



# Terms of Business

[WWW.DIRECTCOMMERCIAL.CO.UK](http://WWW.DIRECTCOMMERCIAL.CO.UK)

Direct Commercial Ltd is authorised and regulated by the Financial Conduct Authority; FR 307505. Company Registered in England & Wales;  
Company Number 3133493. Registered address: Redwing House, Hedgerows Business Park, Colchester Road, Chelmsford Essex CM2 5PB

# Terms of Business Agreement

## 0.0 Definitions

|      |                                    |
|------|------------------------------------|
| FCA  | Financial Conduct Authority        |
| ABI  | Association of British Insurers    |
| MID  | Motor Insurance Database           |
| MIIC | Motor Insurers' Information Centre |

**0.1** We / us / our / ours. Direct Commercial Ltd &/or Camatics Ltd &/or any subsidiary companies &/or any appointed representative/ trading names of Direct Commercial Ltd (Acting on behalf of approved and recognised insurers).

**0.2** You / Your (As Agent/Broker).

## 1.0 Preamble

**1.1** An Agreement regulating terms of business between Direct Commercial Ltd acting on behalf of approved Insurers for MOTOR INSURANCE and other recognised affiliated Insurance risks and you, whether sole trader, partnership or corporate.

**1.2** This agreement shall apply only to you. You therefore cannot assign any rights you feel these terms may infer.

**1.3** This Agreement constitutes the entire agreement between the parties as to the subject matter of it and supersedes all previous agreements, communications and representations in respect of it.

**1.4** You must not grant sub-agency arrangements. If you wish to enter into such an arrangement you will require our written consent.

**1.5** Nothing in this Agreement will require us to accept any proposal for insurance or renewal of any existing policy or to maintain cover in respect of any existing policy.

## 2.0 Scope

**2.1** The terms of this Agreement shall apply to the conduct of any business transacted between you and Direct Commercial Ltd relating to Insurance products. You are required at all times to act within the scope of the authority granted to you by us.  
Should you fail to do so we will not be bound by the acts of your agency.

**2.2** You undertake to pass to us promptly any material information notified to you by the insured in accordance with the terms of the business contract. You remain, for this purpose, the agent of the insured and notification to you will not be deemed notification to us.

**2.3** You do not have any authority to cancel insurance cover unless specially agreed by us in accordance with Insurer's instructions

**2.4** Our products must not be quoted on any Internet facility without our prior written consent

### **3.0 Compliance**

- 3.1** You must be and continue to be authorised by the FCA and comply with all their rules and regulations.
- 3.2** Professional Indemnity Insurance should remain in force at all times in accordance with the FCA minimum requirements. You must inform us immediately if such cover is cancelled, voided, not renewed or otherwise becomes insufficient.
- 3.3** You should advise us immediately of any material compliance issues arising out of your FCA authorisation particularly those identified during the course of an audit.
- 3.4** In the event that you infringe the FCA regulations or principals we reserve the right to treat any such infringement as a material breach of this Agreement.

### **4.0 Commission & Policy Fees**

- 4.1** Agreed commissions payable will be shown on your account. The rate of commission will be given at the quotation stage by us and cannot be amended without our prior agreement and any agreement MUST be made prior to the attachment of any risk.
- 4.2** You should notify your client at the outset of any charges you make which are in addition to the premium payable. These include charges for additional benefits and services and the costs for such benefits and services must never be included as part of our premium without prior agreement. They are not part of your commission, so should not be treated as such, and must at all times be shown separately from the gross premium we charge.
- 4.3** Where we invite renewal of any individual risk it will be on the agreed commission from the previous year and any amendment to commissions must be agreed by us prior to the renewal attaching to cover.

