



## **EXTRACT OF TERMS AND CONDITIONS**

### **1. DEFINITIONS**

**Broker / You / Your** - refers to the limited company, partnership, limited liability partnership or individual appointed to be a Broker of Sabre to arrange policies of insurance underwritten by Sabre as set out at the beginning of this TOBA;

**CASS** – the FCA's Client Assets Sourcebook;

**Sabre / Our / We / Us** - refers to Sabre Insurance Company Ltd;

**Commission** - Commission receivable by the Broker which shall be at the rates and times (if any) set out in at the beginning of this TOBA in respect of that Insurance Business as may be updated by Sabre from time to time in accordance with clause 6(b) of this TOBA;

**Complaint** - any oral or written expression of dissatisfaction, whether justified or not, from or on behalf of any person which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience relating to the provision of, or failure to provide, a financial service in accordance with the terms of this Agreement;

**Control** - as defined in section 1124 of the Corporation Tax Act 2010, and the expression "Change of Control" shall be construed accordingly;

**Controller** - the person which, alone or jointly with others, determines the purposes and means of the Processing of Personal Data as defined in the Data Protection Legislation;

**Customer** - a Policyholder, proposed Policyholder or former Policyholder;

**Data Protection Legislation** – 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 ; and any applicable guidance or codes of practice issued by a Regulator from time to time (all as amended, updated or re-enacted from time to time), all applicable statutes and regulations in the Territory pertaining to the Processing of Personal Data, including the privacy and security of Personal Data;

**Data Protection Regulator** - the UK Information Commissioner's Office and the European Data Protection Board (as applicable) and any successor body or bodies to such organisations;

**Data Subject** - the identified or identifiable natural living person to whom the Personal Data relates as set out in the Data Protection Legislation;

**Documents/Documentation** - all material relating to the Broker and business placed through the agency including policies, statements of fact, cover notes, endorsements, renewal Documents, accident report forms, questionnaires, in either paper or electronic form including any software, guides, instruction manuals or bulletins and / or related data;

**EDI** – Electronic Data Interchange;

**Effective Date** – the date of signing of this TOBA by the later of the Parties to sign;

**Final Notice** - any 'Final Notice' issued by a Regulator if it takes action against the Broker;

**Force Majeure Event** - any circumstance not within a Party's reasonable control including acts of God, flood, drought, earthquake or other natural disaster, epidemic or pandemic, terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations, nuclear, chemical or biological contamination or sonic boom, collapse of buildings, fire, explosion and/or any labour or trade dispute, strikes, industrial action or lockouts.

**ICOB** – the FCA's Insurance Conduct of Business Sourcebook;

**Insurance Business** - any insurances or reinsurances falling within the definition of "contract of insurance" in Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 together with insurances concluded under any contracts for insurance made by Sabre where the Broker is the coverholder or

the placing Broker. For the avoidance of doubt Insurance Business does not include any outwards reinsurance business placed by the Broker as agent of Sabre.

**Losses** - all Losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and "Loss" shall be interpreted accordingly;

**Party** – either Sabre or the Broker (and "**Parties**" means collectively Sabre and the Broker);

**Personal Data** - means any information relating to an identified or identifiable natural person, as defined under the UK GDPR.

**Personal Data Breach** - 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.

**Policy** - an insurance Policy underwritten by Sabre.

**Policyholder** - a person who is insured by or who has effected a Policy with Sabre through the Broker in accordance with this TOBA.

**Premium** - means the Premium paid or payable by the Policyholder including Insurance Premium Tax (IPT).

**Process, Processed and Processing** - have the meaning given in the Data Protection Legislation.

**Records** - all Records in whatever medium as such may be held in respect of this TOBA including Records relating to trust account arrangements, risks covered, accounts, files, Documents, Policies, quotations, Documents, Premiums, correspondence, information, electronic data and recordings of telephone conversations.

**Regulator** - the Financial Conduct Authority (FCA) and/or the Prudential Regulation Authority (PRA) and/or Lloyd's as appropriate, or any successor Regulatory body or bodies to either of them and any other Regulatory or enforcement authority concerned with the activities carried out pursuant to this TOBA by all or any part of the business of any of the Parties including the Data Protection Regulator and any successor body as well as the applicable Regulatory and enforcement authorities in the jurisdiction in which the Policy operates.

**Regulatory Requirements** - all applicable legal, statutory and other rules, codes, regulations, instruments and provisions in force from time to time including practice requirements, insurance industry wide agreements and accreditation terms stipulated by any Regulatory authority or body to which the Parties are subject from time to time including the Regulator, the Association of British Insurers, the British Insurance Brokers' Association, and the Advertising Standards Authority and any rules, guidance and/or feedback (individual or market-wide) issued by the Regulator.

**Risk Transfer Monies** - means as defined in clause 8(a).

**Taxes** - all Insurance Premium Taxes (IPT) and other para-fiscal charges which may be levied by overseas fiscal authorities on insurance Premiums.

**Territory** –the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, and any other jurisdictions as may be agreed from time to time in writing by the Parties and where different, the territorial limits applicable to Policies sold under this TOBA as documented in such Policies.

**Year** – each period of twelve (12) months during the term of this TOBA, the first such period commencing on the Effective Date.

**Staff** - any of Your owners, shareholders, directors, partners, managers, members or employees.

Any reference to "**law**" or "**legal requirements**" includes any applicable, common or customary law and any treaty, constitution, statute, legislation, decree, rule, regulation, code of practice, judgment, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has the force of law or compliance with which is in accordance with the general practice of such jurisdiction.

In this TOBA where appropriate, reference to a statutory provision (including for the avoidance of doubt a reference to a rule of the Regulator) includes a reference to the same as modified, re-enacted or both from time to time before or after the date of this TOBA and any subordinate legislation made under the same before or after the date of this TOBA.

