

## Our terms of business

Before we do business together, we need you to read and accept our terms of business, as set out here. You do not need to sign or return these, they are yours to keep. We do need you to sign and return our business agreement. In doing so you accept our terms of business.

These terms of business (“these terms”) set out how *we* would like our businesses to work together. In short, honesty, speed, efficiency and clarity should be the foundations of our relationship. As an *intermediary you* always act in your *clients’* best interests, and we are committed to helping you do that.

As you will appreciate, we need to put things on a legal footing. This introduction and the next two sections “who we are” and “doing business

with you” give you a flavour of how we want to do business but they are not intended to be legally binding on either of us.

The rest of this booklet contains the legal terms of our relationship and we will both be bound by these. We know you will want to read these carefully before you sign up to do business with us.

These terms will apply to any business you do with us.

**You will find certain terms explained in ‘what do our words mean’ – the first time we use one of these terms, it appears in italics.**

## 1 who we are

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Bright Grey is a division of *Royal London*. We provide protection products and services and work within the FSA rules and guidelines.

Intermediaries are vital to our business and we are totally committed to doing our best to give you and your *clients* flexible, relevant products backed by excellent service and clear, concise communication.

Clarity and honesty are key to our business. We will always be straight with you and you should always be straight with us. At the end of the day, we both want to do what is right for our customers.

If you do not like any aspect of the way we do business please tell us about it and we will do what we can to sort it out.

## 2 doing business with you

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**We aim to deliver a customer service that will meet both your and your clients' needs and expectations.**

**we will do our best to:**

- share with you any relevant information we gather to help you improve the service you provide to your clients.
- keep you fully informed of any client transaction or contact, where we are allowed to under the Data Protection Act.
- make all our client communications clear, concise and friendly.
- make our administration as efficient as we possibly can.
- be aware of and react to clients proactively to meet their needs for protection products.
- build appropriate systems to manage our business with you.
- develop the infrastructure and systems that will allow us to communicate with each other in the most convenient and efficient way.
- raise awareness of the need for protection products.

**and we expect you to:**

- follow the rules of any regulatory body and any association of which you are a member.
- treat your clients fairly and work with us to make sure their needs and expectations are always met.

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- communicate openly with us at all times.
  - make sure all your employees meet any relevant training and competence standards that are required to deal with your clients.
  - give us both positive and negative feedback to help develop our products and services.
  - tell us if we get things wrong and if we could do better.

The terms on which we will do business are clearly laid out in the legally binding section of this document. If you want to do business with us, please read our terms and confirm your acceptance of them when you sign our *business agreement*.

### 3 legally binding

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The rest of these terms contain very important information about how we will work together. In keeping with our principle of always communicating as clearly as we possibly can, we have kept things simple. If you sign up to the business agreement please be aware that you will be legally bound by the terms. Unless otherwise indicated, the information contained here is relevant only to the business relationship you have with Bright Grey and does not apply to any other business you may have with the other businesses or divisions of *Royal London*.

## 4 what should you do?

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### **you agree that:**

- you will always act in your clients' best interests.
- you will run your business in an appropriate and professional manner.
- you act at all times as the agent of your clients. You have informed your clients of the consequences of this and we are entitled to treat you as your clients' agent, unless you or your clients inform us otherwise.
- you are responsible for the conduct and actions of your employees and those who represent you and you have proper and appropriate monitoring in place to ensure their reliability. If any concerns or abnormalities arise about our relationship and/or any business that you have placed with us, you will tell us straight away. You must ensure that your employees and those who represent you are aware of and understand these terms.
- as the agent for the clients, you will tell your clients of all relevant terms and conditions that apply to our protection products, advise on the suitability of each aspect and declare the actual amount of any commission earned.

### **you warrant that:**

- any information you send us about your clients has been obtained directly from your clients or with your clients' consent and is true and accurate to the best of your knowledge and belief.
- you have told your clients, in good time before submitting an application, that they must disclose all material facts and have explained the consequences of not doing so.
- where more than one person is making an application, you will ensure that all parties have understood and agreed to our *client terms and conditions* and that the advice given by you is understood also.

### **and you warrant that you will:**

- immediately pass to your clients any notification of amendments which we propose to make to your clients' *plans* or quotes.
- explain the amendments to your clients.
- confirm your clients' written rejection or acceptance of such amendment to us as soon as you receive it from your clients.
- retain the clients' written rejection or acceptance on your file, or an electronic copy of this where we have said that this is acceptable, for 6 years past a claim or the plan end date, whichever is the longer and will provide us with a copy of this if we ask you to.

