



TERMS OF BUSINESS – Effective from 24th February 2009

**YOU MUST RETAIN THESE PAPERS AS A RECORD OF TERMS OF BUSINESS
WITH HOLLOWAY FRIENDLY**

DEFINITIONS

1992 Act shall mean the Friendly Societies Act 1992 as amended by the 2000 Act.

2000 Act means the Financial Services and Markets Act 2000.

Acts shall mean both the **1992 Act** and the **2000 Act**.

Authorised person shall mean a person authorised in accordance with section 31 of **FSMA** and who has been granted Part IV permission by the **FSA** to carry on one or more regulated activities.

Business shall mean all Insurances carried out by the **Society** pursuant to the **Society's Rules**.

Client/Clients shall mean a person(s) **You** act for in connection with the offering of **Membership** of the **Society**.

Commission shall mean the remuneration **We** pay to **You**.

Commission terms shall mean the terms describing the rates of remuneration to which **You** are entitled, as listed on the attached schedule and notified to **You** in writing from time to time.

Direct Credit shall mean **Our** preferred method of paying **Commission** to **You**. **We** offer to pay **Commission** twice each month by **Direct Credit**.

FSA shall mean the Financial Services Authority or its statutory successor.

FSMA shall mean the Financial Services and Markets Act 2000.

IFA shall mean an independent financial adviser who is authorised under **FSMA** to give advice to **Clients** on a range of products from all product providers.

Interest shall mean 4% over the Bank of England base rate as varied from time to time

Membership shall mean any contract incorporating the **Society's Rules** (as amended from time to time) and shall where applicable mean any one or more **Membership(s)** issued or to be issued to a **Client**.

Policy shall mean a contract issued to a **Client** following an accepted application sent by **You** and for which **You** have received **Commission** paid in accordance with **Our** published **Commission terms**.

Premium shall mean any payment towards **Membership** of the **Society** and **Premiums** paid or

payable in respect of such **Membership**.

Rules shall mean the **FSA Handbook of Rules and Guidance** and where applicable all the relevant or applicable sections of the **Rules** referred to in these Terms of Business.

Society shall mean The Original Holloway Friendly Society Ltd., whose Registered Office is situated at, Holloway House, 71 - 73 Eastgate Street, Gloucester, GL1 1PW.

Society's Rules shall mean the rules of the **Society** as amended (if applicable) by **Us** from time to time.

Unearned Commission shall mean the amount of any **Commission**, which is due to be repaid to the **Society** by **You** by means of Clawback of **Commission** paid in accordance with the **Society's** published rates of **Commission**, referred to in the attached schedule which forms part of these Terms of Business.

We, us or our shall mean The Original Holloway Friendly Society Ltd.

Working day shall mean a weekday, not a day that is a Saturday, Sunday Bank or Public Holiday in England.

You or your shall mean an **IFA** or **Authorised person** with whom **We** have agreed to do **Business**.

INTRODUCTION

The **Society** is regulated by the **FSA** with permissions under Part IV of the **2000 Act** to carry out certain regulated activities in respect of long term insurance business. **Our** main function is in the offer and issue of income protection plans. This document describes the terms on which **We** will conduct **Business** with **You**.

SCOPE

These Terms of Business set out conditions upon which **We** accept **Business** from **You** under the **Acts** with effect from 1st November 2006.

We expect **You** to comply with all legislation and regulatory requirements applicable to **You** including but not limited to and where appropriate to **FSMA**, the **Rules** and the Data Protection Act 1998 and any statutory modification, alteration or amendment thereto.

We will only accept **Business** from **You** if **You** are registered with **FSA**.

We are not obliged to accept **Business** from **You** and reserve the right to refuse or cease to accept **Business** from **You** and **We** will not accept **Business** from **You** if **You** cease to be an **Authorised person**. It is incumbent on **You** to advise **Us** if **You** cease to be an **Authorised person**.

You are the agent of the **client** in relation to all aspects of the **Business**.

By signing these Terms of Business **You** agree to indemnify **Us** against any loss, including costs and **Interest**, which **We** suffer because **You** acted outside **Your** authorisation or in breach of

these Terms of Business. Payment of any such loss, costs and **Interest** shall be made on demand.

COMMISSION

All matters relating to the payment of **Commission** by **Us** to **You** shall be governed by the **Rules** and other provisions of these Terms of Business. **We** will pay **You** the agreed **Commission** in relation to the sale of **Our** products as outlined in the attached schedule as amended by **Us** from time to time and notified to **You**.

We reserve the right giving 30 days notice to replace or amend our published rates of **Commission**. The change in **Commission** will apply to the first **Commission** payment after the date of change.

We will email the replacement or amended terms to **You** after the 30 day period. **We** will not reissue the actual terms of business to **You**, just the revised schedule of commission terms.

We will credit **your** bank account by **Direct Credit** (BACS), **Commission** on all **Business You** submit to **Us** which is accepted by **Us** and has gone on risk. Payment by cheque can be made but such payments can only be made monthly. **Commission** in respect of existing contract variations or increases of existing contracts, will only be payable where an increase of **Premium** greater than 10% occurs, but **We** will defer payment of **Commission** until a total of at least £50.00 or such other amount as **We** may notify from time to time is due to **You**.