In this TOBA, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of this TOBA.

Any words following the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression shall be construed as illustrative and shall not limit the generality of the related general words.

## **2. SCOPE AND APPOINTMENT OF THE BROKER**

- a) The purpose of this TOBA is solely to set out the rights and obligations of the Parties only in respect of the matters specifically addressed in this TOBA. To the extent that any matters relating to the relationship between the Parties are not expressly addressed in this TOBA, they remain unaffected and unaltered by this TOBA.
- b) We appoint You from the Effective Date to act in accordance with the terms and subject to the conditions of this TOBA until the TOBA is terminated.
- c) The TOBA sets out the basis on which Sabre authorises You to sell insurance products on behalf of Sabre. Sabre authorises the Broker to act as an agent of Sabre for the purpose of receiving and holding Premium, claims and other monies identified in this TOBA.
- d) This TOBA may be reviewed and amended by Sabre from time to time upon one (1) months' written notice from Sabre.
- e) The Parties agree that the appointment of the Broker is non-exclusive and applies within the Territory only.
- f) The TOBA is the only agreement between You and Sabre in relation to its subject matter and is effective from the Effective Date. This TOBA supersedes all previous agreements and confirms Your acceptance of its terms as set out herein. You acknowledge that, in entering into this TOBA, You have not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or inaccurately) other than as expressly set out in this TOBA.

## **3. ACCEPTANCE OF INSURANCE**

- a) Each proposal for Insurance Business, renewal of existing Insurance Business or continuation of cover in respect of any existing Insurance Business will be accepted or declined by Sabre at its sole discretion. The Broker is under no obligation to offer any proposal for Insurance Business or renewal of any existing Insurance Business to Sabre.
- b) The Broker shall ensure that all quotations for insurance which it issues on Sabre's behalf are consistent with the information set out in the Statement of Insurance.
- c) In the event that Sabre decides not to renew a Policy it will use reasonable endeavours to notify the Broker in a timely manner prior to the expiry of that Policy and the Broker will promptly forward such notice to the Policyholder in order to ensure compliance with the Regulatory Requirements.
- d) Prior to or at the time of placement of any Insurance Business (or as otherwise agreed separately in writing between the Parties), the Broker and Sabre may agree provisions relating to the conduct of that Insurance Business. These provisions may include (but are not limited to) roles and responsibilities relating to administration of the Insurance Business and the handling of claims and Processes by which amendments to the risk may be agreed, and similar matters. This TOBA shall be subject to any provisions so agreed, and does not seek to address such provisions.

## **4. REGULATORY STATUS AND COMPLIANCE**

- a) The Broker warrants that it is authorised by the Regulator to conduct insurance distribution activities (as defined in the FCA's Handbook) from the Effective Date.
- b) Sabre warrants that it is authorised to conduct Insurance Business from the Effective Date.
- c) Both Parties shall:
  - i. comply with the Regulatory Requirements;
  - ii. act in accordance with good industry practice relevant to the activities of an insurance Broker;
  - iii. maintain all necessary authorisations and permissions under the Regulatory Requirements to carry out its activities under this TOBA;
  - iv. keep and maintain full and accurate Records relating to the performance of its obligations under this TOBA.

- d) Each Party shall provide the other Party with such assistance and co-operation as the other Party reasonably requests in order to allow it to comply with the Regulatory Requirements and to assist in its investigations into fraud, suspected fraud, and financial crime.
- e) The Broker shall inform Sabre as soon as is reasonably practicable, in writing and in accordance with clause 27 if at any time during the period of this TOBA:
  - a. the Regulator suspends or withdraws the Broker's authorisation; or
  - b. the Broker otherwise ceases in any way to be authorised by the Regulator to undertake any activities in relation to any Insurance Business subject to this TOBA; or
  - c. the Broker becomes insolvent; or
  - d. there is a change to the Broker which impacts its status with the Regulator, including, a change of location where the Broker conducts business or domicile from the date of this TOBA; or
  - e. any events, developments or circumstances occur that will or are likely to have a material adverse impact on the ability to meet its obligations under this TOBA;
  - f. if the Broker breaches the Regulatory Requirements;
  - g. upon becoming aware of any matter arising out of the operation or in connection with the TOBA which has resulted in (i) a Complaint being made to a Regulator; (ii) legal proceedings being brought against the Broker through the courts; or (iii) a dispute with the Broker proceeding to arbitration.
- f) Sabre shall inform the Broker as soon as is reasonably practicable if:
  - a. the Regulator suspends or withdraws Sabre's authorisation; or
  - b. Sabre otherwise ceases to be authorised by the Regulator to undertake any activities in relation to any Insurance Business subject to this TOBA; or
  - c. Sabre becomes insolvent; or
  - d. there is a change to Sabre which impacts its status with the Regulator, including, but not limited to, a change of location where Sabre conducts business or domicile from the date of this TOBA.
- g) Each Party shall notify the other without undue delay should they be subject to Regulatory audit, the outcome of which includes adverse findings in relation to pricing of policies.

## **5. YOUR AUTHORITY**

Unless authorised by Sabre in writing You agree that You and Your Staff will not:

- a) Give any consent, waiver or instruction in connection with any claim under any of Our Policies.
- b) Use the Sabre logo on materials, Documents or websites, including aggregators, without prior consent from Sabre.
- c) Vary, in any way, the terms and conditions of any of Our Policies or other Documentation. For the avoidance of doubt, this includes any variation to Premium or rating.
- d) Apply, create, amend or utilise any discount, loading, override, promotional code, or other pricing adjustment (including any facility within any software system) in respect of Our Policies, unless expressly authorised by Sabre in writing.

