



Service Company Underwriting Agreement

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Form approved by Lloyd's Market Association

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SCHEDULE

SERVICE COMPANY UNDERWRITING AGREEMENT

INTRODUCTION

This Service Company Underwriting Agreement, the Schedule attached hereto and any endorsements hereon ('the Agreement') is made by and between the Underwriting Members of Lloyd's whose syndicate number is shown in the Schedule ('the Underwriters'), and the Service Company Coverholder whose name and address is stated in the Schedule ('the Service Company Coverholder').

Whereas the Service Company Coverholder will have authority to bind insurances on behalf of the Underwriters and do such other things as may be incidental to binding risks, it is mutually understood and agreed between the Underwriters and the Service Company Coverholder as follows:

SERVICE COMPANY COVERHOLDER AUTHORITY

SECTION 1

UNDERWRITERS TO RECEIVE AGREEMENT

- 1.1 The Agreement and any amendment to the Agreement shall take effect only when the Underwriters have received a copy of the Agreement or amendment signed by both parties;
- 1.2 Any amendment to the Agreement shall be evidenced in writing and endorsed hereon.

SECTION 2

PERIOD

- 2.1 Subject to Section 1, the Agreement is effective during the period stated in 2.1 of the Schedule unless terminated in accordance with Sub-section 4.3 or Section 31;
- 2.2 The Agreement shall not be subject to or capable of automatic renewal.

SECTION 3

PERSON(S) RESPONSIBLE FOR OPERATION AND CONTROL

- 3.1 The person(s) named in 3.1 of the Schedule is(are) responsible for the overall operation and control of the Agreement and may from time to time nominate such other person(s) who may, in accordance with the Agreement, bind insurances, issue documents evidencing contracts of insurance and exercise any claims authority.

SECTION 4

GRANT OF AUTHORITY

- 4.1 The Underwriters hereby authorise the Service Company Coverholder to:
 - 4.1.1 bind insurances and amendments thereto for the Underwriters' account;
 - 4.1.2 act as the Underwriters' agent in accordance with Section 23 for the purpose of receiving premiums from insureds, settling refunds and receiving claims monies prior to onward transmission to insureds;
- 4.2 The Service Company Coverholder may bind insurances and amendments using an automated electronic online system where the use of such system has been agreed in writing by the Underwriters;
- 4.3 The Service Company Coverholder shall comply with any direction, condition or requirement, including any direction to terminate the Agreement, given by Lloyd's to the Underwriters or by any other regulatory body with jurisdiction over the Underwriters or the Service Company Coverholder;

- 4.4 In respect of every insurance bound under the Agreement, the Service Company Coverholder shall:
- 4.4.1 issue contract documentation, endorsements or such other documents evidencing cover as may be agreed in writing by the Underwriters;
 - 4.4.2 collect and process premiums and return premiums on the Underwriters' behalf promptly or where applicable in accordance with such terms as agreed with the Underwriters;
 - 4.4.3 if authorised in 18.1 of the Schedule, handle claims and/or settle claims in accordance with the Agreement;
- 4.5 Nothing in the Agreement shall grant the Service Company Coverholder authority beyond that specifically granted by the Agreement nor shall the Service Company Coverholder act as or hold itself out as having authority on behalf of the Underwriters where such authority does not arise or no longer arises under the Agreement;
- 4.6 The Service Company Coverholder shall comply with all requests or requirements made in writing by the Underwriters in relation to the operation of the Agreement, the insurances bound under the Agreement or the claims arising thereunder;
- 4.7 The Service Company Coverholder shall not take any step(s) or undertake any act(s) or omit to do anything in relation to the services to be provided by it under the Agreement, including failing to act fairly to insureds, which is likely to be detrimental to the reputation of the Underwriters.

SECTION 5

DELEGATION OF AUTHORITY

- 5.1 Subject to sub-section 5.2, the Service Company Coverholder may, for and on behalf of the Underwriters, sub-delegate the powers and authorities under the Agreement to bind insurances and amendments thereto to an entity which is itself a Lloyd's approved Coverholder;
- 5.2 The Service Company Coverholder shall obtain the prior written consent from the Underwriters to the sub-delegation to the proposed sub-coverholder; and
- 5.2.1 enter into for and on behalf of the Underwriters a written agreement with the sub-coverholder in the form of a registered binding authority. The written agreement with the sub-coverholder shall not purport to delegate to the sub-coverholder greater powers and authorities than those delegated to the Service Company Coverholder under the Agreement;
 - 5.2.2 ensure that the sub-coverholder will provide written reports to the Underwriters consistent with sub-section 20.1;
 - 5.2.3 the written agreement referred to in sub-section 5.2.1 above shall include provisions to the effect that:
 - 5.2.3.1 the Service Company Coverholder or the Underwriters may (severally) give to the sub-coverholder directions, conditions or requirements regarding the operation of the written agreement with the sub-coverholder;
 - 5.2.3.2 that upon the Agreement being cancelled or terminated in accordance with Section 31 below the sub-coverholder shall immediately cease to have authority to offer terms, bind insurances, renew, cancel, amend or alter in any way insurance already bound without the prior written consent of the Underwriters but that all other terms and obligations contained in the sub-coverholder written agreement shall continue to have full effect; and
 - 5.2.3.3 the Service Company Coverholder warrants to the sub-coverholder that it is acting as agent for the Underwriters in entering into the written agreement and as such has full ability, capacity and authority to act and make any decisions for and on behalf of the Underwriters in relation to the written agreement.

