

Agreement Between

**Kay International Plc
25 Lime Street, London EC3M 7HR**

And

..... Brokers,

International Broker and/or Producer

Broker and/or producer is registered and/or licensed
in United Kingdom

.....

This Agreement (the "Agreement") applies between

Kay International Plc,
25 Lime Street
London EC3M 7HR
(Hereinafter referred to as "Kay International Plc", "we", "us" and "our")

And:

.....Brokers Limited,

(hereinafter referred to as the "Broker")

(Individually a "Party", together the "Parties").

RECITALS

- A. Kay International Plc is an Underwriting Agent authorised by the United Kingdom Financial Services Authority ("FSA");
- B. The Broker is an insurance broker or producer licensed to accept reinsurance business.
- C. From time to time, it is anticipated that the Broker will instruct Kay International Plc to place facultative reinsurance contracts ("Reinsurance Contracts") with reinsurers in, among other places, London;
- D. The Parties intend to set out in this Agreement certain terms and conditions that are typical of the terms of any Reinsurance Contracts that will be arranged by Kay International Plc on instruction from the Broker;
- E. This Agreement should be read in conjunction with any Reinsurance Contract arranged by Kay International Plc between any reinsurer(s) and the Broker. The terms and conditions below are required by the regulatory authorities of Lloyd's of London.

IT IS HEREBY AGREED THAT:

- 1. Notification of change in risk**

The postage date of letters from the Broker, or the dispatch time of emails or faxed communications to us cannot be regarded as being either the effective date and time for the assumption of cover, or the effective date and time of a change in cover. It is incumbent upon the Broker to seek either written or verbal confirmation from us that instructions regarding the assumptions of cover, or changes in cover have been received and accepted by us.
- 2. Reinsurance Contract Policy documents**

A Risk placement cover note will be issued by Kay International Plc for each risk identifying all subscribing reinsurers.
Renewal notices and revised policy schedules will be issued as required.
A cover note may be issued by us at each renewal of a Reinsurance Contract at the request of the Broker.
- 3. Verification of our underwriting authority by the Broker**

At any time, we will provide the Broker with the information that they might require in order to satisfy themselves that our delegated underwriting authority continues with the reinsurer named in the documents that we issue in the name of that reinsurer.
- 4. Cancellations (and third party interests)**

All Reinsurance Contracts can be cancelled at any time on the instructions of the Broker. (Please see clause 6 below in respect of third party interests)

5. Lapses at renewal (and third party interests)

Reinsurance Contracts will lapse at renewal unless we receive instructions from the Broker. (Please see clause 6 below in respect of third party interests).

6. Third party interests

We may be required to report to third parties with an interest in a Reinsurance Contract that a Reinsurance Contract has either been cancelled or lapsed. The effective date of the cancellation or lapse of a Reinsurance Contract will be the date notified to us by the Broker. The Broker shall be responsible for informing all third parties and we have no liability in the event that the Broker fails to fulfill this obligation.

The Broker will be responsible for any time-on-risk charge that will be made until such time as the third party accepts the instructions of the Broker to lapse or cancel a Reinsurance Contract. This responsibility continues regardless of whether or not the Broker continues to act as insurer of the relevant underlying risk.

7. Confirmation of the renewal of a Reinsurance Contract within 21 days of renewal date

The Broker is required to provide confirmation of renewal of a Reinsurance Contract to us, verbally or in writing to us, within 21 days of the renewal date of a Reinsurance Contract.

In the absence of such verbal or written confirmation of renewal we may, without further reference to the Broker, notify third parties with an interest in a Reinsurance Contract that it has been lapsed at renewal at the same time as we report that course of action on our part to the Broker. We have no liability in the event that the Broker fails to fulfill its obligations in compliance with this clause 7.

8. Data Protection and client confidentiality

We undertake to the Broker not to disclose to any third party any information that is provided to us other than that data that we are required to disclose to our underwriting reinsurers and our own regulatory authorities.

The Broker undertakes not to disclose without the consent of the person whose rights are concerned, any information regarding the other's business in connection with this Agreement or any Reinsurance Contract that could be reasonably be regarded as confidential. Kay International Pic warrants that it is registered or has notified the Information Commissioner under the Data Protection Act 1998 and undertakes at all times to comply with the provisions of that Act.

9. Claims

The Broker is not authorized to act on behalf of underwriting reinsurers or to bind them or make any statement concerning their liability in respect of any claim.

The Broker will notify us of claims and will pass to us any correspondence or supporting documentation in accordance with the terms of the relevant Reinsurance Contract.