For the avoidance of doubt:

- i. the existence of any functionality within a broker software system or aggregator that permits the application of discounts or overrides does not constitute authority from Sabre to use such functionality; and
  - ii. Brokers may only apply pricing adjustments to Our Policies where such adjustments have been specifically agreed and documented by Sabre. Any application of unauthorised discounts, overrides or pricing adjustments shall be treated as a material breach of this TOBA.
- e) appoint any representative agent, sub-agent or Appointed Representative (as defined in the FCA's Handbook) in relation to any of Your obligations that are the subject of this TOBA without the express prior written consent of Sabre. If You wish to appoint any such agent or sub-agent and We agree to that appointment:
    - i. that appointment shall be by way of an addendum to this TOBA and on terms equivalent to the terms of this TOBA; and
    - ii. You shall be, and shall at all times, remain liable for any act, error or omission by or on the part of such agent or sub-agent in relation to that appointment.
  - f) You are not authorised to act as Our agent except as expressly set out in this TOBA.

- g) It is acknowledged and agreed that, on the terms and subject to the conditions of this TOBA, You act as Our agent solely for the purpose of:
- i. issuing quotations;
  - ii. placing Us on risk in respect of quotations;
  - iii. issuing Policy Documentation and revised Policy Documentation (as applicable);
  - iv. handling mid-term adjustments;
  - v. collecting, receiving, holding and (where applicable) repaying to Policyholders Premium; and
  - vi. cancelling any Policy or Policies at our direction, provided You do so in accordance with the terms of the Policy and/or terms of Your contract with the Policyholder, or if required to do so under applicable Regulatory Requirements.
- h) Nothing in this TOBA grants the Broker authority to accept, amend, or vary Insurance Business, settle, negotiate or compromise claims, alter any document or policy, make any financial promotion on Sabre's behalf without Sabre's prior written consent and/or commit Sabre in any way. Without prejudice to the foregoing, Sabre acknowledges and agrees that the Broker may provide a first notification of loss (FNOL) service in respect of claims via the Broker's chosen supplier. Any such FNOL service and related claims do not constitute claims under the Sabre policy, and all such notifications will be duly reported to Sabre.
- i) It is acknowledged that You act as Our agent in respect of Risk Transfer Monies, including claims payments pursuant to clause 8.
- j) In all other circumstances You are the agent of the Customer.
- k) This TOBA does not give You as Our authorised intermediary the authority to carry out the unilateral cancellation of Policies. However, You may effect cancellation of a Policy where:
- i. the Customer has entered into a Premium finance agreement in respect of the Policy;
  - ii. the Customer is in breach of that agreement;
  - iii. the terms of the Premium finance agreement expressly provide for cancellation of the Policy in such circumstances; and
  - iv. such cancellation is carried out strictly in accordance with the terms and conditions of the Policy, including any notice requirements.

You are solely responsible for the advice and recommendations that You give to Policyholders and for ensuring that any Policy sold to the Policyholder is suitable for their individual requirements.

## **6. OUR AUTHORITY**

We are entitled to:

- a) Vary the terms and conditions of this TOBA by providing You at least with one (1) months' notice in writing of such variations.
- b) Where applicable vary the scales of Commission payable on any Policies either future or existing by providing You with at least one (1) months' notice in writing of such variation.
- c) Withhold issue of Documents and / or restrict the facilities provided to You if any sum due from You to Sabre has not been paid or We are not satisfied with Your conduct of the agency or where, in Our opinion, it is considered necessary.
- d) Take any action which We consider necessary to protect the interests of and / or maintain services to Our Policyholders.
- e) Direct all Policyholders to another agent in the event that You cease to trade whether through bankruptcy or otherwise or liquidation or Your FCA authorisation is revoked or suspended. In any other circumstance We recognise that the book of business held in Your agency belongs to You and We will not solicit business using any information acquired by Us from You as a result of this TOBA either during the term of this TOBA or for five (5) Years after termination.

## **7. ADMINISTRATION OF BUSINESS**

- a) You must comply with the terms and conditions of the contract between yourselves and Your software provider or as agreed with Sabre. These include daily connections for the purpose of sending and

receiving EDI messages. Data dispatched electronically by Your software provider (including rates, Documentation, and system updates) must be implemented promptly.

- b) All business transactions must be Processed via EDI in the agreed data format and should be submitted on or before the date that the Policy or change comes into effect to enable Us to comply with the requirements of the Motor Insurance Bureau (MIB) in respect of the Motor Insurance Database (MID). All MID submissions will be made by Sabre unless otherwise agreed.
- c) You and Your Staff are responsible for ensuring that Customer data is accurate and that Your IT systems are secure and up to date, with an appropriate change control Process and training plan in place.
- d) The Statement of Insurance must be issued to the Policyholder promptly, whether the business is Processed in-office or via a quote-and-buy aggregator site. If the Policyholder amends any details, You must update Your software system accordingly and issue revised document without delay. Any amendment that affects the risk must also be Processed through Your software house system and transmitted to Us via EDI. Such amendments may result in either additional Premiums or return Premiums. You will be responsible for collecting any additional Premium due or refunding any return Premium to the Policyholder as appropriate.
- e) Proof of No Claims Discount (NCD) must be produced by the Policyholder within thirty (30) days of inception otherwise the additional Premium becomes due. Proof of No Claims Discount must be submitted upon request.
- f) All Documentation and information must be delivered to the Policyholder within a reasonable timescale.
- g) You will act promptly and strictly in accordance with the instructions contained in Our Documentation or other such instructions either written or verbal, which We issue from time to time.
- h) We require You to retain all Statements of Insurance, certificates and schedules, proof of NCD, copy licences and any other relevant Documentation and details of communication with the Customer for six (6) Years after the Policy has been cancelled or lapsed. Documentation may be stored electronically and must be held in accordance with current legislation.
- i) For cancellation terms and procedures please see Our online guide at [www.sabre.co.uk/broker/product-information](http://www.sabre.co.uk/broker/product-information) under variations to standard products along with the terms within Our Policy wording.
- j) The capabilities of broker software systems vary and also vary within each software house by insurer depending on the development that has taken place. Guidance notes are issued on Our website [www.sabre.co.uk/broker/agencies](http://www.sabre.co.uk/broker/agencies) to advise You of any variations which may be relevant to Sabre.