- 5.3 Where the Service Company Coverholder sub-delegates any of its powers and authorities under the Agreement to a sub-coverholder, the Service Company Coverholder shall remain responsible to the Underwriters for the proper discharge of those powers and authorities.

SECTION 6

OTHER CONDITIONS, REQUIREMENTS AND/OR AMENDMENTS RELATING TO THE OPERATION OF THE AGREEMENT

- 6.1 The Service Company Coverholder shall comply with any conditions, requirements and/or amendments to the Agreement as stated in 6.1 of the Schedule or endorsed hereon.
- 6.2 The U.S. General Cover Conditions (LMA5058A) must be attached to and form part of the agreement in respect of U.S. business, including where the Service Company Coverholder is based outside the U.S., and in other circumstances prescribed by Lloyd's (if any) and cannot be amended by Underwriters or Service Company Coverholders.

To the extent that any provision in the U.S. General Cover Conditions contradicts or is necessarily inconsistent with any provision in the Agreement into which they are incorporated, the U.S. General Cover Conditions shall control.

SCOPE OF AUTHORITY

SECTION 7

AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S)

- 7.1 The Service Company Coverholder is authorised to bind insurances only of the class(es) and for the coverage(s) stated in 7.1 of the Schedule, subject to the limitations stated in Section 8.

SECTION 8

TERRITORIAL LIMITATIONS

- 8.1 The Service Company Coverholder is authorised to bind insurances only for risks located in the territory(ies) stated in 8.1 of the Schedule;
- 8.2 The Service Company Coverholder is authorised to bind insurances only for insureds domiciled in the territory(ies) stated in 8.2 of the Schedule;
- 8.3 The Service Company Coverholder is authorised to bind insurances with territorial limits not greater than those stated in 8.3 of the Schedule.

SECTION 9

PREMIUMS, DEDUCTIBLES AND EXCESSES FOR INSURANCES BOUND

- 9.1 All gross premiums for insurances bound shall be calculated or determined in accordance with the arrangements, procedures or formula as stated in 9.1 of the Schedule;
- 9.2 The Service Company Coverholder shall incorporate deductibles and/or excesses in insurances bound as stated in 9.2 of the Schedule.

SECTION 10

MAXIMUM LIMITS OF LIABILITY/SUMS INSURED

- 10.1 The Service Company Coverholder is authorised to bind insurances only up to the limits of liability or sums insured stated in 10.1 of the Schedule.

SECTION 11

GROSS PREMIUM INCOME LIMIT

- 11.1 The Service Company Coverholder shall not bind total gross premium income in excess of the limit stated in 11.1 of the Schedule;
- 11.2 The Service Company Coverholder shall monitor the total gross premium income bound and shall promptly notify the Underwriters if it becomes apparent that the total gross premium income is likely to exceed the percentage of the limit stated in 11.2 of the Schedule;
- 11.3 For the purposes of this Section, gross premium income shall be defined as all premiums and additional premiums, less return premiums (before deductions of any commission and excluding any tax or policy or other charges).

SECTION 12

PERIOD OF INSURANCES BOUND

- 12.1 No insurance shall be bound for a period greater than that stated in 12.1 of the Schedule;
- 12.2 Every insurance bound shall incept during the period of the Agreement;
- 12.3 No insurance shall be bound further in advance of its inception date than the number of days stated in 12.3 of the Schedule;
- 12.4 Each insurance bound shall run to its contractual expiry date, unless cancelled or terminated in accordance with the insurance's cancellation or termination provisions;
- 12.5 In the event of cancellation or termination of any insurance bound the Service Company Coverholder shall comply with any applicable law relating to the cancellation or termination of such insurance and to the return of premium, commission, fees, charges and taxes.

SECTION 13

AUTOMATIC OR TACIT RENEWAL OF INSURANCES BOUND

- 13.1 No insurance shall be bound which is subject to or is capable of automatic or tacit renewal, unless otherwise agreed in writing by the Underwriters or where mandatory by reason of local law or regulation. Where automatic or tacit renewal has been specifically authorised or is mandatory the Service Company Coverholder shall maintain adequate records to identify and monitor, within any applicable time frames, all insurances bound which provide for or are subject to law granting automatic renewal or any extension of the period of any insurance bound.

SECTION 14

PREMIUM FINANCE CONTRACTS

- 14.1 The Service Company Coverholder shall not enter into or permit others to enter into premium finance arrangements in the name of or on behalf of the Underwriters.

SERVICE COMPANY COVERHOLDER REMUNERATION

SECTION 15

REMUNERATION

- 15.1 The Service Company Coverholder shall be remunerated in accordance with the provisions as stated in 15.1 of the Schedule.

DOCUMENTATION FOR INSURANCES BOUND

SECTION 16

APPLICATION OR PROPOSAL FORMS

- 16.1 Application or proposal forms to be used by the Service Company Coverholder shall be agreed by the Underwriters prior to use and if appropriate identified in 16.1 of the Schedule.

SECTION 17

CONTRACT DOCUMENTATION

Wordings, Conditions, Clauses, Endorsements, Warranties and Exclusions Applicable to Insurances Bound

- 17.1 All insurances bound shall be subject to the wordings, conditions, clauses, endorsements, warranties and exclusions as stated in 17.1 of the Schedule;

Requirement to Issue Contract Documentation

- 17.2 In respect of every insurance bound the Service Company Coverholder shall immediately issue to the insured or the insured's agent either:
- 17.2.1 appropriate confirmation of cover which makes reference to the agreed terms of the insurance;
or where practical,
 - 17.2.2 contract documentation (howsoever called, including "certificate" or "policy");
- 17.3 Where the Service Company Coverholder has not already issued contract documentation as per Sub-section 17.2.2 the Service Company Coverholder shall issue contract documentation to the insured or the insured's agent no later than thirty (30) days from the inception date of the contract or the date on which the insurance is bound if such date is after inception or within such shorter period as may be required by any applicable law or regulation;
- 17.4 In respect of every change made to each insurance bound the Service Company Coverholder shall issue an endorsement within thirty (30) days or such shorter period as may be required by any applicable law or regulation.

