

Commission policy for intermediaries

Terms of Business Agreement for General Business

July 2017



This document is our Terms of Business Agreement and Commission Policy (the *'Agreement and Commission Policy'*). It should be read in conjunction with the General Business Commission Table and the General Business Clawback Table. Please read all these documents carefully. Together they govern our relationship with you. These documents set out our requirements and arrangements for doing business and explain how commission is paid.

[The key principles underpinning our approach to Intermediaries](#)

As one of the UK's leading healthcare insurers Bupa is committed to putting customers and the integrity of the market at the heart of everything we do.

Our Agreement and Commission Policy sets out Bupa's framework for achieving this in our relationships with Intermediaries.

We want to work closely with our intermediary partners to achieve the best possible outcomes for consumers (including commercial customers), so that those relying on Bupa can be confident that:

- Bupa products are sold and administered in a clear and transparent manner by Intermediaries that do not place their own interests before those of their customers.
- the Intermediaries that work with Bupa are professionally run and have a good reputation.
- Intermediaries can demonstrate that the consistent fair treatment of customers is firmly embedded within their culture, procedures and business standards.
- Bupa products deliver value for money, are clearly understood and meet their customers' reasonable expectations.
- personal information and potentially sensitive data is appropriately protected and processed.
- the Intermediary they are dealing with is well-run, financially secure and positively aligned with Bupa's cultural values.

Definitions

Affinity Client

means a company, partnership or organisation that agrees to market Bupa insurance cover to a defined group of individuals and which Bupa has agreed to treat as an affinity client.

Affinity Cover

means insurance cover provided to any person by Bupa under an Affinity Scheme.

Affinity Scheme

means an agreement or arrangement between Bupa and an Affinity Client for the provision of insurance cover on specified terms to individuals falling within a specified class or classes of individuals on the basis that the insurance is purchased directly by the individuals and is not available to individuals generally.

Annual Review Questionnaire

a questionnaire sent from Us to You each year and used to assist Bupa in managing our respective roles and responsibilities as product provider and third party distributor.

Appropriate Financial Services Regulator

means the Prudential Regulation Authority (PRA) and/or Financial Conduct Authority (FCA) or any successor organisation from time to time.

Bupa, We, Our, Us

means Bupa Insurance Services Limited, who may act via its agent Bupa Insurance Services Limited when carrying out activities under this Agreement and Commission Policy, except in the case of Commission payable for Health Assessments, 360° Health Risk Management and Bupa Absence Management products, in which case 'Bupa' means Bupa Occupational Health Limited.

Bupa Data

means any information, data (including Personal Data), documents or text in any media and including scripts and code associated with electronic files of such data that are supplied to or made available to You by or on behalf of Bupa.

Business

means New Business and/or Renewal Business.

Commission

means any form of Commission or remuneration, including a benefit of any kind, offered or given by Bupa to an Intermediary in connection with insurance business under this Agreement and Commission Policy.

Cover

means insurance cover provided by Bupa under a Scheme other than Affinity Cover.

Customer

means any person who at the relevant time is a policyholder of Bupa or is covered as an insured person under any Scheme or Affinity Scheme.

Date of Lapse

means, in relation to any Cover or Affinity Cover, the date the Cover or Affinity Cover ends and Cover or Affinity Cover that ends ('lapses') shall be referred to as a 'lapse'.

FCA Rules

means the rules, principles and guidance in the Financial Conduct Authority's Handbook as amended from time to time.

FSMA

means the Financial Services and Markets Act 2000 as amended and replaced from time to time.

General Business

means the Schemes and any insurance cover specified in an Affinity Scheme.

General Business Clawback Table

means the Intermediaries - General Business Clawback Table in force for the time being.

General Business Commission Table

means the Intermediaries - General Business Commission Table in force for the time being.

Group

means a company partnership or organisation who purchases or renews one or more Group Schemes.

Group Scheme

means any scheme described as a Group Scheme in the General Business Commission Table.

Health Assessment

means health assessments provided by Bupa Occupational Health Limited under the name of Advanced Health Assessment, Complete Health Assessment, Mature Health Assessment, Essential Health Assessment, Female Health Assessment, Core Health Assessment and Health Progress Assessment.

ICOBS

means the Appropriate Financial Services Regulators Insurance Conduct of Business Sourcebook in force from time to time.

