

Intermediary terms of business



1. Introduction

Our aim is to deal with **you** fairly, clearly and efficiently. **We** want to help **you** give **your customers** the best possible service.

Before doing business with **us**, **you** need to accept **our terms of business** as set out here and as amended from time to time. **You** do not need to sign this document but **you** do need to sign and return our Intermediary Application Form. When you have signed it, and **we** have accepted it in writing, it, together with these **terms of business**, will constitute the Intermediary Business Agreement.

These **terms of business** set out all of the terms of **our** legal relationship and apply to any business you do with us including the use of **our extranet**. The document is legally binding on **you** and **us**.

These **terms of business** contain a number of defined terms. These appear in bold to make them easy to identify. We give definitions of them in the glossary at the end of this document.

We can provide copies of this document in Braille, large print and audiotope. To get any of these please contact us at:

Fortis Life UK Limited
5 Aldermanbury Square
London EC2V 7HR

2. Legal Obligations

By agreeing to these **terms of business** **you** are legally bound by them in respect of all business that **you** transact with **us**. Please read them carefully and confirm that **you** accept them by signing **our** Intermediary Application Form.

3. Variations

We may amend these **terms of business** from time to time. **We** will make sure the latest version is on **our** website. **We** will do **our** best to draw your attention to any amended terms as and when **we** make them but **you** are responsible for regularly checking our website for such changes. Unless **we** state otherwise, new terms will only apply to business that **you** place with **us** after **we** have put the update on the

extranet. **Your** continued use of the website after any such update constitutes **your** acceptance of the amended **terms of business**. The version of the **terms of business** on **our** website supersedes all previous agreements between us.

We aim to make sure these terms do not conflict with any applicable law and/or regulation but if they do the applicable law and/or regulation shall prevail.

4. Your Obligations

4.1 Your customers

You agree that you will:

- treat **your customers** fairly and act in their best interests at all times;
- act as the agent of **your customer** and make sure they understand that you are acting in that capacity;
- continue to act as the agent of **your customer** unless **you** and/or **your customer** tells us that **you** stop acting in that capacity;
- advise **customers** properly on the terms of **our plans**, and on the suitability of **our plans** for them where you make a personal recommendation;
- promptly pass on documentation **we** have provided for **your customers** and not alter it in any way;
- promptly explain to **your** customers any amendments **we** wish to make to their **plans** or quotations;
- explain to **your customers** the importance of full disclosure and the consequences of not disclosing any potentially material facts before their application is submitted;
- make sure information **you** send to **us** about **your** customers in any format has been properly obtained from them and is verified directly with them;
- make sure that where more than one **customer** is applying for a **plan**, each of them understands the importance of full disclosure, **our plan** terms (even as amended) and any advice **you** have given where **you** make a personal recommendation;
- explain to **your customers** that they can choose to answer medical questions confidentially by contacting us directly; and
- make all such disclosures to **your customers** as are required by law and/or regulation, or required by us.

4.2 Your Business

You agree that you:

- will comply with all relevant FSA rules and principles, legal and regulatory requirements, and the codes of any trade and professional bodies **you** are a member of;
- are authorised to submit business to **us**;
- understand **our** products and, where **you** make personal recommendations, their suitability for **your customers**;
- accept **you** have no right to bind **us** to cover and **we** have the absolute right to decline new or renewal business subject to the relevant **plan** terms;
- will forward full information and documentation from **your customers** to **us** that is to the best of your knowledge and belief:
 - complete
 - accurate
 - in accordance with their wishes and instructions and **you** will notify **us** promptly if **you** become aware of any omission, inaccuracy or change to this information;
- will keep each of **your customer's** written acceptance or rejection of their **plan** for six years past a claim or the end of the **plan**, whichever is longer, and give **us** a copy if **we** ask **you** to;
- hold adequate professional indemnity insurance; and
- will keep us informed of anything **we** need to know about your **customers** or business.

4.3 Notification Requirements

You will tell **us** about any change to **your** business or the business of **your sub-agents** that may affect **our** relationship, including but not limited to:

- the occurrence or likely occurrence of any event that would give us the right to terminate, as set out in clause 14 below; and
- any material change to the information **you** provided on the Intermediary Application Form.

