

AGENCY AGREEMENT

This agreement is made on the _____ day of _____ between *DMS Agency Services Limited* trading as *DMS Security Plans*, FSA Firm Reference number 303028, (hereinafter called the Policyholder) and _____ (hereinafter called the 'Agent'), and supercedes any arrangement made between them before this date. The Policyholder is directly Registered and Authorised by the Financial Services Authority (hereinafter called the FSA).

The Agent is an independent contractor in the performance of its duties and this contract does not constitute the relationship of employer and employee between the Policyholder and the Agent.

This Agreement represents the entire Agreement between the parties in relation to its subject matter, and each party acknowledges that in entering into this Agreement it has not relied on any warranty, representation or inducement (written or oral, express or implied) by the other party to this agreement or by any other person.

Now, THEREFORE, in consideration of the mutual covenant herein contained the parties hereto agree as follows:

ARTICLE 1. AUTHORITY TO MARKET THE INSURANCE PRODUCTS'

The Policyholder has been appointed as Administrator within the United Kingdom for various insurance products.

ARTICLE 2. AUTHORITY TO SELL & MARKET INSURANCE PRODUCTS, OBLIGATIONS OF THE AGENT.

The Agent shall sell and market such insurance products as are referred to in Article 1 in accordance with the individual Policy Terms and Conditions, FSA Regulations, and any specific instructions given by the Policyholder to the Agent from time to time. Notwithstanding the foregoing, the Policyholder reserves the right during the Underwriting of an application to refuse to accept any proposer for Insurance, or impose special terms, but in these circumstances will confirm the reasons in writing to the Agent. It is a condition of this Agreement that all Insurances bound hereunder must be accepted and approved and that all certificates are signed by an authorised signatory of the Policyholder.

The Agent shall:

- (i) Observe and comply with the terms of this Agreement and any other rules, regulations and procedures which the Policyholder may reasonably establish and introduce from time to time for the purpose of properly conducting its business pursuant to and in accordance with all relevant legislation, common law, market practice and any rules, regulations and requirements of any association or organisation of which the Insurer may from time to time be or be required to be a member, in particular the Association of British Insurers Code of Practice and all FSA Regulations..
- (ii) Indemnify and hold harmless the Policyholder and the Insurer from and against any costs, claims, expenses, demands and/or damages arising out of or in connection with the negligence or default of the Agent or its employees in the sale of insurance contracts under this Agreement.

ARTICLE 3. DOCUMENTATION.

The Policyholder shall provide the Agent with online access to a Quote Engine, and paperless Application Form and Direct Debit, also providing an alternative (paper based) method of communicating the Client's Bank details, and make available in a download area of its website pdf files of Key Facts & Policy Summary and Policy Terms & Conditions for all insurance contracts covered by this Agreement, and such printed literature as may from time to time be agreed between them. The Agent shall be responsible to the Policyholder for this documentation at any time upon written request from the Policyholder. Any unused documentation supplied by the Policyholder to the Agent shall always remain the property of the Policyholder. The Agent shall not use any sales literature or promotional material, which directly refers to the Policyholder, the Insurer, or any of their products by name, without the prior approval of the Policyholder.

ARTICLE 4. LIMITS OF AUTHORITY AND CLASSES OF BUSINESS.

The Agent is authorised by the Policyholder to sell and market insurance products to proposers subject to underwriting instructions issued to the Agent by the Policyholder from time to time. The Master Policy and underwriting instructions may be varied by the Policyholder giving 28 days notice in writing. No cross canvassing will be made by the Policyholder or any of their authorised agents without the prior approval in writing of the Agent.

The Agent shall have no authority to incur any liability or indebtedness on the part of the Policyholder or the Insurer, to commence any legal action in the name of or on behalf of the Policyholder or the Insurer, to vary or purport to vary the terms and conditions of any insurance contract or any Certificates of Insurance issued pursuant to this Agreement.

ARTICLE 5. CLAIMS.

The Agent shall have no authority to agree or settle claims and all claims shall be referred immediately to the Policyholder. The Policyholder shall notify the Agent when any Client requests a claim form.

ARTICLE 6. ACCOUNTS AND RECORDS.

Applications for insurance shall be submitted by the Agent visiting the policyholder's website and completing an online application form under one of the two following Declarations:

"I confirm that I am submitting this application on behalf of my Client who is present, has supplied the information now being submitted, and authorises me to submit it. You are also authorised by my Client to accept instructions by e-mail from me to commence, alter or cancel cover."

Or

"I confirm that as I am submitting this application on behalf of my Client who is not present. However I hold a Data Capture Form signed by my Client that provides the information now being submitted, and authorises me to submit it. You are also authorised by my Client to accept instructions by e-mail from me to commence, alter or cancel cover."

If the second of these Declarations applies, the Agent is responsible for the safekeeping of the Data Capture Form completed by their Client. Direct Debit Instructions may be submitted in the same manner, or by completion by the Client of a printed form.

All premiums are collected by the Policyholder by monthly Direct Debit. The Policyholder will e-mail to the Agent by the seventh day of the month, a Commission Statement detailing all the premiums collected up to and including the last working day of the previous month, and the individual and total amounts of commission that will be paid to the Agent on or before the 28thth of that month.