Intermediary, You or Your

means an FCA authorised and regulated intermediary and its Appointed Representative(s) which is independent of Bupa group ownership and with whom Bupa has agreed in writing or by acceptance of the application form to pay Commission. Intermediaries may be individual entities or form part of a Network as defined within the FCA Handbook and stated below.

Individual Scheme

means any Scheme described as such in the General Business Commission Table.

Initial Commission Rate

means the initial Commission rate specified in the General Business Commission Table.

Insolvency Event

means that You:

- a. are unable to pay Your debts or become insolvent;
- b. are the subject of an order made or a resolution passed for Your administration, winding-up or dissolution;
- c. are subject to any proceedings for the appointment of an administrative or other receiver, manager, trustee, liquidator, administrator, or similar officer appointed over all or any substantial part of Your assets; or
- d. propose or enter into any composition or arrangement with Your creditors generally (except for the purposes of a bona fide solvent amalgamation, reconstruction or re-organisation).

Net Subscriptions

means the subscription or amount paid or payable to Bupa as the case may be less the following amounts:

- a. any discounts and deductions applicable to the subscriptions;
- b. any part of the subscriptions attributable to any premium or sales tax including but not limited to Insurance Premium Tax and Value Added Tax, or any similar taxes and levies; and
- c. any part of any such subscriptions relating to or attributable to any period of Cover or Affinity Cover following a renewal of the Cover or Affinity Cover otherwise than through the Intermediary acting as the sole agent of the Customer.

Network

means a firm which:

- a. is an FCA authorised and regulated intermediary with five or more Appointed Representatives (not including Introducer Appointed Representatives) or whose Appointed Representatives (not including Introducer Appointed Representatives) have between them 26 or more Representatives, or as otherwise defined in the appropriate Financial Services Regulators glossary definition of Network; and
- b. with whom Bupa has agreed in writing or by acceptance of the application form to pay Commission in accordance with this Agreement and Commission Policy.

New Business

means the purchase of Cover or Affinity Cover by a person (being a legal entity) who is not an existing customer through the agency of the Intermediary acting as the sole agent either of that person or of the Affinity Client to which the Affinity Cover relates as appropriate. A person shall be treated as an *'existing customer'* if:

- a. save as provided in clause 1.2, in the case of any Individual Scheme or insurance cover specified in an Affinity Scheme, the individual was a Customer at any time during the month immediately prior to the date they purchased the Cover or Affinity Cover as the case may be; or
- b. in the case of a Group Scheme, 50% or more of the Group Schemes proposed members were insured by Bupa at the date the Cover was purchased.

Personal Data

shall have the meaning given to it in the Data Protection Act 1998.

PMI

means Private Medical Insurance.

Registration Certificate

means, in relation to any Customer who is an individual, the registration certificate issued by Bupa to the Customer confirming the Cover or Affinity Cover they are entitled to, as amended from time to time.

Renewal Business

means the renewal by a person (being a legal entity) of their:

- a. cover for a further term, through the sole agency of the Intermediary; or
- b. Affinity Cover for a further term, at a time when the Intermediary is acting as the sole agent of the Affinity Client to which the Affinity Cover relates, the renewal of such Cover or Affinity Cover being referred to as a *'renewal'*.

Renewal Commission Rate

means the renewal Commission rate specified in the General Business Commission Table.

Scheme(s)

means a scheme listed in the General Business Commission Table as may be amended from time to time.

Sensitive Personal Data

shall have the meaning given to it in the Data Protection Act 1998.

Settlement Date

means the date on which Commission is to be paid to an Intermediary as determined in accordance with clause 4.

SME Business

means Group Schemes which are New Business for PMI accepted by Bupa as Bupa Select on a community rated basis (excluding Affinity Schemes), have a contract start date on or after 1 July 2012, and Net Subscriptions due to be paid to Bupa in the first calendar year of the Group Scheme must be less than £200,000 in aggregate.

1. Scope and Purpose of this Agreement and Commission Policy

- 1.1 This Agreement and Commission Policy set out the basis upon which Bupa will transact business with You after You have confirmed via the Annual Review Questionnaire that you agree the Agreement and Commission Policy govern your relationship with Bupa.
- 1.2 You are the agent of Your Customer in relation to all aspects of insurance business that is the subject of this Agreement and Commission Policy and We may assume You act with the Customer's full authority at all times unless You notify Us otherwise.
- 1.3 Nothing in this Agreement and Commission Policy shall grant You authority to amend, or vary the terms of Business, settle, negotiate or compromise claims, alter any document or policy, and/or make any financial promotion on Our behalf without Our prior written consent. You have no authority to act in any way on behalf of Bupa except insofar as is necessary to give effect to Your responsibilities to Bupa under this Agreement and Commission Policy, save as agreed in writing.