## **8. COLLECTION OF PREMIUMS**

8.1. If you are authorised for Risk Transfer (as set out at the beginning of this TOBA) the following provisions shall apply:

- a) We appoint You as Our agent for the purpose of receiving and holding monies ("**Risk Transfer Monies**") which represent:
  - i. Premium payable to Us which has been paid to You by the Policyholder; and
  - ii. Premium refunds payable to the Policyholder;
  - iii. Claims monies due to be paid to the Policyholder; or
  - iv. money received by You from Sabre for onward payment to agents of Sabre in respect of claims adjustment, legal and similar professional fees.
- b) You shall receive and hold all Risk Transfer Monies at all times as Our agent. You have no authority under this TOBA to permit any third-party, sub-agent, or Authorised Representative (as defined in the FCA's Handbook) to receive, hold, or pay any money on behalf of Sabre, without Sabre's consent.
- c) You shall advise Sabre within seven (7) days of receipt of any request from Sabre, whether You have received any specified Premiums and notify Sabre, within such time as may be agreed between the Parties, that the Policyholder has failed to pay the Premium (or as the case may be, any provisional Premium).
- d) Risk Transfer Monies shall not constitute client money for the purposes of CASS.
- e) All Risk Transfer Monies must be held in a designated trust account, such as an IBA account, for insurer/client monies and may be co-mingled with other insurer/client monies. If monies are transferred to other accounts during the month, these accounts must also be covered by a trust deed to ensure that monies are protected. Sabre agrees that any interest earned on the said accounts shall accrue to You.

- f) We agree that in the event of the insolvency or other financial default by You, Policyholders whose monies are required to be dealt with in accordance with this clause 8 shall not be denied insurance cover or any Risk Transfer Monies which may be due to them from Us.
- g) We confirm that We will subordinate Our rights to those of Your clients in respect of monies held in the account.
- h) You shall pay Premiums (net of Commission but including Taxes) to Sabre within the credit terms permitted at the beginning of this TOBA.
- i) If You have obtained permission to hold client monies from the FCA then CASS rules will apply and You will operate either a statutory or non-statutory trust account which will negate the requirement for Us to grant You Risk Transfer.

8.2. If You are not authorised for Risk Transfer (as set out at the beginning of this TOBA) the following provisions shall apply:

- a) Except as stated in clause 8.2(b), where You hold:
  - i) Premium due to be paid to Sabre;
  - ii) Return Premium due to be paid to the Policyholder; or
  - iii) Claims monies due to be paid to the Policyholder,

You shall hold such monies as the agent of the Policyholder. You have no authority under this TOBA 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 Sabre, without Sabre's prior written consent.

- b) Where You hold monies:
  - i) defined above; or
  - ii) for onwards payment to agents or representatives of Sabre in respect of claims adjustment, legal and similar professional fees;
  - iii) on behalf of Sabre by reason of any legal or Regulatory Requirements or if specified in the relevant Policy,

You shall hold such monies as agent and trustee of Sabre.

- c) In respect of monies held under clause 8.2(b), You shall advise Sabre within seven (7) days of receipt of any request from Sabre whether You have received any Premiums and notify Sabre, within such time as may be agreed between the parties that the Policyholder has failed to pay the Premium (or as the case may be, any provisional Premium).
- d) You shall pay Premiums (net of Commission but including Taxes) to Sabre within the credit terms permitted at the beginning of this TOBA.
- e) Pending payment to Sabre, a third party or the Policyholder (as the case may be), You shall hold the monies described in clause 8.2(b) above within Your client monies account, which shall be a trust account, established and maintained in accordance with CASS 5. Sabre hereby consents to such monies being co-mingled with other client monies. Sabre further consents to its rights with regards to monies held in Your 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 You.
- f) In the event of the cancellation or avoidance of a contract of insurance, where Sabre is obliged by law, regulation or the terms of the contract of insurance to repay gross Premiums in respect of such contract of insurance, You agree to repay the relevant Commission (which shall not for the purpose of this clause include fees paid by the Policyholder). Such repayment shall, in the case of cancellation, be only in respect of Commission received by You which is attributable to that part of the Premium repaid. Unless otherwise obliged to by law, regulation or terms of the contract of insurance, Sabre shall refund Premiums net of Commission.

## **9. PAYMENT OF COMMISSION**

- a) You shall on receipt of cleared Premium be entitled to deduct Commission at the agreed rates from the Premium in respect of Policies sold and placed with Us.
- b) The Commission due to You covers all expenses that You may incur and is inclusive of all applicable tax. Except where required by law or Regulatory authority or by the terms of this TOBA, the Parties agree that the Broker will not be expected to act as guarantor to Sabre with regards to the payment of any Taxes relating to any Insurance Business. Where at the date of this TOBA it is market practice that the Broker administratively arranges payment of Taxes, that practice shall continue.

