



# RELIANCE MUTUAL

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## TERMS OF BUSINESS

(Long Term Insurance and Investment Business)

The terms of business set out below are the terms and conditions under which the Reliance Mutual Insurance Society Limited (hereinafter called 'the Society') and its subsidiaries, the British Life Office Limited and Reliance Unit Managers Limited, accept business from a duly authorised Independent Intermediary (hereinafter called 'the Intermediary'). These terms apply to all long term insurance and investment business (including unit trust sales).

Definitions: Long Term Insurance Business is as defined in Schedule 1 of the Insurance Companies Act 1982.

Investment Business is as defined in schedule 1 to the Financial Services Act 1986.

### 1. GENERAL PROVISIONS

- 1.1 The Society will not accept business from an Intermediary who ceases to be authorised.
- 1.2 The Society reserves the right, at its discretion, not to accept business from an Intermediary.
- 1.3 The Intermediary is the agent of the client in relation to all aspects of the business except insofar as is necessary to give effect to the personal responsibility of the Intermediary to the Society as set out herein.

### 2. COMMISSION

- 2.1 All matters relating to the payment of commission by the Society to the Intermediary will be subject to the FSA commission rules.
- 2.2 The Society's current rates of commission are in accordance with the Schedule provided.
- 2.3 The Society reserves the right to reduce the rate of commission on the giving of not less than seven days' notice of any such reduction. Any reduction in commission would only apply to business submitted following the expiry of the seven days' notice.
- 2.4 The Society will credit or pay commission on all business submitted to the Society by the Intermediary and accepted by the Society subject to the receipt, and continued receipt where applicable, of the premiums and/or purchase monies.
- 2.5 The Society will also credit or pay commission on business submitted and accepted by the Society, subject to 2.4 above, by another intermediary where that other intermediary has relinquished his right to the commission in respect of that business in favour of the Intermediary and no other person has any valid claim to such commission.
- 2.6 On request by the Intermediary (and where the Society agrees) the Society will credit or pay indemnity commission. Where such terms have been requested by the Intermediary and granted by the Society the Indemnity Commission Agreement will form part of these Terms of Business.
- 2.7 All first premiums, including single premiums and purchase monies, must be remitted to the Society without the deduction of commission.

- 2.8 The Society will at reasonable intervals render to the Intermediary a commission statement. If the Intermediary does not agree that the statement correctly shows the commission due to him down to the date specified the Intermediary shall give notice thereof in writing to the Society within 21 days of receipt with full particulars of the items not agreed and the reason therefore. Failing such notice the said commission statement shall be deemed to be agreed by the Intermediary.
- 2.9 The Intermediary must inform the client of such details of commission receivable as required by the Securities and Investment Board and any Self Regulatory Organisation or Recognised Professional Body by which the Society or the Intermediary is regulated.
- 2.10 In the event of the Intermediary ceasing to be authorised, or where he or the client notifies the Society that he is no longer to be the agent of the client, the Society reserves the right to cease paying commission.
- 2.11 In addition to paragraph 2.10 above the Society reserves the right to cease paying commission if the Intermediary shall die, become bankrupt, compound with or assign his estate or effects for the benefit of creditors, have his goods seized in execution or, where the Intermediary is a company, if it goes into liquidation or receivership or is subject to an administration order.
- 2.12 The Society will defer payment of commission until a total of at least £25 or such other amount as the Society may notify from time to time is due to the Intermediary.
- 2.13 The Intermediary agrees to repay immediately upon receipt of the Society's notification any commissions paid by the Society in respect of premiums, and/or purchase monies, received and subsequently repaid, or otherwise debited to the Society, for whatever reason.
- 2.14 The Intermediary agrees to repay any commissions paid by mistake arising in circumstances other than 2.13.

### 3. DOCUMENTATION

- 3.1 The Intermediary must show his Regulatory Authority authorisation number on each proposal for an insurance or investment contract submitted to the Society.
- 3.2 The Intermediary must pass on immediately, and without amendment, any documentation which is either supplied by the Society for the benefit of or completion by the client, or provided by the client in relation to the contract.
- 3.3 The Society will in all cases issue directly to the client post sales information and cancellation notices together with the policy document except where such policy is the subject of an assignment.
- 3.4 The Society reserves the right to send communication direct to the client.
- 3.5 All books, documents and any other property belonging to the Society and in the possession of the Intermediary must at all times be available to the Society for inspection, and be delivered to the Society by the Intermediary on demand.

### 4. PAYMENT OF PREMIUM/PURCHASE MONIES

- 4.1 If the Intermediary, as agent of the client, undertakes to pass monies to the Society, he must do so immediately.
- 4.2 The Intermediary is not authorised to (and will not) collect premiums other than a first or deposit premium. The receipt by the Society of any such first or deposit premium shall not be deemed to be an acceptance by the Society of the business to which the payment relates.
- 4.3 If requested the Intermediary will make all reasonable efforts to secure the payment to the Society of any overdue premiums subject to the policy conditions. The Intermediary in collecting any such premiums is acting as agent for the client.
- 4.4 In the event that payment is not made to the Society of monies referred to in paragraphs 4.2 and 4.3 above within seven calendar days of receipt by the Intermediary, the Intermediary will pay the Society interest at a rate determined by the Society from time to time, for the period that the monies were in the hands of the Intermediary.