## **5.0 Processing Business**

- 5.1** You will use your best endeavours to supply the information, proposals, vehicle schedules and all relevant details of the insurance are notified to us within 10 days of the commencement of the insurance cover to enable us to comply with the requirements of the MID and MIIC.
- 5.2** In accordance with the FCA and ABI requirements all terms and conditions applying to the insurance, the details of the items covered will be notified to the insured by you promptly and accurately.
- 5.3** We will use our best endeavours to issue the policy and other relevant documentation within fourteen days from receipt of all necessary information and documents. All documentation must be passed to the insured by you promptly and accurately.
- 5.4** In accordance with any approved Insurers practice of not issuing cover note books you must advise us immediately by email or facsimile on policies that are adjusted on "As & When" basis to enable us to issue the RTA Certificates of Insurance. Any vehicle that has not been notified to us in writing will be deemed to be not insured.
- 5.5** Each proposal will be assessed on individual merit and we, acting on behalf of approved Insurers reserve the right to increase premiums, modify terms or to decline any proposal.
- 5.6** We will endeavour to issue renewal documentation not later than twenty one days prior to renewal date. You will use your best endeavours to notify us that the Motor Insurance contract and/or any affiliated policies have renewed on or before the renewal attachment date.
- 5.7** You will pass promptly to the insured our renewal documentation relating to the contract of insurance and will advise the insured of any change in the terms and conditions applying to the insurance contract.
- 5.8** Where an approved Insurer does not intend to renew, or wish to impose more onerous terms than previously, we will endeavour to notify you not later than twenty-one days prior to the renewal date, including, where appropriate the revised renewal terms. If an approved Insurer has decided not to invite renewal, we will co-operate in providing information necessary for placing cover elsewhere subject to all accounting and administration matters having been resolved.

## **6.0 Claims Handling**

- 6.1** We will endeavour to meet all regulatory and legal requirements regarding the speed with which claims are handled. All claims notifications should be made by telephone to our twenty-four hour claims helpline as soon as possible in accordance with the conditions laid down in the appropriate policy wordings.

## **7.0 Complaints / Lawsuits**

**7.1** Our aim is to prevent problems from developing into formal complaints whenever possible. We require you to help in this process and will give whatever assistance we can. In accordance with the FCA Rules, you must have a proper procedure in place for the prompt handling of any complaints and you must be aware of the complaints procedure for the approved Insurer and Direct Commercial Ltd. The procedure will be clearly detailed in the approved Insurers policy document. Details of Direct Commercial Ltd complaints procedures can be obtained from Direct Commercial Ltd Agency Department.

You should notify us in the first instance of any unresolved complaint, or any potential lawsuit relating to the approved Insurers policy or Direct Commercial Ltd. We reserve the right to recover the costs incurred in handling and resolving a complaint resulting from any action (or inaction) in your office.

## **8.0 Credit and Payment**

**8.1** We will be responsible for the preparation of a statement of account which will be in writing. This statement shall be the basis of accounting transactions.

**8.2** We will be responsible for the onward transmission of premium payments to the approved Insurer.

**8.3** Risk transfer is not accepted by any approved Insurer or Direct Commercial Ltd unless the monies are paid directly to Direct Commercial Ltd by a premium finance house. In the event that money is paid direct to you then risk transfer is not accepted. In the event that Direct Commercial Ltd have been paid it will be deemed that the approved Insurer will have also been paid.

**8.4** The statement of account will be rendered by us to you within 5 working days from the last day of each month and payment of all monies due to us net of commission must be received by us in cleared funds within twenty-eight days of the statement of account unless otherwise agreed.

**8.5** If there is any premium dispute we require payment of the amount considered to be due with any balance adjusted once the item has been clarified.

**8.6** Repeated failure by you to settle accounts in accordance with section 8.4 will be considered to be a material breach of this agreement.

**8.7** All monies, including IPT, which you receive on our behalf must be held by you in trust for us and must not be used for any other purpose. All such monies should be paid into a statutory or non-statutory trust bank account in accordance with the FCA Rules.

**8.8** We accept co-mingling of Client and Insurer money as long as it is held in either a statutory or non-statutory trust bank account.

**8.9** We accept the principal of subordination of our rights with respect to Insurer money in favour of the Client's rights to Client money.

**8.10** In the event that you use an approved "Premium Finance" provider the premiums must be forwarded to us directly by the "Premium Finance" provider within thirty days from inception or renewal of the risk to ensure that any cancellation agreements between the approved "Premium Finance" provider and the approved Insurer become operative.

- 8.11      8.11.1      Any arrangement whereby you have allowed credit to the insured.
- 8.11.2      Any delay in crediting us with monies received or due from the policyholder because of delays within your accounting system.
- 8.11.3      Your inability to obtain monies from the insured, (except as provided in section 9.1 hereof).