Regulatory Status

- 1.4 You warrant that you are authorised by the Appropriate Financial Services Regulator (or any successor body) to conduct insurance mediation activities (as defined by the Appropriate Financial Services Regulator) and all other regulated activities you undertake in connection with any insurance business which is the subject of this Agreement and Commission Policy.
- 1.5 You will inform Bupa immediately in writing if at any time during the period of this Agreement and Commission Policy the Appropriate Financial Services Regulator:
 - a. suspends or withdraws Your authorisation;
 - b. otherwise amends Your regulatory status so that You cease in any way to be appropriately authorised to undertake any activities in relation to any insurance business which is the subject of this agreement; or
 - c. notifies You of actual or potential regulatory action involving You, Your employees, directors, agents or Appointed Representatives beyond the standard scope of Appropriate Financial Services Regulator supervisory activity. Examples include, but are not limited to: formal enforcement investigations, public censure, past business reviews or redress exercises involving Bupa products.

Insolvency

- 1.6 You will notify Bupa immediately upon an Insolvency Event occurring.

Remuneration

- 1.7 You are entitled to receive Commission as detailed in clause 2.

2. Eligibility and Entitlement to Commission

- 2.1 Except in the circumstances set out in this Agreement and Commission Policy below, You shall be eligible to receive Commission, as set out in the General Business Commission Table (Appendix 1) in respect of:
 - a. New Business on Group Schemes if the Cover is purchased through Your agency, where You are acting as the sole agent of the person purchasing the Cover;
 - b. New Business if the Affinity Cover is purchased at a time when You are acting as the sole appointed agent of the Affinity Client to which the Affinity Cover relates;
 - c. Renewal Business if the Cover is renewed through Your agency where You are acting as the sole agent of the person renewing the Cover; and
 - d. Renewal Business if the Affinity Cover is renewed at a time when You are acting as the sole appointed agent of the Affinity Client to which the Affinity Cover relates;but in all the above cases (a) to (d) solely during the term of the arrangement or agreement between Bupa and You for the payment of Commission under this Agreement and Commission Policy.
- 2.2 You will not be entitled to any Commission for any Business:
 - a. if You are in breach of any term of this Agreement and Commission Policy or of any agreement or arrangement between Us and You subject to which We have agreed to pay Commission under this Agreement and Commission Policy;
 - b. for any period after the termination or expiry of this Agreement and Commission Policy or any such agreement or arrangement;
 - c. for any Renewal Business unless You had been appointed by the person renewing any Cover as that person's sole agent for the purpose of arranging the renewal as confirmed by a letter of appointment received by Bupa (by email or letter) prior to or at the same time as renewal of the Cover; or
 - d. for Renewal Business for the renewal of any Individual Scheme or the renewal of any Affinity Cover unless additionally:
 - i. either the Intermediary had been appointed as the sole agent of the person renewing the Cover, or of the Affinity Client in relation to any Affinity Cover for the purpose of renewing the Affinity Cover, as the case may be, before 1st May 2002;
 - ii. the Cover had been purchased at the outset through the sole agency of the Intermediary or the Affinity Cover was purchased at a time You were the sole agent of the Affinity Client to which the Affinity Cover related and in either case the Intermediary had been entitled to receive Commission in respect of the purchase of the Cover or Affinity Cover,

under this Agreement and Commission Policy, at the Initial Commission Rate; or

- iii. Bupa had paid Commission to an Intermediary in respect of the Cover or Affinity Cover at any time during the immediately preceding 12 month period.

2.3 Bupa's agreement to pay any or all Commission is conditional on You at all times:

- a. being properly authorised by the Appropriate Financial Services Regulator pursuant to FSMA and any regulations made thereunder to carry out the activities for which Commission is payable under this Agreement and Commission Policy (unless You are exempt from such authorisation requirement);
- b. complying fully with all applicable laws and regulations in each case as amended from time to time, including but not limited to:
 - i. the legal and regulatory obligations set out in clause 11 of this Agreement and Commission Policy; and
 - ii. the rules, principles and guidance of the Appropriate Financial Services Regulator including but not limited to FCA Rules;
- c. acting in good faith towards Us and with due skill care and diligence in relation to Bupa business; and
- d. following Our guidelines communicated to You from time to time concerning any Cover or Affinity Cover.