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- maintain professional indemnity insurance in line with the regulatory body or association of which you are a member and supply us with a copy of your policy on request.
  - comply with any relevant legal and regulatory requirements and the requirements of any voluntary body of which you are a member.
  - tell us immediately of any change to your business that could have an impact on our ability to do business together, including but not limited to:
    - if there is a change in the ownership, control or legal status of your business or partnership.
    - if you, any partner, any director or any employee is charged with, or convicted of, any offence involving fraud or dishonesty. Or if any of the above enter into a voluntary arrangement with a creditor (or is going to do so), applies for an interim order or is made bankrupt.
    - if you are a company and you go into liquidation or receivership or are going to do so (unless this is for the purposes of a merger or re-organisation when solvent).
    - if an administration order is applied for against you or you are aware that one is likely to be applied for.
    - if a resolution is passed for your company to be wound up or a meeting is held to consider such a resolution.
    - if you are unable to pay your debts within the meaning of Section 123 of the Insolvency Act 1986.
    - if your consumer credit licence (if you have one) is withdrawn, or if you are investigated for a breach of a regulatory body's rules or have had authorisation by a regulatory body terminated.
    - regular updates of any 'business writers' joining or leaving your organisation.

## 5 commission

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**This section applies if we agree that we will pay you commission.**

### **Payment**

- We will credit or pay commission from the date a client's plan starts.
- Commission will be paid in arrears and statements confirming these payments will be provided.
- We may not pay out commission until a certain minimum level, as set by us and reviewed from time to time, is met on your commission account.
- We will pay commission in accordance with any relevant FSA rules that may be in force at the time.
- We will negotiate the rate and terms of commission payable to you separately and we may vary this at any time. (We will, of course, let you know as soon as possible and we will fully discuss any impact this may have on you).

### **Indemnity commission**

- We will pay *indemnity commission* at our discretion.
- If there is a threat to indemnity commission due to an arrears situation we will aim to keep you fully informed throughout the process. We will try to work with you to retain business unless the plan is no longer considered to be in the client's best interests.
- We reserve the right to pay *non-indemnity commission* on any case just as you have the right to request it on any case.

### **Changes, clawback and lay-off**

- We will always do our best to keep you informed of any changes your client instructs us to make, that would have an effect on your commission, where we are allowed to do so.
- If a client transfers a plan to another intermediary while still in the *initial indemnity period*, you must agree with the new intermediary which one of you will take on the liability for any subsequent *clawback* and inform us. In most circumstances liability will stay with the original adviser. If you do not inform us, we will assume that you accept liability.
- If a plan lapses during the initial indemnity period we will immediately initiate a clawback for overpaid commission and this will be debited against any outstanding commission. If there is no outstanding commission you agree to repay us such overpaid commission immediately. Failure to do so may result in interest being applied to the outstanding amount.

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- We reserve the right to *lay off* commission credited to you against any other debt within Royal London and its other businesses and divisions. We will advise you before we do this.

We can cease paying commission if the status of your business changes or you are in debt to us.

#### **Records**

- We will provide statements and retain records of all commission payments for six years or as otherwise required by law.
- We will supply you with all the information on commission you need to make full disclosure to your client.
- If you decide to take a reduced level of commission, no commission at all, or operate on a fee basis, we may enhance your clients' cover by reducing their payments, increasing the period of cover or increasing the amount of cover.

## 6 handling documentation and correspondence

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**The documentation we provide is an important part of our communication and service delivery.**

#### **you agree:**

- to ensure that the appropriate documentation we have provided you with is passed on to your clients immediately, without making any amendments and that client signatures are obtained, where we have said that this is necessary.
- unless otherwise stated in these terms, to pass any relevant documentation or communication you receive from your client immediately on to us, and to keep copies of this on your file whether paper or electronic.

#### **and when communicating electronically:**

- you must make sure that adequate security measures are in place (including but not limited to any measures that we may ask you to take) and that the appropriate measures are in place to prevent harmful viruses being sent to us.

## 7 data protection

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### for you:

- you must comply with the Data Protection Act 1998.
- we will hold information about you and your dealings with us on our database for the purpose of administering your clients' plans, paying you, maintaining our relationship and for regulatory issues. We may, on occasion, use a credit agency to check the creditworthiness of you, your employees or principals if we feel this is necessary. You must inform your employees and principals that this is the case and the consequences of this.
- we will retain information for a reasonable period and we may also share information about you (in the UK and abroad) with our service providers, agents and with third parties such as auditors, underwriters, reinsurers, medical agencies, identity authentication agencies, other financial institutions and legal and regulatory bodies.
- we may contact you by mail, phone, fax, email or other electronic messaging with further offers, promotions and information about our products and services which may be of interest to you. By providing us with the relevant contact details for fax, mobile phone and email you consent to contact by these methods. However, if at any time you object to marketing contact by any of these methods, please inform us.
- we may monitor and record phone calls and retain these for the purposes of training and quality assurance and to ensure that we have an accurate record of your instructions.
- where you provide us with information on your employees or representatives, you confirm that you have informed them of our identity and the purposes for which their personal data will be processed.
- where you hold *client personal data* on our behalf, and retain a signed original of the application form, you agree:
  - that you will process such client personal data only in accordance with our instructions.
  - that you will ensure that you have appropriate technical and organisational measures in place against unauthorised or unlawful *processing* of client personal data and against accidental loss or destruction of, or damage to, client personal data.