4.4 Employees, Representatives and Sub-agents

You agree that you:

- accept responsibility for **your** employees and representatives, including **sub-agents**, and that you will make them aware of these **terms of business**, and make sure that they comply with them;
- will monitor the actions of **your** employees, representatives and **sub-agents** and promptly tell **us** about any breaches of these **terms of business**;
- will help **us** to deal with any issues **we** may have with **your** employees, representatives and **sub-agents**;
- will make sure that **your** employees, representatives and sub-agents are appropriately trained; and
- will tell us about any **sub-agents** **you** use, and if any of them change, are new, or leave **you**.

Subject to all of the above agreements, **we** will not hold **you** responsible for the actions of **your customers**.

5. Commission

This section is divided into general conditions, initial commissions and renewal commissions. **Your** rights and obligations to initial and renewal commissions are different, to reflect their different purposes.

5.1 General

We:

- will pay commission to **you** by direct credit (BACS) unless otherwise agreed in writing or unless **we** use this commission to offset any commission **you** owe **us**;
- will send **you** commission statements using the extranet / on-line systems;
- will pay **you** commission in accordance with any relevant FSA rules in force at the time;
- will negotiate the rate and terms of commission payable to **you** separately, as initially agreed on **your** acceptance of **our** Intermediary Business Agreement;
- may vary these terms at any time, and will tell **you** if **we** do;
- will only apply new terms to new business written after **we** have told **you** about the changes; and
- will allow **you** to vary **your** commission terms for any contract, subject to limits.

We will not pay **you** initial commission on new business or renewal commission on existing business:

- if **you** are in breach of these **terms of business**;
- until **your** commission account accrues a certain level, currently £50, set by **us** and reviewed from time to time;
- if **you** tell **us** in writing that **you** do not wish to receive any commission;
- if **you** place business that is outside the scope of **your** FSA permissions; or
- if **you** cease to be authorised by the **FSA**.

In some cases this may mean **we** will have to unwind commission payments **we** have made.

5.2 Initial Commission

We will pay **you** initial commission on all business **you** introduce and that **we** accept, from the date **your customer's plan** starts, or their cover is increased, provided premiums are paid.

We may pay **you** initial commission on indemnity and/or non-indemnity terms at our discretion. **We** reserve the right to set a maximum ceiling on the amount of indemnity commission **we** pay **you**.

Changes, clawback and offset

We will be entitled to recover initial commission that **we** have overpaid, or clawback unearned initial commission, if:

- **your customer** stops or reduces their premiums or chooses to remove their business from **us**, or the term of the business reduces while still in the **initial period**;

- **your customer** exercises any option to change the cover under their **plan** while still in the **initial period**;
- **your customer** cancels the **plan** in the cooling-off period;
- **we** have paid the commission in error, or in breach of this agreement;
- a **plan** lapses or is cancelled while still in the **initial period**; or
- **we** are otherwise entitled to offset any clawback due to **us** against any payments due to **you**.

If there are no payments due to **you**, **you** agree to promptly repay **us** such overpaid or unearned commission. For any outstanding commission due to **us**, **we** reserve the right to:

- charge **you** interest on amounts **you** owe **us** if **you** do not pay within three months of **us** telling **you** about it. **We** will charge **you** interest from the date we told **you** about the amount **you** owe **us**, until the date **you** pay it. **We** will charge **you** interest at 3% above the base rate of the National Westminster Bank plc; and
- recover any costs of debt collection from **you** where applicable.

Where there is change of intermediary **you** agree that:

- if the customer transfers a **plan** to another **intermediary** while still in the **initial period**, liability for any subsequent clawback will remain with you unless:
 - **you** agree to transfer entitlement to indemnity commission to the new intermediary
 - they agree to be responsible for any clawback, and
 - **we** agree to this transfer
- if more than one claim for the same commission is made, we will pay commission to the intermediary who submitted the proposal to which the business relates. In the event of a dispute between two or more intermediaries in respect of commission, **we** shall have the discretion to determine who **we** pay the commission to.

We agree to notify **you** when **your customer** has not paid a premium or **we** have refunded premiums.

5.3 Renewal Commission

Our principle is to link the payment of renewal commission with the on-going servicing of the **customer**.