- c) Where the Broker Processes and pays Taxes on behalf of Sabre related to Premium in respect of any Insurance Business, the Broker will hold such monies in accordance with clause 8(d) above for Sabre and account to Sabre for amounts received by the Broker in respect of such liability for Tax which Sabre may have in respect of that Insurance Business.
- d) The Broker shall refund Commission on the following basis:
  - i. where any part of the Premium is not received by the Broker, Commission shall not be payable on part and You will refund to Us any such Commission already paid to or deducted by You;
  - ii. in the event of cancellation or mid-term adjustments which give rise to a return of Premium You will promptly refund to Us a proportionate amount of Commission.

## **10. PAYMENT OF ACCOUNTS**

- a) We will prepare and render a statement of account to You each month via email. This must be reconciled and returned to Us no later than the twenty-fifth (25<sup>th</sup>) day of each month or by any other date which may be advised by Us. We only accept settlement of accounts electronically by BACS or CHAPS and are unable to accept settlement by cheque.
- b) Where we have agreed that payment of accounts can be made by bordereau, the bordereau file should be submitted to [creditcontrol@sabre.co.uk](mailto:creditcontrol@sabre.co.uk) no later than the 21<sup>st</sup> of each month. Payment should be made by Bacs or CHAPS in accordance with the agreed payment terms stated at the beginning of this TOBA.
- c) Where You charge fees to Customers for Your services, and where these fees are subject to Taxes under HMRC rules, You must make Us aware of and pay over any additional sum of Taxes using a separate spreadsheet/account statement produced from Your system. We will forward any payments You make to HMRC. Should HMRC be made aware that You have collected additional Taxes on fees, and as a result claim such payments directly from Us, then We will look to You to reimburse Us with these funds.
- d) All entries on the Statement of Account shall be paid by You as rendered and without query unless the credit controller responsible for Your account at Sabre has agreed that an item may be deleted.
- e) We will not be party to any arrangements made by You to collect Premium payable by instalments. Any such arrangement shall be made entirely at Your own risk and You will be responsible for payment of the full Premium to Us by the due statement date.
- f) Refund of credit accounts will be made to You via BACS or the credit can be carried forward to the following month. Credit accounts should be returned to Us no later than the twentieth (20<sup>th</sup>) of the month to qualify for a BACS refund.
- g) We reserve the right to charge interest in respect of late payment of any sum due to Us (before as well as after judgment) at the rate of two percent (2%) per annum above the base rate from time to time of National Westminster Bank plc from the due date of payment for such sum until the date of actual payment.

## **11. COMPLIANCE**

- a) Both Parties shall comply with their respective legal, licensing and Regulatory Requirements in the performance of their obligations under this TOBA. Both Parties must be regulated and authorised by the FCA and must comply fully with the rules and codes of conduct laid out in the FCA Handbook. In particular the Parties shall co-operate through the disclosure and/or exchange of information relating to the Insurance Business so as to ensure compliance by each Party with the requirements of the FCA Consumer Duty. Parties shall advise each other immediately if they cease to be regulated by the FCA for any reason.
- b) You will inform Sabre in relation to all Insurance Business whether the Policyholder is classified as a consumer or a commercial Customer for the purposes of ICOBS.
- c) You will forward promptly notices of Policyholder's rights to cancel Insurance Business in all instances where such notices are required by Chapter 7 of ICOBS and in accordance with those rules.
- d) Each Party shall pay due regard to, and co-operate in respect of the observance of, any applicable financial crime and international economic, financial or trade sanctions laws and regulations which bind the relevant Customer, You or Us.

- e) Neither Party shall take any action which facilitates the evasion of Taxes anywhere in the world or which is contrary to any related financial crime laws and regulations (including without prejudice to the generality of the foregoing the Criminal Finances Act 2017).
- f) Neither Party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any laws and regulations against bribery (including without prejudice to the generality of the foregoing the Bribery Act 2010).
- g) The Parties shall insofar as required to do so and, whether or not either Party is an associated person of the other for the purposes of the Bribery Act 2010, the Criminal Finances Act 2017 or any other relevant laws and regulations, maintain on an ongoing basis appropriate systems, procedures and controls designed to prevent any breach of paragraphs 11(e) to 11 (f) above.
- h) The Parties shall perform their respective obligations under this TOBA in a way that is conducive to maintaining the Parties' reputation and, unless prohibited by applicable laws and/or any Regulator, the Parties shall notify each other in writing on becoming aware or having any reasonable suspicion of any act relating to the operation of this TOBA or any Policy which may damage the reputation of either Party and cooperate in good faith in order to minimise all or any such reputational damage.
- i) Where necessary, You must comply with the provisions of and be licensed under the Consumer Credit Act 2006 and any subsequent amendment to or replacement of this legislation.
- j) You must comply with the Consumer Protection Act 1987 and any subsequent amendment to or replacement of this legislation as it applies to insurance.
- k) You will indemnify Us against any proven, foreseeable and fully mitigated Loss or damage incurred by Us as a result of Your failure to comply with any condition of this TOBA, which We would not otherwise have incurred.
- l) You must have adequate disaster recovery plans in place to deal with emergency situations, including loss of data and business disruptions, to ensure You can maintain Customer service.
- m) You must maintain in force at all times Professional Indemnity Insurance on such terms and conditions and for such amounts as required by the Regulatory Requirements. You shall provide Us with a copy of the insurance certificate together with reasonable evidence that the applicable Premium has been paid, upon request.
- n) You agree to complete and return the company policies questionnaire that We will send to You on an annual basis.