In the event of **You** ceasing to be an **Authorised person**; or where **You** or **Your Client** notifies **Us** that **You** are no longer their agent; or **Your Client** ceases to pay the required **Premiums**, **We** reserve the right; -

- a. to cease paying **Commission**
- b. to stop communicating with **You** regarding your **Clients** that have policies with **Us**
- c. to request that **You** repay **Unearned Commission** paid to **You** in respect of any **Policy** that remains within the clawback period.

We will provide a **Commission** statement when **We** make a payment to **You**. This statement will be the prime record of **Commission** due to **You**. Such **Commission** statement whether in writing, disc, tape, direct-online communication to computer terminal, or any other method of communication agreed by **Us** with **You** shall be deemed to be the record of **Commission** due to **You**.

If a **Policy** is terminated by reason of a failure to pay **Premiums** the **Unearned Commission**, calculated from the date the last **Premium** was paid, shall be debited to **your Commission** account, and

- a. to the extent that the balance due to **You** on such account exceeds the **Excess Commission** shall be set off against the balance due to **You**, or
- b. if the debit creates a debit balance on **your Commission** account **You** must repay it to **Us** immediately.

If one of **your Clients** dies during the initial earnings period **We** would not request that **You** repay any **Unearned Commission** to **Us**.

Should such a termination occur after these Terms of Business cease, **You** remain accountable and must repay **Unearned Commission** paid to **You** in respect of that **Policy**. **We** will use **Our** best endeavours to give **You** notice as soon as possible after **We** become aware that a **Premium**

has not been paid when due.

If the debit balance referred to above is not repaid upon receipt of **Our** notice of non-payment of **Premiums, Interest** shall be charged on the debit balance at 4% over the Bank of England base rate at that time and may be debited to **Your Commission** account, unless the **Unearned Commission** is repaid within three months of notification of non-payment.

If the amount due referred to in the previous paragraph remains outstanding for 4 months after the date on which the notice was given, then if the amount outstanding, together with any other amounts outstanding due to **Us** and also overdue by 4 months, exceeds £500.00, **We** shall give notice to the **FSA** as soon as is reasonably practicable.

We are not responsible for any costs **You** incur whilst **You** are agent for **Your clients**.

DOCUMENTATION

You must pass on to **Us** immediately without amendment any documentation, which is generated by **Us** for the benefit of, or completion by **Your Client** in relation to the contract. Any copies **You** retain of documentation supplied by **Us** must be available to **Us** to inspect, or if requested sent to **Us**, on demand

You must show **your FSA** authorisation number on each proposal submitted to **Us**.

We will observe the **client/adviser** relationship but **We** reserve the right to send specific communications direct to **Your Client** if necessary.

You must produce to **Us** on demand such records, books and accounts as **We** may reasonably require in connection with the **Business**.

It is **Your** responsibility to ensure that all the information disclosed to **You** by **Your Client**, is accurately recorded in completing an application for **Membership** of the **Society** on behalf of a **Client**. Furthermore it remains **Your** responsibility to relay to **Us** in writing details of any

material changes in the information disclosed by **Your Client** in their application form at any time after it has been sent to **Us**, even after acceptance and where the **Policy** is in force.

ANTI - MONEY LAUNDERING

You must comply with all legislation, guidance and **Rules** on anti-money laundering issued by the **FSA** and Joint Money Laundering Steering Group.

PAYMENT OF PREMIUMS

If **You** undertake to the **Client** to pass monies to **Us**, **You** must do so promptly.

If **You** are expressly authorised by **Us** to collect monies on **Our** behalf **You** must hold them in trust and pay them to **Us** within the terms of that express authority.

In the event that payment is not made to **Us** of monies referred to above within any period specified in the express authority referred to therein, **You** will pay **Us Interest** for the period that the **Premiums** were in **Your** hands.

All **Premiums** are payable by Direct Debit. **We** cannot accept **Premium** payments by cash or by cheque.

TERMINATION OF TERMS OF BUSINESS

These Terms of Business will terminate immediately **We** become aware of any of the following:

- a. **You** are no longer an **Authorised person**
- b. **Your** business, being a company, is wound-up by resolution or by court order
- c. **Your** business, being a partnership or other unincorporated association, is dissolved
- d. **You**, if a sole trader, die
- e. **You** be come or are declared bankrupt, insolvent or convene a meeting of or make or propose to make arrangement or composition with **Your** creditors or a liquidator, receiver, manager, trustee or similar officer is appointed over any of **Your** assets
- f. **You** or **We** may terminate the Terms of Business with immediate effect provided written notice is provided to the other.

VARIATIONS

We reserve the right to vary these Terms of Business immediately where **We** are required to make changes by the **FSA** or by any other relevant regulatory body in which event notice of variation will be given as soon as reasonably practicable. Such variation will not affect any **Membership** which is in force or proposal for **Membership** received by **Us** before the variation to the Terms of Business takes effect.