We will continue to pay renewal commission to **you**, provided that:

- the **plan** remains in force
- the **customer** has paid all premiums due, and
- **you** continue to act as the agent of the **customer** and retain control of the plan.

6. Communicating with customers

When **we** communicate with **your customers** **we** will do so directly. This includes but is not limited to sending any **plan** documentation direct to **your customer**, with a copy to **you**, unless agreed otherwise. In the event that the **plan** is transferred to another **intermediary** in accordance with these

terms of business we will cease communicating with **you** about that **plan**.

7. Extranet Services

We will deliver **our** services to you via **our extranet**. **You** agree:

- to instigate robust security arrangements and make every effort to make sure harmful viruses are not passed to **us**;
- to give us the contact details of **your** Local Security Officer, if **you** have one;
- that **we** accept no liability and will not pay **you** compensation for periods when **we** are not able to deliver **our** extranet and systems;
- to apply care and control at all times over who has access to the extranet;
- to make sure **you** can uniquely identify any users and to tell us about changes as and when they occur;
- to make sure that **you** and all **your** employees and sub-agents keep secure any information **you** use to access information from **us** on **our** extranet, for example passwords, digital certificates and identifiers;
- to comply with all instructions that **we** issue to **you** in connection with security; and
- that **we** can contact **you** electronically by email, extranet or other electronic means.

8. Indemnity

You will indemnify **us**, and hold **us** harmless, against any loss, including costs, sustained by **us** arising from **your** failure to comply with these **terms of business**, whether or not **we** continue to do business with **you**.

9. Intellectual Property Rights

Any material, including but not limited to **our** name, logos and product information, provided by **us** (including electronically) remains **our** property.

You may only use the Fortis name and brand or include a link on **your** website to **our** website where **we** have agreed to this in writing in advance. This restriction covers usage on **your** internet site and/or an internet quotation service.

10. Data Protection, Privacy and Electronic Communications

You and **we** are each data controllers of the personal data that is processed in relation to **your customers**. Independently **you** and **we** are both responsible for complying with the Data Protection Act 1998 as amended (DPA).

Where **you** are a data processor on **our** behalf, **you** will comply with any obligations **we** have under the **DPA**, including any record-keeping obligations. **You** agree that **you** will:

- process such personal data only in accordance with **our** instructions;

- give us any help **we** might need so **we** can deal with subject access requests (that is, where a customer needs full details of information **we** hold about them);
- make sure **you** have appropriate technical and organisational safeguards in place so that client personal data is:
 - not processed unlawfully or without authorisation
 - not accidentally lost, damaged or destroyed
 - kept confidential.

We will hold on **our** database information about **you**, **your** employees, representatives, **sub-agents** and **your** dealings with **us** so **we** can:

- administer **your customers' plans**
- pay **you** and administer **your** account
- maintain and develop **our** relationship
- comply with regulations.

We may use a credit agency to check the credit worthiness of **you**, **your** employees, representatives or **sub-agents**. **You** will tell them that **we** may do this.

Where **you** provide us with personal data of **your** employees, representatives, **sub-agents** or **customers**, **you** confirm that:

- **you** have told them who **we** are and why **we** will be processing their personal data; and
- **you** have obtained all the consents **we** need to allow us to process their personal data, including sensitive personal data where applicable.

You, where **you** are an individual, have the right to ask for details about the information that **we** hold on **you**. **We** may charge **you** a fee for giving **you** the information.

You will tell **your** employees, representatives or **sub-agents** and **customers** about these terms.

We will hold information about **your customers** so **we** can:

- process their applications
- administer their **plans**
- undertake searches
- maintain and develop **our** relationship with them
- comply with regulations and
- use it as otherwise anticipated by these **terms of business**.

We reserve the right to keep information about **you**, **your** account and **your customers** for a reasonable period and to share it with our service providers, agents and third parties such as:

- auditors
- identity authentication agencies
- medical agencies
- reinsurers
- underwriters
- legal and regulatory bodies including the Association of British Insurers.

We may monitor and record phone calls and keep records of these to make sure **we** have accurate records of **your** or **your customers'** instructions, and for the purposes of training and quality assurance.