Format and Content of Contract Documentation

- 17.5 The format of any contract documentation to be issued by the Service Company Coverholder shall be as stated in 17.5 of the Schedule and agreed by the Underwriters prior to use.
- 17.6 All contract documentation (and any endorsements issued) shall comply with all applicable laws and regulations, contain all the agreed terms of the contract (or the endorsement) between the insured and the Underwriters and shall contain;
- 17.6.1 the full name and address of the Service Company Coverholder;
 - 17.6.2 a unique contract number and shall include the Unique Market Reference stated in the Schedule. (Endorsements shall include the same Unique Market Reference as for the contract to which it relates and shall be uniquely and consecutively numbered for the contract concerned);
 - 17.6.3 the full text of each wording, condition, clause, endorsement, warranty, exclusion and any other document(s) forming part of the individual contract of insurance;
 - 17.6.4 the law and jurisdiction applicable to the contract of insurance;
 - 17.6.5 the period of insurance;
 - 17.6.6 the limits of liability or sums insured;
 - 17.6.7 the deductible(s) or excess(es) if applicable;
 - 17.6.8 the amount of the premium;

- 17.6.9 a Several Liability Notice/Clause in the form as stated in 17.6.9 of the Schedule;
- 17.6.10 a statement to the effect that in the event of a claim the insured should notify the entity whose name and address is stated in 17.6.10 of the Schedule;
- 17.6.11 a suitable complaints notice as agreed with the Underwriters;
- 17.6.12 a statement to the effect that all enquiries (other than claims) should be addressed to the Service Company Coverholder;
- 17.6.13 a statement to the effect that the Service Company Coverholder acts as agent for the Underwriters in performing its duties under the Agreement; and
- 17.6.14 the signature, whether electronic or otherwise, of one or more directors of the Service Company Coverholder or of such other persons nominated by the person(s) identified at Section 3.1 above.

Prohibition on the issuance of Combined Certificates

- 17.7 For the avoidance of doubt, no "combined certificate" shall be issued in respect of any insurance bound. For these purposes "combined certificate" means a certificate or other document evidencing a contract of insurance under the Agreement on behalf of Lloyd's Underwriters and which also evidences a proportion of the insurance accepted for other Lloyd's Underwriters or insurance companies.

Retention, security and provision of documents

- 17.8 The Service Company Coverholder shall retain a copy of all documents issued and provide copies to Underwriters upon request.
- 17.9 All stocks of contract documentation, endorsements and other documents evidencing cover and any electronic method of storing and/or producing documentation shall be kept secure at all times. If requested by the Underwriters, the Service Company Coverholder shall promptly return or destroy all unused documents relating to the Agreement and ensure that any electronic storage and/or production of such documents by the Service Company Coverholder thereafter ceases.

CLAIMS AND COMPLAINTS

SECTION 18

PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS AND PURSUIT OF RECOVERIES

- 18.1 Where the Underwriters have agreed in 18.1 of the Schedule to grant the Service Company Coverholder authority to handle and/or settle claims and pursue recoveries on their behalf the following procedures shall apply unless replaced, amended or supplemented as stated in 18.1 of the Schedule:
 - 18.1.1 the Service Company Coverholder shall have authority to adjust, agree and settle claims where the total value of the claim does not exceed the limit stated in 18.1.1 of the Schedule and shall review claims estimates for these claims;
 - 18.1.2 the Service Company Coverholder shall have no authority to agree or settle any claim or part thereof on an 'ex gratia' or 'without prejudice' basis or any similar basis;
 - 18.1.3 the Service Company Coverholder shall promptly notify the Underwriters for instructions on all claims which exceed or are likely to exceed the limit stated in 18.1.1 of the Schedule;
 - 18.1.4 the Service Company Coverholder shall refer to the Underwriters any claim which the Service Company Coverholder considers should be denied or which manifestly falls outside the terms of the insurance or if the Service Company Coverholder is in any doubt as to whether the claim is recoverable under the terms of the insurance;
 - 18.1.5 the Service Company Coverholder shall notify the Underwriters promptly of any claim or recovery which gives rise to or is likely to give rise to any litigation;

- 18.1.6 the Service Company Coverholder shall comply with such service levels and standards as may be required by the Underwriters, including the instruction of lawyers, experts or other third parties to assist in handling and/or settling claims and/or pursuing recoveries;
- 18.2 The Underwriters may at any time withdraw or vary the Service Company Coverholder authority in respect of any particular claim and in such circumstances the Underwriters shall be entitled to make any decisions or take any action with regard to the claim which the Underwriters consider appropriate.
- 18.3 The Underwriters may at any time give written notice to the Service Company Coverholder to vary, suspend or withdraw the Service Company Coverholder's authority to handle and/or settle claims and pursue recoveries and the Service Company Coverholder agrees to comply with any instructions from the Underwriters with regard to claims handling. The Service Company Coverholder's authority to handle and/or settle claims and pursue recoveries shall cease or be varied in accordance with the terms of the written notice. In such circumstances the Underwriters shall be entitled to make any decisions or take any action with regard to the claims which the Underwriters consider appropriate.
- 18.4 Nothing in this Section 18 (or in any procedures as stated in 18.1 of the Schedule) shall in any way supersede, amend or replace any legal or regulatory obligations that apply to the Service Company Coverholder when it handles and/or settles claims.