2.4 Commission is only payable in respect of New Business and Renewal Business.

2.5 Your entitlement to Commission is conditional upon Our receiving the full amount of the subscription in respect of which the Commission has been calculated.

2.6 Where Bupa offers Intermediaries any benefits or services other than Commission, it shall do so only in compliance with FCA Rules and only where such benefits or services may be varied or withdrawn at any time.

3. Commission Rates

Group Schemes

3.1 If You are entitled to receive Commission in respect of SME Business, unless We have agreed otherwise in writing, the Initial and Renewal Commission Rates shall be six per cent.

3.2 For all other Group Schemes which are New Business or Renewal Business, the Commission rates shall be:

- a. based on the Net Subscriptions for the Group as set out in the General Business Commission Table for Group Schemes (Appendix 1) or as otherwise agreed in writing by Us; and
- b. paid at Level 3 in the General Business Commission Table, except for:
 - i. an Intermediary which Bupa has notified in writing will be eligible to receive Commission at Level 2, in which case You will receive Commission at the rate shown as Level 2 in the General Business Commission Table; or

- ii. an Intermediary which Bupa has notified in writing will be eligible to receive Commission at Level 1, in which case You will receive Commission at the rate shown as Level 1 in the General Business Commission Table.

New Business

3.3 Where You are entitled to Commission in respect of New Business, We will pay You Commission in respect of the New Business at the Initial Commission Rate applicable to the Scheme to which the New Business relates and in respect of Net Subscriptions received.

3.4 Where a person allows their Cover under a Group Scheme to lapse, and You procure the simultaneous purchase by that person of Cover under an Individual Scheme or of Affinity Cover, then You will be entitled to Commission in respect of the purchase of that Cover under the Individual Scheme or of that Affinity Cover at the Renewal Commission Rate as stated in the General Business Commission Table, unless otherwise agreed in writing by Us.

Renewal Business

3.5 Where You are entitled to Commission in respect of Renewal Business, We will pay You Commission in respect of the Renewal Business at the Renewal Commission Rate applicable to the Scheme to which the Renewal Business relates and in respect of Net Subscriptions received. Where no Renewal Commission Rate is stated in the General Business Commission Table for a particular type of Scheme, We may nevertheless, in Our absolute discretion, agree to pay You Renewal Commission in respect of that Cover subject to such terms and conditions as We may determine from time to time.

4. Calculation of Commission

4.1 Subject to the other provisions of this Agreement and Commission Policy including but not limited to clauses 6 to 9 below, Commission payable in respect of any New Business or Renewal Business, other than where a flat fee or rate is provided in the General Business Commission Table (Appendix 1), shall be calculated by reference to the amount of the Net Subscriptions relating to such New Business or Renewal Business.

5. Payment of Commission

5.1 Subject to the other provisions of this Agreement and Commission Policy including but not limited to clauses 6 to 9 below, Commission shall be paid to You (unless otherwise agreed in writing by Us):

- a. in the case of Schemes described in the General Business Commission Table as Group Schemes and Individual Schemes, by the first working day of the second calendar month following the calendar month in which the entitlement to Commission arises;
- b. in the case of Affinity Schemes, by the first working day of the fourth calendar month following the calendar month in which the entitlement to Commission arises;