## **12. DATA PROTECTION**

- a) Nothing in this Clause 12 shall be taken to relieve either Party from the obligations that are imposed upon it under the Data Protection Legislation.
- b) With respect to the Parties' rights and obligations under this TOBA, each Party shall Process Personal Data in accordance with its obligations pursuant to the Data Protection Legislation and the terms of this TOBA.
- c) The Parties acknowledge and agree that, for the purposes of Data Protection Legislation, each Party (to the extent it Processes Personal Data) Processes Personal Data as an independent Controller in its own right. Nothing in this TOBA is intended to construe either Party as the Processor of the other Party nor as joint Controllers with one another with respect to Personal Data.
- d) Each Party shall:
  - i. comply with its obligations under Data Protection Legislation;
  - ii. taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, with respect to its Processing of the Personal Data, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, and the measures shall, at a minimum, comply with the requirements of Data Protection Legislation, including Article 32 of the UK GDPR;
  - iii. promptly (and without undue delay) notify the other Parties if: (a) it receives a Complaint, notice or communication (including an enquiry, investigation or enforcement action from a Data Protection Regulator) which relates to a Party's actual or alleged non-compliance with Data Protection Legislation with respect to the Personal Data; or (b) it becomes aware of an actual or suspected Personal Data Breach (as that term is defined in the UK GDPR) with respect to the Personal Data that will or is likely to have an adverse impact on any other Party or its

business, and in each case it shall provide each other Party with such assistance and cooperation as is reasonably requested by the other Party in order to address and resolve the Complaint, notice, communication or Personal Data Breach;

- iv. deal with and respond to Data Subject requests, enquiries or Complaints (including any request by a Data Subject to exercise their rights under Data Protection Legislation) it receives and that relate to the Personal Data it Processes; and
  - v. notify the other Party if it receives a Data Subject request, enquiry or Complaint (including any request by a Data Subject to exercise their rights under Data Protection Legislation) that relates to the Personal Data Processed by that other Party and shall inform the Data Subject to redirect their request, enquiry or Complaint to that other Party.
- e) The Broker warrants that it has provided appropriate fair Processing notices to Data Subjects and ensured that a valid lawful basis exists to share Personal Data with Sabre for Processing under and in accordance with this TOBA.
  - f) Each Party shall indemnify the other Party against all direct Losses that are incurred as a result of the indemnifying Party's breach of this Clause 12. This indemnity excludes any fines or monetary penalties issued by a Data Protection Regulator.
  - g) The provisions of this Clause 12 shall remain in force and continue to apply at all times when a Party is Processing Personal Data, regardless of the termination of this TOBA.
  - h) Neither Party shall transfer Personal Data to a country or international organisation outside the United Kingdom and the European Economic Area ("EEA") without the prior written consent of the other Party.

Where such consent is granted, the transferring Party shall ensure that the transfer complies with the requirements of Chapter V of the UK General Data Protection Regulation (UK GDPR), including by ensuring that:

- i. the transfer is made to a country or international organisation that is subject to an adequacy regulation or decision issued by the UK Government or the European Commission (as applicable); or
  - ii. appropriate safeguards are in place in accordance with Article 46 of the UK GDPR.
  - iii. the transferring Party complies with any reasonable instructions notified by the other Party in relation to such transfer and, upon request, provides all information reasonably necessary to demonstrate compliance with the UK GDPR.
- i) Both Parties, on reasonable notice, and the Information Commissioner's Office on such notice as may be requested by the Information Commissioner's Office in accordance with the relevant Data Protection Legislation, with such access to its premises, personnel and Records (including for the purposes of making copies of those Records) as the Parties and/or the Information Commissioner's Office may reasonably require in order to inspect the activities with respect to the Processing of data and audit its compliance with this Clause 12 and the Data Protection Legislation.

### **13. AUDIT OF RECORDS**

- a) Subject to clause 7(i), the Broker will retain all of the Records created or held by it in its capacity as agent of Sabre and all Records received by the Broker for the purposes of the introduction, arranging, concluding, administration or performance of the Insurance Business for a minimum of six Years after policies have lapsed or cancelled and in any event the minimum periods required by law or any Regulatory body with jurisdiction over the Broker, Sabre or the Insurance Business.
- b) The Broker agrees to allow Sabre, on reasonable notice, to inspect and to take copies of the following:
  - i. the accounting Records pertinent to any Insurance Business including information relating to the receipt and payment of Premiums and claims and Documentation such as any insurance contract or slip endorsements, addenda or bordereaux in the possession of the Broker relating to the Insurance Business; and
  - ii. Documents as may be in the possession of the Broker which were disclosed to Sabre by the Broker in respect of any Insurance Business including, but not limited to, Documentation relating to the proposal for the Insurance Business, the placing thereof (including endorsements and reinstatements) and any claims thereunder.
- c) In the event that Sabre requests the Broker to carry out any functions or duties on its behalf, such as the appointment of loss adjusters, lawyers or others, or the Broker otherwise acts as an intermediary between Sabre and its representatives or agents:

- i. the Broker accepts Sabre's appointment or instructions on the basis that the information received by it in respect of a claim made upon any Insurance Business is disclosable to the Broker's client;
- ii. all Documentation and Records created or received by the Broker in the performance of such functions or duties shall be and remain the property of Sabre, other than Documents over which the Broker has a proprietary commercial interest;
- iii. the Broker will take reasonable steps to retain, maintain and safeguard any of Sabre's Documents in the Broker's possession in accordance with any Regulatory Requirements which apply to Sabre and of which the Broker has notice;
- iv. on termination of this TOBA for whatever reason and on reasonable notice the Broker will deliver up to Sabre such Documentation if requested.

#### **14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

The Parties to this TOBA do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a Party to it.

#### **15. INVALIDITY AND SEVERABILITY**

If any provision of this TOBA is held by any court or other competent authority to be void or unenforceable in whole or part:

- a) this shall not affect or impair the legality, validity or enforceability of any other provision of this TOBA;
- b) the Parties shall in good faith amend this TOBA to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision, to the extent that such spirit and intention is consistent with the laws of England, and so that the amended clause complies with the laws of England.