SECTION 19

COMPLAINTS OR PROCEEDINGS

- 19.1 Subject to any specific procedures agreed under Sub-section 19.2, the Service Company Coverholder shall promptly notify to the Underwriters all complaints made in relation to insurances bound under the Agreement;
- 19.2 The Service Company Coverholder shall implement and maintain such procedures as may be required by the Underwriters to ensure that complaints can be dealt with in a prompt and reasonable way in compliance with all applicable laws and regulation;
- 19.3 In all cases the Service Company Coverholder shall notify the Underwriters promptly upon becoming aware of any matter arising out of the operation of or in connection with the Agreement which:
- 19.3.1 is likely to adversely affect the reputation of the Underwriters or Lloyd's;
- 19.3.2 may affect any legal or regulatory authorisations of Lloyd's or any authorisations which the Underwriters have to conduct insurance business; or
- 19.3.3 may result in litigation or other legal or regulatory proceedings or action being commenced against Lloyd's, the Underwriters or the Service Company Coverholder;
- 19.4 Where the Service Company Coverholder is aware of any legal or regulatory proceedings or actions commenced against Lloyd's, the Underwriters or the Service Company Coverholder arising out of the operation of or in connection with the Agreement the Service Company Coverholder shall provide the Underwriters with full details of the same.

REPORTING, RECORDS AND AGGREGATE EXPOSURES

SECTION 20

REPORTING

- 20.1 The Service Company Coverholder shall provide reports to the Underwriters in such form, containing such details and within such timeframes as the Underwriters may from time to time require. Without prejudice to the generality of the foregoing this may include requirements that the Service Company Coverholder shall submit:
- 20.1.1 details of insurances bound including details of the insureds;
 - 20.1.2 premium bordereaux at such intervals as the Underwriters may require;
 - 20.1.3 where relevant, claims bordereaux (including paid claims and outstanding claims) at such intervals as the Underwriters may require;
 - 20.1.4 reports on gross premium income accepted (including whether total gross premium income is likely to exceed the limits stated in 11.1 of the Schedule);
 - 20.1.5 details of aggregate exposures (including whether that exposure is likely to exceed the limits stated in 20.2 of the Schedule).

Aggregates

- 20.2 The Service Company Coverholder shall monitor the aggregate exposures and shall not bind total aggregate limits in excess of the amounts stated in 20.2 of the Schedule other than with the prior written agreement of the Underwriters.

SECTION 21

RECORDS, STATISTICAL INFORMATION AND AUDIT/INSPECTION

- 21.1 The Service Company Coverholder shall establish and maintain complete records relating to all insurances bound, claims handled and recoveries pursued under the Agreement. Such records shall be and shall remain the property of the Underwriters;
- 21.2 The Underwriters, external auditors or other representatives appointed by the Underwriters shall have the right at any time during normal business hours, without any restriction or limitation, to inspect and audit any records, statistical information, systems and processes (including electronic systems and processes) of the Service Company Coverholder relating to insurances bound and to the operation of the Agreement (including in relation to claims and recoveries) and shall have the right to make copies or extracts of any such records;
- 21.3 The Service Company Coverholder undertakes to deal openly and co-operatively with Lloyd's and any other applicable regulator or supervisory body in relation to the operation of the Agreement. The Service Company Coverholder shall permit Lloyd's and or any other regulatory body with jurisdiction over the Underwriters or the Service Company Coverholder to have access to any of its business premises where the Service Company Coverholder carries on business which is the subject of the Agreement to inspect and audit the records, statistical information, accounts and business processes relating to the operation of the Agreement. The Service Company Coverholder shall, unless prohibited by law, inform the Underwriters promptly in the event that Lloyd's or any other regulatory or supervisory body exercises or seeks to exercise any right to inspect or audit the records held by the Service Company Coverholder in relation to the Agreement;
- 21.4 The Service Company Coverholder shall retain all records, including electronic, relating to all insurances bound, claims handled and recoveries pursued for a minimum period of seven (7) years or for such longer period as may be required by local law;

- 21.5 The Service Company Coverholder shall provide to the Underwriters any information as the Underwriters may reasonably require from time to time relating to insurances bound, claims arising and the operation of the Agreement, including the operation of any sub-coverholder Agreement.

ADVERTISING

SECTION 22

ADVERTISING AND PROMOTIONAL MATERIAL

- 22.1 Subject to all local legal and regulatory requirements the Service Company Coverholder may refer (or permit any other party to refer) to Lloyd's in any publicity, letterheads, directories or advertising material, whether in print, electronic or any other form or media, always in accordance with the rules and guidelines issued by Lloyd's and any additional requirements given by the Underwriters. Details of the current Lloyd's rules and guidelines are available to the Service Company Coverholder from Lloyd's or via Lloyd's website (www.Lloyds.com);
- 22.2 The Service Company Coverholder must agree with the Underwriters any specific marketing or promotional material to be used in relation to the insurances to be bound under the Agreement, including on any internet website, portal or similar online system.