## 9.0      **Responsibility for Premiums**

- 9.1      You will be responsible for the payment of the any net premium due and are required to forward payment in accordance with 8.4.
- 9.2      Where the premium due has not been paid to us but we agree to make a payment of a claim under the policy concerned, you will be responsible for immediate payment of the net premium due.
- 9.3      If, within 14 days of the commencement of cover you request that the risk be cancelled as you have failed or expect that you will fail to collect the premium, we will issue RTA notice of cancellation to the insured and you will be responsible for the net premium due following cancellation.
- 9.4      In the event of a return premium being credited against the risk, including in the event of cancellation, you will be required to refund any proportionate amount of commission received from placing the risk.
- 9.5      Where inception or renewal premiums are received direct and in full from an approved finance house they will be deemed to have been paid and duly credited against your account statement.

## **10.0 Termination**

**10.1** This Agreement may be terminated by either party:-

10.1.1 At any time by mutual agreement.

10.1.2 Upon either party having its FCA authorisation withdrawn or suspended.

10.1.3 On the expiry of thirty days written notice.

10.1.4 At the discretion of the approved Insurer or Direct Commercial Ltd should the credit terms under 8.4 be exceeded.

10.1.5 If it has reason to suspect fraud, or the administration of the account is such as to prejudice the interests of policyholders, or either party commits a material breach of this Agreement.

**10.2** Following termination of this Agreement in circumstances other than those set out in sub section 10.1.4, we will co-operate with you during a period of 12 months from the date of termination in providing information necessary for placing business elsewhere subject to all administration and accounting matters having been resolved.

**10.3** Upon termination of this Agreement under section 10.1 above, we will prepare a statement of account. Subject to the provisions of section 9.1, 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 (including any subsequent statements). Payment shall also be made to us of all known premiums not included in the statement.

**10.4** Where the account is cancelled at our instigation and without your agreement in writing, we agree not to solicit intentionally the policyholders or knowingly pass such data to any Third Party.

## **11.0 Financial Requirements**

**11.1** You should comply with the FCA solvency requirements at all times. You should immediately notify us if you fall below those requirements or become aware of any other matter material to your solvency.

**11.2** You should supply us with financial statements on an annual basis and on request.

**11.3** You should also notify us of material changes in the Directors, Partners or control of your firm including changes of name or trading title.

## **12.0 Access To and Ownership Of Records**

**12.1** We shall have the right, upon reasonable notice, to inspect and audit without restriction or limitation all of your records relating to insurances placed with us. We shall have the right to make copies or extracts of any such records. Our right to inspect or audit shall continue notwithstanding termination of this agreement.

### 13.0 Jurisdiction

13.1 This Agreement shall to be construed according to English law and any disputes arising under it shall be determined exclusively in the English Courts or by such means of arbitration or form of mediation agreed between the parties.

### 14.0 Data Protection

14.1 The Parties acknowledge and agree that where a Party processes Personal Data under or in connection with this Agreement it alone determines the purposes and means of such processing as a Controller.

14.2 In respect of the Personal Data a Party processes under or in connection with this Agreement, the Party:

- a) shall comply at all times with its obligations under the Data Protection Law;
- b) shall notify the other Party without undue delay after, and in any event within 24 hours of, becoming aware of a Personal Data Breach; and
- c) shall assist and co-operate fully with the other Party to enable the other Party to comply with their obligations under Data Protection Law, including but not limited to in respect of keeping Personal Data secure, dealing with Personal Data Breaches, complying with the rights of Data Subjects and carrying out data protection impact assessments.

14.3 The Parties shall work together to ensure that each of them is able to process the Personal Data it processes under or in connection with this Agreement for the purposes contemplated by this Agreement lawfully, fairly and in a transparent manner and in compliance with the Data Protection Law. This shall include but not be limited to entering into such other written agreements as may be required from time to time to enable each Party to comply with the Data Protection Law.

14.4 For the purposes of this clause 14:

"Controller" means the person which, alone or jointly with others, determines the purposes and means of the processing of Personal Data;

"Data Protection Law" means all applicable statutes and regulations in any jurisdiction pertaining to the processing of Personal Data, including but not limited to the privacy and security of Personal Data;

"Data Subject" means the identified or identifiable natural living person to whom the Personal Data relates;

"Personal Data" means any information relating to the Data Subject; and

"Personal Data Breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Personal Data transmitted, stored or otherwise processed.

### 15.0 Variation

Any variation to the terms of this Agreement must be contained in writing. You should act on the most recent advice given on any particular issue.



Contact us on:

**01245 459 700**

[agency@directcommercial.co.uk](mailto:agency@directcommercial.co.uk)

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