#### **16. NO PARTNERSHIP OR JOINT VENTURE**

Nothing in this TOBA shall create, or be deemed to create, a partnership or joint venture between the Parties.

#### **17. WAIVER**

No exercise or failure to exercise or delay in exercising any right, power or remedy by either Party will constitute a waiver by that Party of any other right, power or remedy.

#### **18. FORCE MAJEURE**

- a) No Party shall be deemed to be in breach of this TOBA or otherwise liable to the other in any manner whatsoever for any failure or delay in performing their obligations under this TOBA due to Force Majeure Event affecting that Party.
- b) If any Party is affected by a Force Majeure Event it shall, as soon as practicable, notify the other Party of the nature and extent of the circumstances in question.
- c) If the Force Majeure Event in question prevails for a continuous period in excess of one (1) month after the date on which the Force Majeure Event begins, the non-affected Party is then entitled to give notice in writing to the other to terminate this TOBA. This notice to terminate must specify the termination date, which must not be less than seven (7) days after the date on which the notice to terminate is given. Once a notice to terminate has been validly given, this TOBA will terminate on the termination date set out in the notice.

#### **19. CONFIDENTIALITY**

- a) Each Party undertakes to:
  - i. keep confidential all information (written or oral) concerning the business and affairs of the other Party that it shall have obtained or received as a result of the discussions leading up to or the entering into or performance of this TOBA (together the "Information");
  - ii. not, without the relevant Party's consent disclose the Information in whole or in part to any other person, save those of its employees, agents and sub-contractors involved in the performance of this TOBA and who have a need to know the same; and

- iii. use the Information solely in connection with the conduct of business of this TOBA and not otherwise.
- b) The provisions of Clause 19(a) above shall not apply to the whole or any part of the Information to the extent that it is:
  - i. already in the receiving Party's possession on the date of its disclosure without breach of any obligation of confidentiality; or
  - ii. in the public domain other than as a result of a breach of this clause; or
  - iii. independently developed by the receiving Party without reference to or use of the Information; or
  - iv. lawfully obtained by the receiving Party after the date of this TOBA free of any duty of confidentiality; or
  - v. required to be disclosed by operation of law or otherwise pursuant to any Regulatory Requirements.
- c) Each Party undertakes to make all its relevant employees, agents and sub-contractors aware of the confidentiality of the Information and the provisions of this Clause 19, including to take all such steps as shall from time to time be necessary to ensure compliance by its employees, agents and sub-contractors and their respective employees, agents and sub-contractors as appropriate, with the provisions of this Clause 19.

## **20. DISPUTE RESOLUTION**

- a) Any difference or dispute arising out of or in connection with this TOBA which cannot be settled amicably shall be referred to a senior management representative nominated by each Party, who will attempt in good faith to resolve any dispute promptly.
- b) In the event of a failure to resolve the dispute or difference under clause 20 (a) within 15 days of the dispute arising, the Parties will attempt to settle it by negotiation. A Party may not serve an Alternative Dispute Resolution ("ADR") notice or commence court proceedings (other than for interim relief) until twenty-one (21) days after it has made a written offer to the other Party to negotiate a settlement to the dispute.
- c) If the Parties are unable to settle the dispute by negotiation within twenty-one (21) days of such an offer the Parties will attempt to settle it by mediation in accordance with the Centre for Dispute Resolution ("CEDR") Model Mediation Procedure. To initiate mediation a Party must give notice in writing, an "ADR notice" to the other Party to the dispute requesting mediation in accordance with this clause 20. A copy of the ADR notice should be sent to CEDR. Neither Party may commence any court proceedings (other than for interim relief) in relation to any dispute arising out of this TOBA until the mediation has terminated.

## **21. SUSPENSION OF AGENCY**

The agency provided to You pursuant to clause 5(g) may be suspended immediately by Us giving written confirmation in the event that any of the terms or conditions of this TOBA are breached by You. In these circumstances, the following procedures will apply:

- a) You will not be able to quote for any new business or renewals which have an Effective Date after the date of suspension.
- b) You may be able to Process mid-term adjustments for existing clients in order to maintain a continual service to Our Policyholders.
- c) We will honour quoted new business risks and renewals with Effective Dates after the date of suspension if they are unable to be replaced elsewhere. These cases would need to be reported to Our Agency Department so that We have a clear picture of pipeline business.
- d) Whilst Your agency is suspended We may request any new business, mid-term adjustment or renewal Premiums be paid directly to Us by the Policyholder.
- e) Upon suspension We will, if appropriate, contact You to switch off Your EDI facilities to prevent You placing or handling any further business. If You fail to disable Your system We may take appropriate action to enforce this requirement and You shall upon demand reimburse Us for any costs incurred by

Us in doing so and You authorise Us irrevocably to contact any third party supplier of such facilities for the purposes of maintaining continuity of service to Policyholders.

- f) At suspension all terms of credit will cease and all outstanding sums held by You in respect of any Policies pursuant to this TOBA will become due and payable immediately and must be paid to Us.
- g) The suspension of facilities will continue until We give You written confirmation that Your agency has either been reinstated or terminated.

## **22. TERMINATION OF AGREEMENT**

- a) This TOBA may be terminated by either Party upon at least one (1) month's written notice of termination being given to the other Party and without the need to provide a reason.