BANK ACCOUNTS

SECTION 23

SEPARATE BANK ACCOUNTS

- 23.1 All monies received by the Service Company Coverholder from or on behalf of the Underwriters shall be received by the Service Company Coverholder in a fiduciary capacity and:
- 23.1.1 shall be received by the Service Company Coverholder as assets of the Underwriters' Lloyd's Premiums Trust Funds (or, in the case of U.S. Dollar denominated business as assets of the Underwriters' Lloyd's Dollar Trust Funds or, in the case of Canadian Dollar denominated business as assets of the Underwriters' Lloyd's Canadian Trust Funds);
- 23.1.2 shall on receipt be deposited immediately by the Service Company Coverholder into a premium monies account with assets standing to the credit of that account being held in a fiduciary capacity on behalf of the Underwriters (and/ or policyholders) for the purpose of the onwards transmission of those monies (for the purposes set out at Sub-section 23.1.4.2) and the monies shall not be otherwise held or retained;
- 23.1.3 the premium monies account referred at Sub-section 23.1.2 shall be held at a bank (or other institution regulated for taking deposits as may be agreed by the Underwriters) ("the bank") which is:
- 23.1.3.1 regulated, supervised and examined by the applicable local regulatory authority; and
- 23.1.3.2 subject, where applicable, to any national deposit insurance scheme;
- 23.1.4 the premium monies account shall be operated in accordance with any applicable local laws or regulatory requirements and:
- 23.1.4.1 shall be clearly identified to the bank as a premium monies account;
- 23.1.4.2 may not be used by the Service Company Coverholder for any purpose other than for the purpose of settling accounts with the Underwriters or the payment of commissions, premium refunds or claims to clients or any other transactions where expressly authorised by the Underwriters or in accordance with Sub-section 23.2. For the avoidance of doubt, and without prejudice to the generality of the foregoing, the Service Company Coverholder may not invest these monies in any way without the prior written consent of Underwriters;

- 23.1.4.3 the assets held in the premium monies account may not be commingled with assets in respect of the Service Company Coverholder's general or operating account;
 - 23.1.5 shall be identified in the Service Company Coverholder's book of account such book of account to be reconciled on a regular basis, not less than monthly, with records being retained for inspection by the Underwriters or their representatives, who shall have the right at any time, without restriction or limitation to inspect and audit such records, and to make copies or extracts of any such records;
 - 23.1.6 the Service Company Coverholder shall take all reasonable steps as may be requested by the Underwriters to put the bank on notice as to the nature of the premium monies account and that the bank is not to be entitled to any charge, encumbrance or lien, or right of set-off, combination, compensation or retention against monies standing to the credit of the premium monies account;
- 23.2 Where required by any statute, law, or regulation, this Section shall also provide authority from the Underwriters for the Service Company Coverholder to retain for their own use and benefit any interest which shall accrue, in accordance with the terms of the Agreement, to the account described in Sub-section 23.1.2.

COMPLIANCE, REGULATORY AND GENERAL REQUIREMENTS

SECTION 24

LICENCES AND TAXES

- 24.1 It is the responsibility of the Service Company Coverholder in respect of performing its duties under the Agreement:
- 24.1.1 to ensure that it (and where relevant its directors, officers, partners or other individuals named in the Agreement) maintains all necessary licences, authorisations, registrations and qualifications in order to perform its duties under the Agreement and where necessary to ensure that all insurances bound are accepted through a properly licenced intermediary; and
 - 24.1.2 to ensure the collection and forwarding to the Underwriters of any tax(es) due from insureds and disbursement of any refunds of such tax(es) due to insureds;
 - 24.1.3 where required by local law, to collect tax(es) due from insureds and pay tax(es) to the appropriate authorities and to make any necessary returns and to ensure any disbursements of refunds of such taxes are made to insureds;
- 24.2 All applicable tax(es) shall be shown separately on the documentation issued to the insured and not concealed from the insured or the Underwriters;
- 24.3 The Service Company Coverholder shall promptly notify the Underwriters of any tax inspection or audit in relation to the Agreement or any insurance bound under the Agreement and of the results of such inspection or audit.

SECTION 25

FEES AND CHARGES

- 25.1 Policy, service and other fees and charges applied by the Service Company Coverholder shall not breach any local law(s) or regulation(s). All such policy, service and other fees and charges shall be shown separately on the documentation issued to the insured and not concealed from the insured or the Underwriters.

SECTION 26

BUSINESS CONTINUITY

- 26.1 The Service Company Coverholder shall maintain and implement an adequate business continuity and disaster recovery plan, a copy of which shall be made available to the Underwriters upon request. The plan shall ensure the Service Company Coverholder's ability to continue to perform its obligations under the Agreement. The Service Company Coverholder shall carry out regular testing and updating of the plan.
- 26.2 The Service Company Coverholder shall notify the Underwriters of:
- 26.2.1 any material deficiencies identified in the plan; or
 - 26.2.2 any significant changes the Service Company Coverholder makes to the plan;
- that may have a serious impact on the Service Company Coverholder's ability to perform its duties under the Agreement.