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**for your clients:**

- you must make your clients aware that you are placing their business with Bright Grey, that this is a division of Royal London and that we may contact them directly.
- where you provide a quote before submitting business, you must tell your clients that their information has been passed to us for the purpose of providing the quote and that we may retain the information even if the application does not proceed.
- we plan to store and use your clients' information to better understand their current needs and their future needs. You must make your clients aware of the data protection notice within the application form before you submit their application.
- we will only change a client's specified intermediary if they write to us and tell us it is changed or if you advise us that your business has been legally transferred to another party.

## 8 money laundering

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- We may carry out an on-line identity authentication search on your clients in respect of their applications for our products and you will not be required to provide us with evidence of verification of the identity of your clients before submitting any application to us. This does not waive or otherwise affect any obligations on you to verify the identity of your clients for your own business purposes.

**you agree:**

- to meet all the applicable laws, regulations, rules and industry requirements.

## 9 ending our relationship

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- If at any time either of us no longer wants to do business, for any reason, we must give the other one month's notice in writing.
- If we have any reason to believe that you have failed, or will fail, to comply with these Terms or the status of your business has changed, we may not accept any client application from you and we may terminate our relationship with you, with immediate effect.
- If any of the changes take place that are set out under "you warrant that" in the "what should you do" section of this booklet, we will immediately terminate our relationship with you.
- If these terms are terminated for any reason, you must still comply with the obligations relating to retaining documents and you must continue to co-operate fully with us in relation to business that you have already placed with us.

## 10 complaints

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- If you receive a complaint about us, we will treat this with high priority and we will do our best to work with you to resolve it to your client's satisfaction.
- Should we receive a complaint about your role in any sale, we will deal with it in what we consider to be your client's best interests and you agree to work with us to that end.
- We have a complaints handling policy which is highlighted in our "how to complain" booklet and is available on request. Should we ever receive a complaint from you or your clients, we will supply you with a copy of our "how to complain" booklet, which outlines our complaints policy.

**assignment**

- We reserve the right to assign any of our rights or delegate any of our obligations under these terms to any other businesses or divisions of Royal London or any group of which Royal London forms part. These terms may not be assigned by you.

**loss or damage**

- If we or any other business or division of Royal London suffers any loss or damage as a result of your failure to comply with these terms, you agree to compensate us in full for this whether or not we choose to continue doing business with you.

**audit**

- You must keep full and accurate records of any documents and information relevant to our relationship. This must be for the periods required by the FSA, including but not limited to, communications between you and your clients.
- You agree to allow us or our professional advisers to audit these records at any time. We will try to give you reasonable notice of this.

**confidentiality**

- You are responsible for keeping confidential any *confidential information* in your possession or control.

**jurisdiction**

- These terms are governed by the laws of England and Wales and are subject to the exclusive jurisdiction of the courts of England and Wales.

**variation**

- We have taken every care to ensure that these terms do not conflict with any legal or regulatory requirements. If they do, the legal or regulatory requirements prevail. If any term should be considered invalid by a competent body or court, you agree to comply with the rest of these terms.
- We reserve the right to change these terms at any time and we will notify you of any change. This will not affect the business that you have placed with us prior to the change. We may also ask you to sign up to additional or varied terms. You will still be required to comply with these terms unless otherwise stated in an additional agreement.

## what do our words mean?

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

**Business agreement** the agreement between Royal London, (of which Bright Grey is part), and you, which governs business that you do with Bright Grey. This incorporates these terms.

**clawback** the reclaiming or offset of commission paid or credited but not due.

**client** a person you provide with a Bright Grey quote or plan.

**client personal data** any personal data as defined in the Data Protection Act 1998 that relates to a client.

**client terms and conditions** the terms and conditions that govern the relationship between Bright Grey, as part of Royal London, and the client.

**confidential information** any information which is expressed to be confidential or is of a confidential nature.

**FSA** Financial Services Authority or its successor.

**FSA registration number** your official FSA registration number.

**indemnity commission** a lump sum payment of initial commission.

**initial indemnity period** this is the term within which we can reclaim some or all of the indemnity commission if a plan stops for any reason other than a claim.

**intermediary** a person acting on behalf of a client in giving advice, obtaining a quote or placing business.

**lay off** the term used to transfer commission credits to pay any outstanding commission debts that have arisen within Royal London and its other businesses and divisions.

**non-indemnity commission** a regular payment of initial commission paid throughout the initial indemnity period of the plan.

**plan** a protection policy provided by Royal London on behalf of Bright Grey.

**processing** as defined in the Data Protection Act 1998. Process and processed shall be construed accordingly.

**Royal London** the Royal London Group which consists of The Royal London Mutual Insurance Society Limited and its subsidiaries. The Royal London Mutual Insurance Society Limited is a member of the Association of British Insurers and is authorised and regulated by the Financial Services Authority.

**warrant** a warrant is a form of guarantee or promise made by you that you will comply with each of the bullet points in the 'you warrant' section.

**we/us** Bright Grey is a division of Royal London.

**you** the intermediary providing the financial advice.

We have developed this terms of business (January 2005) document to form an agreement between you and Royal London, acting on behalf of Bright Grey. By completing and returning our **business agreement**, you will be indicating your agreement or, in the case of a company, agreement on behalf of your company to be bound by these terms of business.

January 2005