

GENERAL INSURANCE TERMS OF BUSINESS LETTER



This document regulates terms of business between CignaLife Insurance Company of Europe S.A.-N.V. (Cigna) and the sole trader, partnership or company identified in the agency request to which this document refers (the "Intermediary").

1. This letter shall apply to the conduct of any business between Cigna and the Intermediary relating to General Insurance which means general business as defined by Financial Services and Markets Act 2000 as amended by Financial Services Act 2012.
2. For the purpose of this letter, the term "Intermediary" refers to an Intermediary authorised by the Financial Conduct Authority (FCA) and Prudential Regulations Authority (PRA) as applicable.
3. The Intermediary shall, at all times, observe the terms of this Letter and any amendments subsequently made. Cigna reserves the right to vary the terms at any time by writing to the Intermediary.
4. The Intermediary is appointed for the purpose of introducing general insurance business and such other matter in respect of general insurance business as Cigna may authorise. By acceptance of this Appointment, the Intermediary agrees to observe the principles and guidelines for underwriting, selling insurance, handling claims and all other matters related to the insurance business which Cigna from time to time prescribes. All rights granted to the Intermediary cannot be delegated or assigned without Cigna's written consent.
5. Cigna does not recognise any claim for a sole and exclusive agency for any type of insurance and reserves the right to sell policies itself and appoint or do business with such additional Intermediaries as it seems fit.
6. Unless a Credit Agency is granted, the Intermediary is not authorised to collect premiums on behalf of Cigna, and if any remittances are received they will be held by the Intermediary as an Agent of the Insured and remitted to Cigna no later than 30 days of receipt.
7. The Intermediary is not authorised to:
 - (a) grant or amend cover on behalf of Cigna or to commit Cigna by contract or otherwise or impose any liability on Cigna;
 - (b) alter any document or policy;
 - (c) negotiate or settle any claim on behalf of Cigna;
 - (d) give credit or effect instalments in the name of Cigna for premiums unless the Intermediary has specific authority granted by Cigna in writing so to do.
 - (e) Hold any claims money.
8. The Intermediary must pass promptly to Cigna any material information provided by the policyholder in accordance with the insurance contract. The Intermediary is acting at all times as agent of the policyholder under the Law of Agency.
9. The Intermediary must release promptly all statutory documentation to the policyholder e.g. policy documents, policy summaries, insurance certificates. Where a policyholder is in breach of his responsibilities under the contract, the policy/cover will be invalidated as a result. The insurer will then take steps to recover the insurance policy direct from the policyholder.
10. Cigna agrees to pay the Intermediary commission on business placed with it and at the rate agreed at inception of the business. Cigna reserves the right to effect changes in commission rates on

both existing and new policies by writing to the Intermediary by giving 1 month's notice of the change to the registered business address of the Intermediary.

11. Commission payable to the Intermediary in respect of any class of insurance business may be subject to set-off against any monies whatsoever due to Cigna (or any company to which Cigna is related).

12. Commission is payable on the Premiums after deduction of discounts, bonuses, allowances or rebates. When premium is paid by instalment, commission will only be payable as instalments are received by Cigna. If any premium, or part of any premium, is by reason of cancellation of the insurance or otherwise, returned to the insured, the amount of commission attributable to such premium shall be immediately repaid to Cigna by the Intermediary.

13. Commission shall not be payable on business originated or renewed by the Intermediary:

(a) following termination of the appointment made by this letter;

(b) if the business is transferred from the Intermediary at the direction of the insured;

(c) if the Intermediary becomes bankrupt or insolvent, goes into liquidation, enters into composition with its creditors or has a receiver appointed.

14. Unless otherwise agreed by Cigna in writing, the Intermediary must pass all premiums on to Cigna immediately upon receipt. If a period of credit is agreed, the Intermediary shall account to Cigna for the monies due within the period provided and make payments as Cigna directs. The Intermediary must therefore bear the responsibility in relation to premiums and a separate client account should therefore be opened to hold client premium money, separate from the normal Intermediary money. The premium is in the hands of the Intermediary when payment has been effected by the policyholder i.e. after 2 working days after BACS transfer and after up to 10 working days if payment is made from a bank or building society account/cheque. In any event premiums must be remitted by the broker To Cigna no later than 30 days following receipt of premium.

15. The Intermediary must notify Cigna immediately and in writing:

(a) of any changes in its business address;

(b) of any change in the ownership, partners, director or controllers of the Intermediary or any material change in the structure;

(c) of any event of bankruptcy, insolvency, entry into liquidation, entry into composition with its creditor or the appointment of a receiver or administrator.

(d) If any owner, partner, director or controller of the Intermediary:

i. is or becomes subject to disciplinary proceedings instituted by any professional body

ii. is or becomes convicted of any criminal offence other than minor motoring offences.

(e) if any credit facility or agency agreement with any other insurer is withdrawn or terminated.

(f) must notify Cigna of the termination of authorisation under FCA or PRA as applicable.

16. The Intermediary must preserve the confidentiality of information handled and adhere strictly to the principles of the Data Protection Act 1998, especially noting the rules relating to the processing of sensitive data. Unless the Intermediary is authorised by the data subjects to process sensitive data, this will not be disclosed by Cigna to the Intermediary. For the avoidance of doubt, only summary information will be disclosed.

17. In connection with the issuance of this letter, the Intermediary has provided Cigna with an Application for General Agency Facility. In submitting this Application, the Intermediary expressly authorises Cigna to obtain access to all such bank, employment and other records as Cigna deems advisable to verify the information provided in the Application. It shall be the Intermediary's continuing obligation to maintain the accuracy of information contained in the Application.

18. Either part may terminate this Appointment by providing thirty day's written notice to the other. The Appointment will terminate immediately in the event of:
- (a) the death, liquidation, dissolution, insolvency, receivership or administration of the Intermediary, or if the Intermediary enters into a provisional liquidation or a composition with creditors;
 - (b) if the Intermediary's authorisation with the FCA or PRA as applicable, is withdrawn or terminated.
 - (c) If, in Cigna's judgement, there is any material breach of the terms of this appointment.
19. Upon termination of the Appointment, the Intermediary must immediately;
- (a) remit all monies due to Cigna;
 - (b) return all policy and renewal documentation, proposal forms, show cards, advertising material, books, stationery and other property of Cigna and any other papers which have come into the Intermediary's possession in connection with Cigna's business;
 - (c) transfer to Cigna all software and data processing information necessary to service the insurance business.
20. On termination, Cigna may make alternative arrangements for the future conduct of the business at the time of termination and thereafter no commission or other terms of compensation shall be made to the Intermediary in respect of the business.
21. Dispute resolution. Should there be a serious and material breakdown of the relationship between the two parties, a mediator from management of both parties will discuss the issue in good faith with a view to achieving a fair resolution. Where no policyholder is involved, both parties can take appropriate legal action as they deem fit.
22. Regulatory requirements.
The UK regulator will expect to conduct audits or supervisory visits from time to time of both the Intermediary and Cigna's records. Both parties will agree to provide relevant data in good time to the other should either party be subject to an audit wherein a common client's data is being reviewed and the regulator has expressed an interest in reviewing specific information.
23. Risk transfer.
For large corporate medical sales, the risk to Cigna transfers on the inception or commencement date, which is the same date the premium should be paid over to Cigna. For small group and individual sales, the risk transfer date is the date the customer accepts Cigna's terms of insurance by signing acceptance of the terms of cover.

Together, all the way.SM



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