SECTION 27

CONFIDENTIALITY

- 27.1 The Service Company Coverholder undertakes that it shall not at any time disclose to any person and shall treat as confidential all information of a confidential nature received or obtained directly or indirectly as a result of entering into or performing the Agreement except as expressly permitted in writing by the other party or by Sub-section 27.2. Confidential information shall include (but not be limited to) information of a confidential nature relating to policies and policyholders and the business affairs, strategies, commercial and technical knowledge of the parties ("Confidential Information").
- 27.2 The Service Company Coverholder may disclose Confidential Information:
- 27.2.1 to the Underwriters;
 - 27.2.2 to its employees, officers, external auditors, professional advisers or consultants who need to know such information for the purposes of enabling the receiving party to carry out its obligations under the Agreement. The receiving party shall use all reasonable endeavours to ensure that its employees, officers, external auditors, professional advisers or consultants to whom it discloses Confidential Information comply with this Section 27;
 - 27.2.3 where required by law, court order or any governmental or regulatory authority provided that, subject to any legal or regulatory obligations that apply to the receiving party, the receiving party shall give notice to the other party that it proposes to disclose the Confidential Information;
 - 27.2.4 where the Confidential Information is now in or comes into the public domain otherwise than as a result of a breach of this Section 27; and
 - 27.2.5 where the Confidential Information is already known by the receiving party in circumstances when it was not bound by any form of confidentiality obligation.
- 27.3 In the event of a breach or a suspected breach of its obligations under this Section 27 the Service Company Coverholder must notify Underwriters promptly and use all reasonable endeavours to remedy or mitigate the effects of such a breach.

SECTION 28

CONFLICTS OF INTEREST

- 28.1 The Service Company Coverholder must act in what it believes to be the interests of the Underwriters and ensure that it has no actual or potential conflicts of interests with the Underwriters which may impair the Service Company Coverholder's performance of its duties under the Agreement.

SECTION 29

COMPLIANCE WITH THE LAW AND FINANCIAL CRIME

- 29.1 Without prejudice to any of the rights or obligations otherwise specified in the Agreement, the Service Company Coverholder shall
- 29.1.1 comply with all applicable laws for the legal and proper solicitation and handling of all insurances bound or intended to be bound, and shall use reasonable endeavours to ensure that any other parties with whom it deals in carrying out its duties under the Agreement comply with such laws where applicable;
 - 29.1.2 ensure it maintains any insurance it is required by any relevant regulatory authority to hold;
- 29.2 The Service Company Coverholder shall not undertake any activity in any way that would constitute a criminal act in the jurisdiction in which it is located or doing business, or which would expose the Underwriters to any criminal sanction;
- 29.3 The Service Company Coverholder shall conduct its business in accordance with all relevant anti-money laundering and international economic or financial sanctions legislation. In addition, the Service Company Coverholder will not act contrary to any additional anti-money laundering or international economic or financial sanctions requirements set by the Underwriters and/or Lloyd's other than where compliance with those requirements would be contrary to local law;
- 29.4 The Service Company Coverholder, on behalf of the Underwriters, shall not provide cover or pay any claim or provide benefit hereafter to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Service Company Coverholder and/or the Underwriters to any sanction, prohibition or restriction under any applicable international economic or financial sanctions legislation;
- 29.5 The Service Company Coverholder shall not accept, offer or facilitate payment, consideration, or any other benefit, which constitutes an illegal or corrupt practice contrary to any applicable anti-bribery legislation;
- 29.6 The Service Company Coverholder shall maintain on an ongoing basis appropriate systems, procedures and controls designed to prevent any breach of this Section 29.

SECTION 30

DATA PROTECTION

- 30.1 The Service Company Coverholder shall comply with its obligations under the relevant local data protection legislation, whether as data controller or data processor (as appropriate). The term "local data protection legislation" shall include all applicable statutes and regulations in any jurisdiction pertaining to the processing of personal data, including the privacy and security of personal data;
- 30.2 In addition to Sub-section 30.1 the Service Company Coverholder agrees that it shall:
- 30.2.1 only carry out processing for the purposes of providing insurance to insureds and prospective insureds and of handling claims to the extent allowed in the Agreement;
 - 30.2.2 only carry out processing on the Underwriters' instructions from time to time when acting as data processor;
 - 30.2.3 not enter into any contract with sub-contractors who will process personal data directly or indirectly on behalf of the Underwriters without prior notification to the Underwriters and include in any such sub-contract provisions in favour of the Underwriters which are equivalent to those in this Section 30;
 - 30.2.4 implement appropriate technical and organisational measures to protect personal data against unauthorised or unlawful processing and accidental destruction or loss (each a "personal data security breach");
 - 30.2.5 notify the Underwriters promptly of it becoming aware of a personal data security breach in accordance with Sub-section 27.3;

- 30.2.6 at no additional cost, promptly provide such information to the Underwriters as they may reasonably require to allow them to comply with the rights of data subjects, including subject access rights, or with information notices served by any data protection authority; and
- 30.2.7 at no additional cost, keep or cause to be kept full and accurate records relating to all processing of personal data in relation to the Agreement, and shall, during normal business hours, grant the Underwriters, external auditors or other representatives appointed by the Underwriters a right of access to and to take copies of such records and shall provide all reasonable assistance to the Underwriters in exercising their audit rights. The Service Company Coverholder obligations under this Sub-section 30.2.7 shall continue throughout the Agreement and for a period of seven (7) years thereafter or such other period as the Underwriters may require or as may be required pursuant to any applicable law or regulation.

30.3 For the purposes of this Section 30:

“data controller” means the person which, alone or jointly with others, determines the purposes and means of the processing of personal data;

“data processor” means the person which processes personal data on behalf of the data controller;

“data subject” means the identified or identifiable natural person to whom the personal data relates;

“personal data” means any information relating to the data subject;

“processing” means any operation or set of operations which is performed upon personal data, whether or not by automatic means, such as collection, recording, organisation, storage, adaptation or alteration, retrieval, consultation, dissemination or otherwise making available, alignment or combination, blocking erasure or destruction.