4.5 If the Intermediary makes any payment whatsoever to the Society on behalf of a client in respect of any monies due to the Society, the Society will not be responsible for any loss thereby sustained by the Intermediary.

4.6 The Society shall be under no duty or liability to the Intermediary in the event (a) of its failure to collect premiums on business introduced or (b) of its failure to inform the Intermediary of non-payment of premiums.

#### 5. UNIT TRUST SALES

Paragraphs 6 and 7 apply specifically to investments directly into the British Life Unit Trust managed by Reliance Unit Managers Limited and replace paragraphs 3 and 4 for such investments.

#### 6. UNIT TRUST SALES - PAYMENTS

6.1 Payment in respect of any contract effected by or through the Intermediary must be received by Reliance Unit Managers Limited in cash or cleared funds by the Settlement Day. Reliance Unit Managers Limited shall be entitled without giving prior notice to the Intermediary to cancel, in whole or in part, any contract in respect of which a payment remains overdue. This provision shall not be affected by any requirement to serve a Cancellation Notice in respect of the transaction in question.

6.2 The Intermediary shall, in the case of repurchases, inform Reliance Unit Managers Limited whether cheques should be drawn in favour of the Intermediary or the client and shall request cheques drawn in favour of the client if the Intermediary is not authorised to handle clients' money.

#### 7. UNIT TRUST SALES - DOCUMENTATION

7.1 The Intermediary shall not effect any purchase of units until the Intermediary has offered the client free of charge a copy of the most recent annual report and the most recent half-yearly report (unless it has been superseded by an annual report) and a copy of the scheme particulars in relation to the relevant unit trust(s). The Intermediary shall promptly supply the client (or arrange for Reliance Unit Managers Limited to supply the client) with such of the aforesaid reports and scheme particulars as the client requests. Reliance Unit Managers Limited will promptly supply to the Intermediary copies of such reports and scheme particulars as may be required to enable the Intermediary to carry out the Intermediary's obligations hereunder.

7.2 Reliance Unit Managers Limited has an obligation to send product disclosure information/cancellation notices, contract notes, and unit certificates direct to the client. When required expense information will also be sent direct to the client.

7.3 When placing an order for the purchase or sale of units, the Intermediary shall provide Reliance Unit Managers Limited with a statement (in writing, unless the order was given orally) of:-

(i) the name of any relevant self-regulatory organisation or recognised professional body of which the Intermediary is a member and his registration number with it;

(ii) the name and address of the client; and

(iii) whether the Financial Services (Cancellation) Rules 1988 (as amended) apply to the transaction.

NOTE : Such rules will not apply except where the client is an execution-only customer, if :-

(a) The Intermediary reasonably believes that the customer is a 'business investor' or a 'professional investor' in relation to the purchase of units. These two terms are narrowly defined in the rules.

(b) if the transaction in units is entered into pursuant to a customer agreement between the Intermediary and the client that complies with the relevant rules.

8. INDEMNITY

The Intermediary shall indemnify and keep indemnified the Society from all loss resulting to the Society arising from:

any failure by the Intermediary to comply with the provisions of the Financial Services Act 1986, any regulations made thereunder and the rules of any relevant self-regulatory organisation or recognised professional body; or

any breach by the Intermediary of any of these term of business including, without limiting the foregoing, any failure to provide promptly and accurately the information required pursuant to 7.3 above.

9. CLIENT IDENTITY

The Intermediary agrees that for each piece of business submitted to the Society the Intermediary will have verified the identity of each client suitably and in accordance with any money laundering regulations, client identity requirements or any regulatory requirement incumbent upon either the Intermediary or the Society at any time.

10. SERVICE OF DOCUMENTS

Any letter or other document shall be deemed to have been duly served upon the Intermediary if it is sent by post or left at the address of the Intermediary to which this communication is addressed or as subsequently notified by the Intermediary to the Society in writing. Any letter or other document sent by first class post shall be deemed to have been served on the business day following that on which the envelope containing the same is posted and in proving such service it shall be sufficient to prove that such envelope was properly addressed, stamped and posted.

11. VARIATION

11.1 The Society reserves the right to vary the terms of business contained in this letter subject to seven days' notice being given to the Intermediary except in circumstances where changes in the rules of a relevant self-regulatory organisation are required to take effect earlier than that date, in which event notice of variation will be given as soon as reasonably practicable. Such variation will not affect contracts in force or proposals for contracts received by the Society before the variation to the terms of business takes effect.

11.2 The Intermediary shall not be entitled to sub-contract or transfer any of his rights and obligations hereunder without the prior written consent of an Executive Director of the Society.

12. GOVERNING LAW

These terms of business shall be governed and construed in accordance with English law.

**The Reliance Mutual Group includes**

Reliance Mutual Insurance Society Limited - Registered No. 491580.

Reliance Unit Managers Limited - Registered No. 724451

and Reliance Administration Services Limited - Registered No. 3710407.

All registered in England at The Great Hall, Tunbridge Wells, Kent. TN1 1RG and authorised and regulated by the Financial Services Authority.