- c. in respect of all other Schemes, by the first working day of the first calendar month following the calendar month in which the entitlement to Commission arises; and
 - d. in all cases subject to clause 5.3 below.
- 5.2 For example: If the entitlement to Commission arises in January, then Commission will be paid by the first working day of the following: March, for Group Schemes and Individual Schemes; May, for Affinity Schemes; and February, for all other Schemes.
- 5.3 In the case of New Business and Renewal Business, entitlement to Commission only arises upon Bupa receiving in full the first subscription or subscriptions due following the date of commencement or renewal of the Cover or Affinity Cover as the case may be.
- 5.4 Payment shall not be made to You on a Settlement Date unless, on that date, the amount of the total of all payments due to You by way of Commission under this Agreement and Commission Policy exceeds £50. If such amount is £50 or less, that amount will be carried forward to the next Settlement Date and will be paid with any such payments due at that time as long as the aggregate of such payments exceeds £50 at the time, and so on.
- 5.5 In the event that the agreement between Bupa and You for the payment of Commission under this Agreement and Commission Policy terminates, any Commission balance outstanding at the date of termination will be paid on the date following the date of termination which, but for the termination, would have been the next Settlement Date.
- 5.6 Commission will be paid, less all deductions required to be made by law, by cheque or by bank transfer to any bank account which You have nominated to Bupa in writing. Payment will be made either by Bupa or by its duly appointed agent from time to time.
- 5.7 Where You are (so far as Bupa is aware) subject to an agreement with a Network under which Commission is to be paid to the Network, payment in good faith by Bupa to that Network of any Commission due You shall discharge any liability We may have to the Intermediary or Network. You cannot be subject to an agreement with more than one Network at the same time nor can You be subject to an agreement with a Network at the same time as having an agreement with Us in Your own name under this Agreement and Commission Policy.
- 5.8 We shall be entitled to set off any Commission due to You subject to an agreement with a Network against any liability to Bupa of another Intermediary who is subject to an agreement with the same Network.
- 5.9 The Network should inform Bupa of all Network members, Intermediaries and Appointed Representatives.
- 5.10 Where an Intermediary wishes Commission to be paid direct to an Appointed Representative, the Intermediary will confirm this in writing and payment by Bupa to the Appointed Representative shall also discharge any liability Bupa may have had to the Intermediary, but You will remain liable to repay any Commission which becomes due to Us for any reason.
- 6. Reduced, Refunded or Unpaid Subscriptions**
- 6.1 Commission for New Business and Renewal Business is calculated by reference to Net Subscriptions payable in accordance with clause 4. However if, for any reason, the amount of the subscriptions received by Bupa for any period by reference to which the Commission was calculated is less than the Net Subscriptions payable for that period, Your entitlement to Commission for that period shall be recalculated by reference to the Net Subscriptions actually received. If the amount of the Commission calculated by reference to the Net Subscriptions actually received is less than the Commission that has been paid, You shall refund the difference to Us on the date which is, or would have been if Commission of more than £50 was due to You, the next Settlement Date following the end of the period to which the Commission relates.
- 6.2 Commission may be recalculated, at Our discretion, in respect of Cover under a Group Scheme if the subscription is reduced solely due to a claims or membership adjustment to the subscriptions and the Cover has not lapsed before the end of the period of Cover to which the subscriptions in respect of which the Commission was calculated relate.
- 6.3 Where the Affinity Cover or Cover is in relation to a common renewal group, and the cover does not start on the common renewal date, Commission will be paid for New Business for the first 12 months of the cover. Where the cover is renewed, Renewal Commission will be paid on a pro rata basis for the number of months until the common renewal date and will then be paid in the usual way.
- 7. Lapses**
- 7.1 Notwithstanding any re-calculation under clause 6, if You have received Commission in respect of Cover that lapses before the end of the period to which the subscriptions in respect of which the Commission was calculated relate, then, upon demand, You must immediately repay a proportion of such Commission. The amount to be repaid shall be calculated in accordance with the General Business Clawback Table (See Appendix 2).
- 7.2 Clause 7.1 shall not apply:
- a. where any Business lapses as a result of the death of the Customer; or
 - b. where an individual's Cover under a Group Scheme has lapsed provided that the Scheme itself has not ended.

8. Increased Subscriptions

8.1 Where the amount of the Net Subscriptions received by Bupa for a period of cover under a Group Scheme in the General Business Commission Table (Appendix 1), by reference to which Commission was paid to You exceeds the amount of the Net Subscriptions by reference to which Bupa calculated the amount of the Commission paid for that period of cover, We shall recalculate Your entitlement to Commission on the basis of the Net Subscriptions actually received for that period of cover. Such recalculation shall be with effect from the Settlement Date following the end of that period of Cover.

8.2 Otherwise than in accordance with clause 8.1, You will not be entitled to Commission relating to any subscription increases due to increases in Cover.

9. Termination

9.1 We may terminate our agreement with You at any time and without having to give any reasons by providing You with 30 days' written notice.

9.2 We may terminate our agreement with You for the payment of Commission under this Agreement and Commission Policy with immediate effect following written notification to You where You do not comply with or have not complied with any obligation towards Us or any terms of this Agreement and Commission Policy, or are not entitled to Commission due to the provisions of clause 2.6. The termination shall take effect on the date You receive, or are deemed to receive, notice of the same.

9.3 We may terminate our agreement with You for the payment of Commission under this Agreement and Commission Policy with immediate effect without notifying You where You are in breach of clause 11.2. The termination shall take effect immediately. In such circumstances, We shall be entitled to cease paying Commission immediately and any Commission paid in respect of insurance business under this Agreement and Commission Policy which has been introduced without authorisation from the Appropriate Financial Services Regulator shall be repaid to Us.