TERMINATION AND NON-RENEWAL

SECTION 31

TERMINATION

Termination

- 31.1 The Agreement may be terminated by Underwriters at any time with immediate effect by giving written notice of termination.
- 31.2 The Agreement may be terminated by the Service Company Coverholder by giving written notice to Underwriters which is not less than:
- 31.2.1 the number of days' notice as stated in 31.2.1 of the Schedule; or
- 31.2.2 the minimum notice period, if any, required by local law.

Automatic Termination

- 31.3 Unless the Underwriters specifically agree to the contrary in writing, the Agreement will be automatically terminated in the event the Service Company Coverholder shall:
- 31.3.1 become bankrupt or the subject of voluntary or involuntary rehabilitation or liquidation proceedings;
- 31.3.2 cease, for whatever reason, to be regulated by their local regulatory body or has any relevant licence or authority to conduct business suspended, removed or impaired by any order or decree of any judicial authority or regulatory body having jurisdiction over the Service Company Coverholder.

Duty to Inform Underwriters

- 31.4 The Service Company Coverholder shall inform the Underwriters promptly upon becoming aware of the occurrence of any matter of which Underwriters would reasonably expect notice including but not limited to:
- 31.4.1 the Service Company Coverholder or any director, officer or partner of the Service Company Coverholder or any individual named in the Agreement is convicted of a criminal offence that involves fraud, dishonesty, financial crime or causes the Underwriters to be subject to any criminal sanction;
 - 31.4.2 the Service Company Coverholder is merged with, acquired by or otherwise absorbed by any individual, corporation or other business entity or organisation of any kind;
 - 31.4.3 the Service Company Coverholder fails to comply with any relevant law or regulation in the jurisdiction in which it is located or in any other jurisdiction in which the Service Company Coverholder does business or otherwise fails to comply with the requirements of Section 29 of the Agreement.

Any failure by the Service Company Coverholder so to advise shall not affect the automatic termination of the Agreement under Sub-section 31.3.

SECTION 32

EFFECT OF TERMINATION OR NON RENEWAL

- 32.1 Immediately upon receipt of notice of termination of the Agreement being served by either party to the Agreement the Service Company Coverholder shall:
- 32.1.1 have no authority to offer terms, hold covered, bind insurances (other than insurances that the Service Company Coverholder is legally obliged to bind), extend the period of insurance or cancel and replace under the Agreement insurances already bound without the prior written consent of the Underwriters;
 - 32.1.2 give written notice to any sub-coverholders appointed under Section 5 above to terminate any written agreement(s) with those sub-coverholder(s);
- 32.2 Once the Agreement has terminated (in accordance with Section 31 or by reason of non-renewal of the Agreement) the Service Company Coverholder:
- 32.2.1 except as stated in Sub-section 32.5 shall have no authority to offer terms, bind insurances, renew, cancel, extend, amend or alter in any way insurances already bound without the prior written consent of the Underwriters. Such written consent shall only be effective where it is not in contravention of local law;
 - 32.2.2 shall continue to perform its obligations in accordance with the terms and conditions of the Agreement until every insurance bound has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved unless otherwise instructed in writing by the Underwriters. The Service Company Coverholder shall co-operate with any instructions from the Underwriters including any instruction to transfer the servicing of the Agreement to the Underwriters or to such parties as the Underwriters may appoint;
 - 32.2.3 shall ensure that any electronic production of contract documentation and other documents evidencing cover ceases, and if such documents or other unused materials are provided as paper stocks by the Underwriters the Service Company Coverholder shall deliver all such documents it possesses in connection with the Agreement to the Underwriters or their appointed representative;
- 32.3 Where the Service Company Coverholder ceases to have the required regulatory authorisation or right (or any relevant exemption therefrom), the Service Company Coverholder will not be under the duty referred to in Sub-section 32.2.2 if its obligations under the Agreement would, if performed, cause it to be in breach of any applicable regulatory prohibition. In such circumstances the Service Company Coverholder shall be under a duty to co-operate with and implement all reasonable instructions from the Underwriters to effect the transfer of servicing of the insurances bound by the Service Company Coverholder to the Underwriters or to such parties as the Underwriters may appoint;

- 32.4 The Underwriters' rights to receive monies due in respect of insurances bound shall not be impaired by any of the provisions of this Section 32 and the Service Company Coverholder agrees not to challenge these rights provided always that, if the Underwriters at their written option collect monies from insurance brokers or other insurance intermediaries, insureds or others from whom monies may be due in respect of insurances bound, the Underwriters shall give the Service Company Coverholder credit for such sums in account;
- 32.5 In the event of non-renewal of the Agreement, with effect from the date of non-renewal unless the Underwriters instruct the Service Company Coverholder otherwise, in writing, the Service Company Coverholder shall retain the authority under the Agreement to cancel, amend or alter (but not extend the period of or renew) insurances already bound until every such insurance has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved.

MISCELLANEOUS

SECTION 33

GENERAL INTERPRETATION

- 33.1 In the Agreement, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of the Agreement. References to "law" include references to any applicable, common or customary law and any treaty, constitution, statute, legislation, decree, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has the force of law or compliance with which is in accordance with the general practice of such jurisdiction and "legal" shall be interpreted accordingly.

References in this Agreement to "Service Company Coverholder", "approved Coverholder", and "registered binding authority" shall, unless the context otherwise requires, have the meaning provided for in Lloyd's requirements (where the expression "Lloyd's requirements" includes Lloyd's Acts, byelaws, requirements, standards or guidance).