ARTICLE 7. PREMIUM RATES AND COMMISSIONS.

The Policyholder will also allow and the Agent agrees to accept a commission on premiums as agreed between them from time to time. On some products, the Agent can select one of several levels of premium to offer their Clients, and this choice will determine the rate of commission they will receive. Commissions are calculated as a percentage of the basic premium, before the Policy Fee and Insurance Premium Tax are added. Commission will be paid by BACS transfer to arrive as cleared funds on or before the 28th day of each month following the month of premium, subject only to the fact that the Policyholder reserves the right not to make a payment of less than £20.00 in which case the commission due will be carried forward to the next month until the minimum payment level is reached. It is further agreed that the gross premium charged by the Agent to the proposer will be that notified to the Agent by the Policyholder from time to time.

The Policyholder shall give the Agent twenty-eight (28) days notice in writing of any alteration or change in the amount of the Premium and the Policyholder shall give any Insured(s) sixty (60) days notice in writing of any such alteration or change, and that change may be made only on the policy's Review Date (the anniversary of the original start date), save that any change or alteration to the amount of the Premium resulting from changes in legislation or taxation shall be effective from the date that such changes in legislation or taxation take effect.

The Policyholder may agree special arrangements with the Agent from time to time, and may agree that those special arrangements can not be altered without the prior approval of the Agent. Such an arrangement will be confirmed by a letter sent to the Proprietor, Senior Partner, Managing Director or CEO of the Agent, signed by an Officer of the Policyholder, and confirming that the substance of the letter takes precedence over any Agency Agreement between the Policyholder and the Agent.

ARTICLE 8. CANCELLATIONS.

A Certificate of Insurance will be cancelled on the day this is requested by a Client, when two monthly premiums become outstanding, or when the mDirect Debit Instruction is cancelled. There will only ever be any refund of premiums if the cancellation occurs within the first 30 days of the cover, in which event commission will be reclaimed.

ARTICLE 9. ASSIGNMENT.

Any rights of the Agent hereunder can not be assigned without the written consent of the Policyholder.

ARTICLE 10. TERMINATION.

(i) It is agreed that the Agent or the Policyholder may terminate this contract by giving notice in writing to the other party thirty (30) days prior to the date upon which any such termination is to become effective. Such notice may be served by sending it through the post in a prepaid letter addressed to the other parties at the last known registered address of the parties to be served.

Notice served by post shall be deemed to have been served at 10.00 a.m. on the day following (or if that day following is a Sunday, then on the Monday immediately after) that on which it is posted unless the notice shall be posted after the time at which the last collection is made in which case it shall be deemed to be served at 10.00 a.m. on the second day following. In proving service of any such notice it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and put in the post by way of recorded delivery, registered letter or courier service. A notice so addressed and posted shall be effective notwithstanding that it shall be returned undelivered. Notice may be served by telefax to the last known number of the party to be served provided that such notice is put in the post addressed to the other party within twenty-four (24) hours following despatch by telefax. Such notice so served by telefax will be deemed to be served at the time of transmission by telefax. At the effective Date of termination of this agreement the Agent shall have no further authority to sell and market insurance contracts and shall immediately return all unused documentation to the Policyholder.

(ii) This agreement shall terminate automatically, with no right to future commission payments, at any time if the Agent shall:

- (a) become the subject of voluntary or involuntary rehabilitation or liquidation proceedings.
- (b) become the subject of an action in bankruptcy.
- (c) make any assignment for the benefit of its creditors.
- (d) have any pertinent licence to conduct business suspended, removed or impaired by any order or decree of any regulatory or judicial authority.
- (e) become the subject of any action for fraud or any other criminal offence against the Policyholder, the Insurer, or their clients.
- (f) fail to abide by the conditions of the Association of British Insurers (ABI) Code of Conduct.
- (g) have its Professional Indemnity Cover withdrawn or cancelled, or renewal refused.
- (h) cease to be a Member of a Marketing Group, the membership of which was a condition of this Agency being granted by the Policyholder.
- (i) have its Part IV authorisation by the FSA withdrawn.

(iii) Twelve months from the date of inception of the Agency, the Agency will be subject to review. If the Agency is producing premium collections of less than £ 100.00 per month, the Policyholder will give consideration to its termination.

It is a condition of this Agreement that the Agent immediately notifies the Policyholder in writing of any of these occurrences listed in 10 (ii) above.

ARTICLE 11. VARIATIONS.

This Agreement encompasses the whole of the Agreement between the Policyholder and the Agent and no variations to this Agreement will be effective unless in writing and signed by an authorised representative of each party. All the clauses of this Agreement are distinct and severable and if any clause shall be held illegal or void it shall not affect the validity or legality of the remaining clauses of this Agreement.

IN WITNESS THEREOF the Policyholder has caused this contract to be signed by its authorised representative and is joined in and agreed to by the Agent through the signature of its authorised representative.

For and on behalf of
DMS Agency Services Limited

For and on behalf of

By J C Tegg

By

Position Director.

Position

Date

Date