### **b) Termination for breach**

- a. Either Party may terminate this TOBA immediately on notice to the other Party where the other is in material breach of any of the terms of this TOBA and, if the breach is capable of remedy, such breach has not been remedied within fourteen (14) days after receipt by the defaulting Party of notice from the other requiring remedy.
- b. Either Party may terminate this TOBA immediately on notice to the other Party where that Party:
  - (i) is in breach of the Regulatory Requirements;
  - (ii) fails to pay undisputed monies due within the agreed timescales set out in this TOBA and does not remedy such breach within fourteen (14) days of written demand. In these circumstances, all outstanding Premiums will be paid immediately, including all known Premiums not included in the statement of account. If payment is not forthcoming We will arrange for the servicing of Policyholders to satisfy applicable Regulatory Requirements;
  - (iii) being a sole trader dies, or where a director or partner of the Broker dies where there is no other director or partner to run the Broker's business;
  - (iv) fails to maintain the Records;
  - (v) ceases or threatens to cease carrying on business;
  - (vi) has had authorisation or permission granted to it by a Regulator and necessary for it to transact Insurance Business under this TOBA varied, impacting upon its ability to transact Insurance Business under this TOBA, or terminated;
  - (vii) should either Party become the subject of voluntary or involuntary rehabilitation or liquidation proceedings (save for the purposes of amalgamation or solvent re-organisation) or become the subject of an action in bankruptcy or make or propose any composition with its creditors or otherwise acknowledge its insolvency;
  - (viii) becomes bankrupt or commits an act of bankruptcy;
  - (ix) suspends payments or is unable to pay its debts in accordance with the Insolvency Act 1986;
  - (x) is the subject of any Final Notice issued by the Regulator;
  - (xi) undergoes a change of Control to a competitor of the other Party;
  - (xii) or any Staff is subject to disciplinary proceedings brought by the Regulator or any trade body or is convicted of a criminal offence (other than a minor motoring offence).
- c) Sabre may terminate this TOBA immediately on notice to the other Party where Sabre has reasonable grounds for supporting fraud or dishonesty by the Broker or Staff, Your agents or Your sub-contractors.

## **23. TERMINATION CONSEQUENCES**

- a) Following termination:

- (i) the Parties will agree the procedure for administering the Insurance Business current at the time of termination.
- (ii) You will provide Us with contact details for any Policyholder or other Party with whom You have contact in the conduct of Insurance Business where:
  - You have acted as the agent of Sabre; or
  - where such information is reasonably required in order for Us to carry out Our obligations in relation to Insurance Business concluded in accordance with this TOBA.
  - where permissible the Parties will remain liable to perform their obligations in accordance with the terms of this TOBA in respect of all Insurance Business subject to this TOBA until all Insurance Business has expired or has otherwise been terminated.

#### **24. LIMITATION OF LIABILITY**

- a) For the purpose of this clause 24, references to "Liability" or "Liable" shall mean liability arising out of or in connection with this TOBA whether arising from contract, tort, negligence, breach of statutory duty or otherwise.
- b) Nothing in this TOBA shall limit or exclude the Liability of either Party for:
  - (i) death or personal injury caused by negligence;
  - (ii) fraud and/or fraudulent misrepresentation; or
  - (iii) any other liability which cannot be excluded by law.
- c) Subject to clause 24(b) neither Party shall be Liable to the other Party whether in contract, tort (including negligence) for breach of statutory duty, misrepresentation or otherwise arising under or in connection with this TOBA for any economic loss (which term shall include loss of profits, loss of use of profits, business revenue, goodwill or anticipated savings) or for special indirect or consequential loss, punitive or exemplary damages, or fees, expenses or postages.
- d) Subject to clause 24(b), the total aggregate Liability of either Party for any claims arising in any Year shall in no circumstances exceed the amount of the net Premium due in that Year.

#### **25. ENTIRE AGREEMENT**

This TOBA sets out the entire agreement between the Parties in relation to the subject matter within the scope of this TOBA and supersedes any previous agreement, representations and understandings between the Parties in such respect with effect from (and including) the Effective Date (without prejudice to accrued rights for past breaches).

#### **26. COUNTERPARTS**

This TOBA may be executed in any number of counterparts, and by the Parties on separate counterparts but will not be effective until the date on which the last Party has executed at least one (1) counterpart. Each counterpart will constitute an original of this TOBA, but all the counterparts will together constitute one and the same instrument.

#### **27. NOTICES**

- a) Any notice under this TOBA shall be delivered by hand or sent by pre-paid first-class post or recorded delivery post (or any equivalent postal service) to the principal office address of the recipient or sent by electronic mail to the email address of the recipient as specified below or as otherwise notified to the other Party. If a notice is sent by electronic mail, the serving Party shall also send a copy of the notice to the recipient by hand or by pre-paid first-class post or recorded delivery post (or any equivalent postal service) to the principal office address of the recipient.
- b) The email address of the recipient is:
  - i. if Sabre is the recipient, [agency@sabre.co.uk](mailto:agency@sabre.co.uk)
  - ii. if the Broker is the recipient, the usual email address of the Broker used by Sabre in sending communications in relation to the agency.
- c) Any notice shall be deemed to have been received:

- i. if delivered by hand, on signature of a delivery receipt (or at the time the notice is left at the proper address);
- ii. if posted, at 9.00 am on the second business day after posting (or at the time recorded by the delivery service); or
- iii. if sent by email, at the time of transmission.

### **28. Assignment and Subcontracting**

The TOBA and Our agency facilities may not be transferred, assigned, delegated or sub-contracted by You to any third party.

### **29. Governing Law and Jurisdiction**

This TOBA and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the laws of England and Wales. Each Party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this TOBA or its subject matter or formation.

### **30. Variation**

This TOBA may be varied only in writing by duly authorised representatives of the Parties.

### **31. Conflicts of Interest**

The Parties will adopt and/or maintain procedures to ensure that each has in place arrangements for the identification and management of any conflicts of interest that may arise in relation to any Insurance Business.

### **32. Disclosure**

You will comply with relevant Regulatory, fiduciary and legal requirements regarding disclosure of all forms of remuneration from any arrangements it may have for remuneration in connection with Insurance Business.