SECTION 34

ENFORCEABILITY CLAUSE

- 34.1 In the event any portion of the Agreement is found to be invalid or unenforceable under any applicable law, that portion of the Agreement shall be disappplied to the extent necessary to comply with such applicable law, and the remainder of the Agreement shall remain in full force and effect.

SECTION 35

RIGHTS OF THIRD PARTIES

- 35.1 A person who is not a party to the Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 or other equivalent legislation to enforce any term of the Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

SECTION 36

SEVERAL LIABILITY

- 36.1 The liability of the Underwriters is several and not joint and is limited solely to the extent of their individual proportions as shown in the Schedule attached hereto. The Underwriters are not responsible for the subscription of any co-subscribing underwriter or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

SECTION 37

JURISDICTION AND GOVERNING LAW

- 37.1 The Agreement and any non-contractual dispute or obligation arising out of or in connection with it shall be subject to the law of England and Wales and to the exclusive jurisdiction of the courts of England and Wales save that the Underwriters may, at their discretion, determine that the applicable jurisdiction shall be that of the jurisdiction where the Service Company Coverholder is domiciled or does business.

SCHEDULE

This Schedule forms part of and incorporates by reference LMA3134 (the 'Agreement'), which Agreement is identified by the Agreement Number and Unique Market Reference Number stated below. For the purposes of interpretation, the contents of this Schedule shall have meaning only as provided for in the Agreement.

| | |
|--|--|
| Agreement Number: | |
| Unique Market Reference Number: | |
| The Service Company Coverholder: Address: | |
| The Underwriter: Address: | |

| AGREEMENT SECTION NUMBER | NARRATIVE |
|--------------------------|---|
| Sub-section 2.1 | PERIOD: From: <i>{Inception Date}</i> To: <i>{Expiry Date}</i> <div style="text-align: right; padding-right: 20px;">Both days inclusive, any time zone</div> |
| Sub-section 3.1 | THE PERSON(S) RESPONSIBLE FOR THE OVERALL OPERATION AND CONTROL: |
| Sub-section 6.1 | OTHER CONDITIONS, REQUIREMENTS AND/OR AMENDMENTS RELATING TO THE OPERATION OF THE AGREEMENT: |

| | |
|------------------|--|
| Sub-section 7.1 | AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S): (subject to the terms, conditions, exclusions and limitations of the Agreement) |
| Sub-section 8.1 | RISKS LOCATED IN: |
| Sub-section 8.2 | INSUREDS DOMICILED IN: |
| Sub-section 8.3 | TERRITORIAL LIMITS: |
| Sub-section 9.1 | BASIS FOR THE CALCULATION OF GROSS PREMIUMS: |
| Sub-section 9.2 | DEDUCTIBLES AND/OR EXCESSES: |
| Sub-section 10.1 | MAXIMUM LIMITS OF LIABILITY/SUMS INSURED: |
| Sub-section 11.1 | GROSS PREMIUM INCOME LIMIT: |
| Sub-section 11.2 | NOTIFIABLE PERCENTAGE OF THE LIMIT NOT TO EXCEED: |
| Sub-section 12.1 | PERIOD OF INSURANCES BOUND: { } months MAXIMUM PERIOD OF INSURANCES BOUND: { } months including odd time |
| Sub-section 12.3 | MAXIMUM ADVANCE PERIOD FOR INCEPTION DATES: { } days |
| Sub-section 15.1 | SERVICE COMPANY COVERHOLDER'S REMUNERATION: |
| Sub-section 16.1 | APPLICATION OR PROPOSAL FORMS: |

| | |
|--|---|
| <p>Sub-section 17.1</p> <p>Sub-section 17.5</p> <p>Sub-section 17.6.9</p> <p>Sub-section 17.6.10</p> | <p>WORDINGS, CONDITIONS, CLAUSES, ENDORSEMENTS, WARRANTIES AND EXCLUSIONS APPLICABLE TO INSURANCES BOUND:</p> <p>FORMAT OF CONTRACT DOCUMENTATION:</p> <p>SEVERAL LIABILITY NOTICE/CLAUSE:</p> <p>THE NAME AND ADDRESS TO WHOM THE INSURED SHOULD DIRECT ALL CLAIMS:</p> |
| <p>Sub-section 18.1</p> <p>Sub-section 18.1.1</p> | <p>AUTHORITY TO HANDLE AND/OR SETTLE CLAIMS AND PURSUE RECOVERIES:</p> <p>*Yes / No</p> <p><i>*(Delete as applicable)</i></p> <p>PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS AND PURSUING RECOVERIES TO REPLACE, AMEND OR SUPPLEMENT SECTION 18:</p> <p>PER CLAIM LIMIT OF AUTHORITY:</p> |
| <p>Sub-section 20.2.</p> | <p>MAXIMUM TOTAL AGGREGATE LIMIT(S):</p> |
| <p>Sub-section 31.2.1</p> | <p>NUMBER OF DAYS NOTICE OF TERMINATION:</p> <p>{ } days</p> |

| | |
|--|--|
| Agreement Number: | |
| Unique Market Reference Number: | |

SIGNATURE OF SERVICE COMPANY COVERHOLDER

In accordance with Section 1 of LMA3134, the Agreement is signed on behalf of the Service Company Coverholder as acceptance of the terms and conditions of the Agreement inclusive of any attachments identified in the Schedule.

.....
Signed and accepted on behalf of the Service Company Coverholder

.....
Name and Position of Signatory

.....
Date of Signature

.....
Signed and accepted on behalf of the Underwriters

.....
Underwriter reference number

.....
Date of Signature

LMA3134

7 September 2015