutory or non-statutory trust as per the FCA client money rules in which case we confirm that money so banked may be co-mingled with that of other insurers and that our rights will be subordinate to that of other clients (but not of other insurers)
- b. Alternatively, you may bank all money in trust for us in an account set up for that purpose. Such account shall be a trust account with major UK bank and the title of the account shall contain the words "Insurer Premium Trust" or "Broker Premium Trust". You will ensure that our money will be always easily identified We shall be entitled to a copy of the trust deed and the right to audit.

## **7. Sub-broking**

- a. Risk transfer will not apply if you sub-broke unless you have received our written confirmation in advance.

## **8. White Labelling**

- a. Brokers with prior agreement only are permitted to implement white labelling through their own website and the status of all parties must be disclosed properly.

## **9. Commissions**

- a. The present standard rate of commission is specified within the Schedule to this Agreement. We, however, reserve to right to vary the rate of commission in any situation where it is deemed necessary being made quite clear at the time business is negotiated or re-negotiated subject always the following conditions.
- b. Commission is calculated as a percentage of the premium and excludes Insurance Premium Tax and any additional charges made by Us in addition to the premium.
- c. Commission is payable to You only as long as You hold the authority of the Client to act on their behalf.
- d. You must notify Clients at the onset of any charges You make which are in addition to the premium payable and of any administration charges/fees detailed within the quotation issued.
- e. Commission payable to You by Us is subject to the right of set-off against monies due to Us.

## **10. Claims**

- a. You undertake to advise Us immediately upon receipt of a notice of a claim or any circumstances which may give rise to a claim under a policy issued by Us on behalf of Underwriters.
- b. You have no authority to act on Our behalf in respect of claims and in particular You are not authorised to commit Us in any way or to arrange a claims settlement.
- c. You have no authority to give the Insured any instruction whatsoever in connection with any claim without Our consent.
- d. You have no authority to vary any term or condition of any of the Policy(ies) of insurance issued by Us on behalf of Underwriters or to make any representation or give explanation as to the effect thereof on Underwriters behalf.

## **11. Policy Documentation**

- a. You undertake to supply Us with fully completed Proposal Forms as may be required by Us within 21 days from the inception of any insurance provided hereunder, or as otherwise specifically detailed at quotation stage. In the absence of said Proposal Forms being received by Us within the above period all cover provided shall cease immediately and shall be reinstated only on receipt and acceptance by Us of said completed Proposal Forms.

- b. We undertake to issue all policy documents, renewal schedules, certificate of Insurance and endorsements and You are not authorised to issue any such said documentation on Our behalf. You undertake to provide Us with renewal instructions prior to the renewal date of any specific insurance in the absence of which We shall assume that renewal is not required and all cover shall cease at Midnight on the date of expiry of the current period of insurance. If thereafter renewal instructions shall be received by Us, solely at our discretion, cover may be reinstated as from the date of said instructions being received by Us.
- c. You are responsible for ensuring that documents are passed promptly to the end client in line with contract certainty obligations.

## **12. Cancellation**

- a. This Agreement may be terminated by either party at any time by mutual agreement or by either party on expiry of 7 days' written notice delivered by registered or recorded delivery post.
- b. This shall ipso facto be cancelled if:
  - i. a Receiving Order in Bankruptcy is made against You
  - ii. You suspend payments or make arrangement or composition with creditors
  - iii. being a company You go into liquidation or a Receiver is appointed
  - iv. Permission for You to undertake the Regulated Activities to be conducted under this Agreement is withdrawn or suspended by the FCA
- c. This Agreement may be cancelled by Us in accordance with Article 8.1 above if You are in breach of Your obligations under this Agreement and which breach shall in whole or in part prevent or hinder Us from properly performing its function in relation to the placement of insurances
- d. In the event of Your death if You are a sole trader, or a change of control if you are a company this Agreement may remain in force between Us and such other persons as may be permitted by Us and with Our agreement in writing provided that all other terms of this Agreement are adhered to and provided that such persons agree in writing to be bound thereby Unless otherwise agreed the Agreement shall be terminated forthwith
- e. Upon termination of this Agreement under Article 12.a or 12.b above, We shall prepare a statement of account and, subject to the provisions of Article 4.e; settlement of such account shall be by way of immediate payment by either party of the net balance due to the other party as shown on the statement of account. Payment shall also be made of all known premiums not included in the statement of account.

## **13. Complaints Procedures**

- a. We intend to provide a high level of service to You and/or Your Clients under this Agreement but should You / Your Clients think you / they have just cause to be dissatisfied with any service provided by Us hereunder, please contact in the first-place Brian Thornhill verbally on 01924 499182, or in writing to 704 Huddersfield Road, Ravensthorpe, West Yorkshire, United Kingdom, WF13 3HU. We undertake to provide an acknowledgement promptly and a full written response within 20 business days.
- b. Should You / Your Client not be satisfied with our final response you have access to the Financial Ombudsman Service, who is our alternative dispute resolution provider, Exchange Tower, London, E14 9SR, Telephone Number 0800 023 4567 / 020 7964 1000

- c. Policy documentation issued by Us on behalf of Underwriters also incorporates a Complaints Procedure in respect of possible complaints in respect of the services or insurance provided by said Underwriters and in the event of a complaint directed at Underwriters we would refer you to the relevant Policy documentation

#### **14. Jurisdiction**

- a. This Agreement shall be construed according to English law and each party agrees to submit to the exclusive jurisdiction of the English Courts as regards any dispute arising out of this Agreement

#### **15. Variation**

- a. Any variation to the terms of this Agreement must be contained in writing and signed by the parties hereto.

#### **16. Schedule**

##### **a. Payment Terms**

- i. The sub agent will pay to the firm net premiums and fees within the credit period advised on the quotation provided which will be within 7 or 30 days of commencement of cover.

##### **b. Commission**

- i. Quotations will be provided at net rates or will include commission which will be detailed on the individual quotation and varies according to the provider and type of business.

##### **c. Fees**

- i. No fee will be charged for new policies or renewals unless specifically notified in the quotation provided.
- ii. The following fees will be charged for mid-term adjustments in all cases:
  - 1. £50 on additional premiums of £100 and over
  - 2. £25 on additional premiums up to £100
  - 3. £25 minimum charge on all other adjustments
- iii. Cancellation of a policy, Direct Debit defaults, or in the event of the cancellation of a policy due to non-payment, a minimum charge of £50 will be incurred
- iv. For duplicate documentation including Employers Liability Certificates, a fee of £25 will be due.

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