Any notice required in these Terms of Business will be given by whichever medium **We** consider to be appropriate, so it is up to **You** to notify **Us** of any change in contact information as **We** shall use the latest information as shown in **Our** records.

OTHER MATTERS

If **We** fail or delay the exercising of any right or remedy contained in these terms, it is neither intended nor can it be considered that it is deemed to be a waiver of such right or remedy.

These Terms of Business comprise the whole agreement between **You** and **Us**.

These Terms of Business supersede all other previous agreements and communications whether in writing or orally relating to the provision of **Your** services for **Clients** and any such prior agreements are cancelled as at the date of this document. **You** acknowledge that **You** are not entering into this document in reliance on any representation not expressly set out in this document and/or the **Commission terms**.

These Terms of Business shall be governed in accordance with the law of England and Wales in respect of any claim or matter arising under or in connection with these terms.

Should any court or administrative body of competent jurisdiction decide that any provision in these terms to be unenforceable or invalid such invalidity or unenforceability shall not affect the other Terms of Business provisions which will remain in full force and effect.

Anyone who is not contracted to these Terms of Business has no rights under the Contract (Rights of Third Parties) Act 1999 to enforce any of these Terms of Business. This however does not affect any right or remedy of a third party which exists or is available apart from that Act.

INCOME PROTECTION COMMISSION RATES

Commission rates are outlined in the attached schedules and may be amended by **Us** from time to time with 30 days notice to **You**.

This schedule forms part of the terms of business and in signing these terms signifies **You** understand the stated commission rates.



HOLLOWAY FRIENDLY

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PERSONAL INCOME PROTECTION PLAN COMMISSION RATES

With effect from February 2009

1. **Commission** in respect of new policies will be paid at the following rates: -

Online business submissions	130% of the annual premium
Paper based business submissions	120% of the annual premium

2. **Commission** in respect of increased **premiums** whether exercised under a Guaranteed Insurability Option or by separate application can only be submitted using a paper based application to existing plans will be paid at:

The above rates for the difference between the pre and post amendment annual premium incomes having increased premiums of 10% or more

3. The initial earnings period is 36 months

4. **Commission** can be paid on Indemnity terms or Non-indemnity terms

5. If **You** select Non-indemnity terms commission will be further enhanced by 10%

This option is **only** available at the time the **business** is submitted

6. **We** may defer the payment of **commission** until the sum due is at least: -

For IFAs requiring commission payments by cheque must exceed £50.00
For IFAs requiring commission payments by Direct Credit must exceed £20.00
For Networks commission payments will be made by Direct Credit and must exceed £1.00

7. Renewal **commission** is paid annually in arrears, after the initial earnings period at the rate of 2.5% of the annual **premium**.

This schedule forms part of the terms of business but may be superseded by amendment made by **Us** from time to time.

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CLASSIC PLAN AND CLASSIC PLUS PLAN COMMISSION RATES

Remains unrevised as below

5. **Commission** in respect of new policies will be paid at the following rates:-
- | | |
|----------------------------------|----------------------------|
| Online business submissions | 140% of the annual premium |
| Paper based business submissions | 125% of the annual premium |
6. **Commission** in respect of increased **premiums** to existing plans will be paid at:
- 50% of any increase in the annual premium subject to a minimum
 - 10% increase in the annual premium

An increase effected in this way will benefit **your** client in that for allocation of profit purposes, the increased **policy** will be tied into the start date of the original plan.

7. The initial earnings period is 36 months
8. **Commission** can be paid on Indemnity terms or Non-indemnity terms
8. If **You** select Non-indemnity terms commission will be further enhanced by 10%
- This option is **only** available at the time the **business** is submitted
9. **We** may defer the payment of **commission** until the sum due is at least: -
- For **IFAs** requiring **commission** payments by cheque must exceed £50.00
 - For **IFAs** requiring **commission** payments by **Direct Credit** must exceed £20.00
 - For Networks **commission** payments will be made by **Direct Credit** and must exceed £1.00
10. Renewal **commission** is paid annually in arrears, after the initial earnings period at the rate of 3% of the annual **premium**.

This schedule forms part of the terms of business but may be superseded by amendment made by **Us** from time to time.



RETURN TERMS OF BUSINESS ACCEPTANCE
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Date:		Pages (Including Cover)	ONE
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Send to Fax No:	01452 386859
Or Email :	tob@holloway.co.uk
For the attention of:	Sales & Marketing
Company:	Holloway Friendly
Your Email address:	

Please Tick

I confirm receipt of the Terms of Business I accept and understand the Terms and Conditions.

Please complete the email address above as future changes to our published commission rates will be sent by email.

BANK DETAILS

In order that we can pay commission by direct credit please complete your bank details below

Name of Bank							
Account to be credited							
Bank Sort Code			-			-	
Account Number							

ACCEPTED AND AGREED

Signature		Print Name	
Position		Date	
Holloway Ref No.		FSA FRN Ref. No.	