10. Termination

This Agreement may be terminated:-

- i. at any time by mutual agreement; or
- ii. by either Party on the expiry of 60 days written notice; or
- iii. by either Party forthwith if a resolution is passed or an order made for the winding up of the other (except for the purposes of bona fide solvent amalgamation or reconstruction) or upon the making of an administration order or the appointment of an administration receiver in respect of the other.

11. Advertising/promotional materials and business names

Unless agreed by us, the Broker is not allowed to feature us or our underwriting reinsurers in advertising/promotional materials, or use business names in connection with the same. (We are required to submit all proposed advertising/promotional materials to underwriting reinsurers for their approval).

12. Complaints

The Broker shall inform us immediately in writing upon receipt of all complaints relating to claims settlements and will give our underwriting reinsurers and us all reasonable co-operation in the investigation of complaints.

The Broker should not make any statement, representation or response to complaints without obtaining the prior written consent of our underwriting reinsurers or us; but the Broker shall acknowledge receipt of such complaints.

13. Liability for and settlement of premiums

The Broker is responsible for all monies received by them in respect of reinsurance premium and any taxes as applicable that are due to Kay International plc and these monies must be held separately from the funds of the Broker's business in accordance with the requirements equivalent to those of the FSA.

Premium should be paid by the Broker to Kay International plc promptly, or at least within 30 days of the date of the account. In the event that that timeframe is not complied with, we reserve the right to terminate the Agreement in accordance with clause 12, whilst retaining any premium for time-on-risk.

14. Commission terms

We agree to pay the Broker commission on business placed through us and on renewal thereof whilst the business remains under the Broker's control, in accordance with rates separately agreed in the Reinsurance Contracts from time to time in force.

15. Jurisdiction and applicable Law

This Agreement shall be governed by and construed in all aspects in accordance with the laws of England and Wales and the Parties submit themselves to the exclusive jurisdiction of the English and Welsh Courts.

16. Variation

Any variation to the terms of this Agreement must be contained in writing and signed by both Parties.

17. Previous agreements

This Agreement supersedes any prior agreements between the Parties whether written or oral.

18. Risk Transfer

1. The Broker:
 - a. will hold monies due to reinsurers in a statutory or non-statutory trust account that is separate from the Broker's assets in compliance with FSA Client Asset Sourcebook ("FSA CASS") Rule 5 or equivalent in the Broker's jurisdiction. Such an account may contain monies held on behalf of other reinsurers;
 - b. will pay monies due to reinsurers in accordance with the terms of the relevant Reinsurance Contract;
 - c. acknowledges that this Agreement with Kay International Plc will be terminated immediately in the event that the Broker becomes the subject of liquidation, insolvency, bankruptcy, winding-up or similar proceedings and/or the Broker's license to write insurance business is revoked or suspended.
2. In the event of the insolvency of the Broker, the Broker will co-operate fully with the reinsurers and assist the reinsurers.
3. The Broker acknowledges that the reinsurers may, at their discretion, require that the Broker suspends or ceases the introduction of reinsurance business
4. The Broker acknowledges the right of the reinsurers to audit and/or request balances and summaries of all monies held by the Broker in that capacity at any point in time, either directly or through Kay International Plc, and that such balances and summaries will be provided to reinsurers and/or us within a reasonable timescale.

19. Handling of Premiums/Time-on-Risk

The Broker will:

1. Collect all premiums due to it under the original insurance contract(s); and
2. Pay all reinsurance premium due to reinsurers under all Reinsurance Contracts directly to us; and
3. In the event of cancellation of a Reinsurance Contract by reinsurers, pay all premiums due at the time of calculation on a time at risk basis.

For the avoidance of doubt the relevant reinsurers under any Reinsurance Contract will

1. cease to be on risk from the moment that the Broker ceases to be on risk under the underlying insurance contract(s) and
2. remain entitled to time-on-risk premiums payable by the Broker under the Reinsurance Contract.

20. Professional Indemnity

The Broker shall maintain Professional Indemnity Insurance complying with rules or codes of conduct of the General Insurance regulatory body within the country of their domicile.

21. Disclosure

The Reinsurance Contracts placed by us for the Broker may be bound/Indicated/quoted under a binding authority granted to us by reinsurers. We receive from reinsurers a commission for transacting the Broker's business with them and this commission is included within the premium quoted.

22. Statutes, Statutory Provisions, Rules

References to any statute, statutory provision or rule include a reference to that statute, statutory provision or rule as from time to time amended extended or re-enacted.

Signed by:-

Name : Brian Salmanpour
On behalf of
Company : Kay international Plc
Position : Chairman
Dated :

Name:
Broker:
Position:.....
Dated.....