11. Payments and Client Money

All regular payments must be made by Direct Debit. **You** will arrange for **your customer** to complete **our** Direct Debit mandate and return it to **us**. **We** will collect monthly or annual premiums from **your customer's** bank account automatically.

We do not accept payments by cash.

If **you** undertake to pass payments on to **us** for **your customer** these payments must be made by Direct Debit. **You** are not entitled to deduct commission from such payments. For the avoidance of doubt, any such payments will be designated Client Money in accordance with the FSA regulations.

We do not give **you** authority to collect premiums on our behalf.

12. Anti-Money Laundering Controls

You are responsible for:

- obtaining verification of **your** customers' identity
- telling **us** that **you** have done so
- giving **us** evidence if **we** ask **you** to.

We may check **your customers'** identity electronically as part of **our** anti-money laundering controls. Within reason **you** will give **us** all the written evidence **we** ask for relating to the identity of **your** customers or proposed customers. **We** cannot be held responsible for any errors or omissions **you** make when **you** give **us** this information.

You agree to abide by any relevant rules, regulations, guidance and requirements in respect of anti-money laundering controls.

13. Product Sales Data

When submitting new business to **us** **you** agree to tell **us**:

- **your** FSA registration number
- the status of the sale (e.g. advised or non-advised)
- any other information **we** need to comply with FSA reporting requirements.

14. Termination

If at any time either **you** or **we** no longer want to do business for any reason, the other party must be given one month's notice in writing.

We reserve the right to terminate **our** agreement with **you** immediately by giving **you** notice in writing if:

- **you** undergo a change of ownership, control or legal status, including dissolution of a partnership or other unincorporated association;

- any director or employee is subject to disciplinary proceedings brought by a regulatory body or is charged with or convicted of any offence involving fraud or dishonesty;
- **you** receive from the FSA an enforcement notice against **you** or **you** fail to meet the FSA's solvency requirements or **your** authorisation is otherwise terminated;
- **you** commit a breach or **we** anticipate that **you** are about to commit a breach of any of these **terms of business**;
- **you** are subject to any action in connection with bankruptcy, insolvency, liquidation and administration or any other similar arrangements with **your** creditors;
- any director or employee enters into (or is about to enter into) a voluntary arrangement with a creditor, or apply for an interim order;
- a procedure is started with a view to **your** winding-up or reorganisation and that procedure is not terminated or discharged within 30 days;
- **you** die and **you** are a sole trader;
- **you** have a consumer credit licence and it is withdrawn or **you** are subject to investigation for breaching legal or regulatory requirements or **your** authorisation is withdrawn; and
- any of **your** employees, representatives or **sub-agents** act in a way that is likely to have a materially adverse impact on **our** relationship or the interests of **our customers**.

If these **terms of business** are terminated, **you** must still comply with **your** obligations relating to record keeping. **You** must also continue to co-operate fully with **us** including but not limited to helping **us** with any outstanding claims and complaints in relation to business that **you** have already placed with **us**.

On termination of **our** relationship **your** right to transact new business with **us** will cease. **We** will cease to make any further renewal commission payments to **you** except where **you** continue to maintain regulatory authorisation (or are otherwise **exempt**) and continue to provide relevant **plan** services.

15. Complaints Handling

If **you** or **your customer** has a complaint against **us** **we** will deal with it promptly and in accordance with **our** complaints procedures.

Please ask **us** if **you** would like a copy of **our** 'how to complain' leaflet.

If **we** receive a complaint about **you** **we** will pass it on to **you** promptly and in accordance with relevant FSA rules.

We agree to give **you**, and **you** agree to give **us**, any information necessary to allow either of us to investigate and respond to a customer complaint as promptly and fully as possible.

16. General Legal Obligations

Assignment

We reserve the right to assign any of **our** rights or delegate any of **our** obligations under these **terms of business** to any other person **we** choose. **You** may only assign or delegate any of **your** obligations under these **terms of business** if **we** agree in writing in advance and if **you** meet any requirements that **we** may have.

Audit and Records

You must keep full and accurate records of any business, documents and information relevant to **our** relationship and **your** obligations, including any call recordings, in accordance with any applicable law or regulatory requirements.

You agree to allow **us**, **our** professional advisers and **our** agents to audit **your** records, including **your** use of the extranet at any time on reasonable notice from **us**, including after **our** relationship ceases.

We agree to provide statements on request and retain records of all commission payments for six years or as otherwise required by law.

If **you** have any books, documents, computer software or hardware that belongs to **us**, **you** must always make them available to **us** if **we** ask for them and return them to **us** immediately if **we** ask **you**.

You will provide **us** with copies of **your** latest audited financial accounts if **we** ask for them.

You must promptly provide **us** with a copy of **your** professional indemnity policy certificate if **we** ask for it.

Confidentiality

At all times **you** and **we** must keep confidential any **confidential information** in **our** possession or control, including but not limited to personal and/or sensitive data.

You and **we** may disclose **confidential information**:

- to **our** professional advisers;
- if required by law or regulation or any legal or regulatory authority; or
- that is already in the public domain, unless it has been disclosed in breach of this agreement.

Where **you** are a member of a network **you** consent to **us** providing any information to that network as it requires from time to time.

Jurisdiction

These terms, the Intermediary Application Form and **your** relationship with **us**, and **any issues arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature)** will be governed by English Law and **you** and **we** submit to the exclusive jurisdiction of the English Courts.

No Waiver

If **we** fail or delay in exercising any of **our** rights or remedies with regard to **our** relationship with **you** on any occasion this will not stop **us** from enforcing those rights or remedies on another occasion.

Notices

Notices under these terms may be served on us at the address that **we** give **you** in writing from time to time. **We** will send notices to **your** main place of business or any other address for correspondence that **you** have told us about in writing.

Severability

If at any time any provision of these terms is or becomes illegal, invalid or unenforceable, this will not affect or impair the legality, validity or enforceability of any other provision of these **terms of business**, which shall remain in full force and effect.

Third Parties

Neither **you** nor **we** intend that the terms of this relationship be enforceable by someone who is not a party to these **terms of business**, under the Contracts (Rights of Third Parties) Act 1999.

17. Glossary of Terms

This is what **we** mean by these words when **we** use them in **our terms of business**:

Customer: a person **you** provide with a **Fortis Life** quotation or **plan**.

Confidential information: any information that is expressed to be confidential or is of a confidential nature.

DPA: the Data Protection Act 1998 as amended extended or re-enacted from time to time and any regulations made under it.

Exempt: exempt from authorisation under the Financial Services and Markets Act 2000 by virtue of being an appointed representative or an exempt professional firm (i.e. a member of a recognised professional body).

Extranet: www.fortislife.co.uk and any other Fortis Life website at which an Intermediary may access the method or methods specified by Fortis Life by which business is conducted on-line or by any other electronic communications network or service provided by Fortis Life from time to time.

Fortis Life: Fortis Life UK Limited (Company registration number: 06367921) registered office address:

5 Aldermanbury Square
London
EC2V 7HR
Registered in England and Wales.

FSA: Financial Services Authority or its successor.

FSA reference number: **your** official FSA firm reference number (FRN) as recorded on the FSA Register.

In writing: any written communication whether on paper or electronically submitted via our Extranet, email or other electronic means.

Initial period: the minimum period as specified in the plan or product literature during which **we** can reclaim some or all of the indemnity commission paid to **you** if a **plan** stops for any reason other than a claim.

Plan: a policy or contract provided by Fortis Life

Processing: as defined in the DPA. **Process** and **processed** shall be construed accordingly.

Sub-agents: anyone acting on **your** behalf in connection with **your** obligations under these **terms of business**, including appointed representatives, network members, introducer-appointed representatives, introducers or other associated firms or individuals.

Terms of business: this Intermediary Terms of Business setting out the terms of the relationship between **you** and **us**.

You: the intermediary as identified in the Intermediary Application Form, providing the financial advice or introducing **customers** to **us** through a non-advised sale, direct offer or execution only arrangement. '**Your**' shall be interpreted accordingly.

We/us: Fortis Life. Our shall be interpreted accordingly.

Fortis Life UK Ltd

Registered address:
5 Aldermanbury Square
London
EC2V 7HR

Registered in England and Wales
Number 6367921.