9.4 Any change of any provision by Bupa under clause 10 below or termination under clauses 9.1, 9.2 or 9.3 above shall not affect Your entitlement to Commission already earned in compliance with the terms of this Agreement and Commission Policy (and provided You have complied with all Your obligations under their agreement or arrangement with Us) in respect of New Business or Renewal Business occurring prior to the date the notification takes effect. You will not be entitled to any Commission whatsoever in respect of New Business or Renewal Business occurring after the arrangement or agreement between Us and You for the payment of Commission under this Agreement and Commission Policy has terminated.

9.5 Where Commission has not been due to You from Bupa for 12 months, the arrangement or agreement for payment of Commission between Us and You shall be deemed terminated with immediate effect. Following the termination of any agreement in accordance with this clause, any Commission shall only be due to You in the future under a new agreement or arrangement based on the terms of any Commission policy applying at the time that You seek any entitlement to Commission.

9.6 If written notification under clauses 9.1 or 9.2 above or 10.17 below is sent by first or second class pre-paid post to Your principal place of business or registered office address last known to Bupa, You shall be deemed to have received the written notice at the end of three days following the date the written notification was posted. In the case of notice given by facsimile or electronic mail, it shall be deemed to have been received on the same business day that it was sent.

9.7 Any termination of these arrangements, however caused, shall not affect any rights or remedies which have accrued under and subject to the terms of this Agreement and Commission Policy prior to the date of termination.

10. General Provisions

10.1 If there is any inconsistency between any of these general provisions and any other provisions of this Agreement and Commission Policy the general provision will prevail.

10.2 Our decision is final regarding Your entitlement to and the calculation of Commission in respect of any Cover or Affinity Cover including, but limited to whether You procured the New Business or Renewal Business as the sole agent of the Customer or Affinity Client as the case may be.

10.3 We reserve the right at any time to do any of the following, as it sees fit, without notice and without having to give You any reason:

- to reject any application to become a Customer;
- to make any Customer's Cover or Affinity Cover subject to conditions;
- to terminate, amend or modify any Cover, Affinity Cover or Scheme and/or any contract between Bupa and any Customer;
- to contact directly any Customer; and/or
- to disclose this Agreement and Commission Policy to any Customer for whom the Intermediary is acting.

10.4 This Agreement and Commission Policy does not constitute Your appointment as an agent of Bupa. You are not entitled to and shall not enter or purport to enter into any contract or agreement on Bupa's behalf or bind Bupa in any way or hold itself out as being authorised as Bupa's agent in any way. You will arrange for Customers to pay their subscriptions direct to Bupa Insurance Services Limited (who acts as collection agent for Bupa Insurance Limited

in accordance with a risk transfer agreement) via direct debit. In collecting and passing the bank details to Us, You are acting as agent for the Customers and potential Customers. You are required to make it clear to Customers and potential Customers that You are acting as agent or broker (as applicable) of the Customer or potential Customer and that You are not Bupa's agent for any purpose and, in particular, that:

- a. you are not Bupa's collecting agent for the payment of subscriptions and any subscriptions paid via You are paid by You as paying agent of the Customer;
- b. no subscriptions or any other monies collected or held by You are held as agent on behalf of Bupa on a risk transfer basis or otherwise; and
- c. any advice You provide to Customers, however provided, including for the avoidance of doubt by telephone helpline or otherwise, is not provided by You as agent for Bupa.

10.5 We treat subscriptions paid by Customers to Bupa Insurance Services Limited as being received by Bupa Insurance Limited once paid. Claims money and subscription refunds will only be treated as received by the Customer once the monies have actually been paid to the Customer. In the case of a refund made by cheque, payment will be deemed to have been received after the cheque has been presented to the bank and when the funds have cleared into the Customer's bank account.

10.6 You are not entitled to and shall not waive or exercise or purport to waive or exercise any rights or remedies We may have against any person.

10.7 Without prejudice to and in addition to any rights or remedies available to Bupa at law or in equity, when any sum of money is recoverable from or payable by You to Bupa, Bupa may deduct it from any sum which is or thereafter becomes due to You from Bupa, whether by way of Commission or otherwise. You may not deduct from any sums due to be paid or refunded to Bupa any sums which may be due from Bupa to You.

10.8 You agree that Bupa (or its agents or representatives) may, on reasonable notice, audit and inspect documentation relating to Business You have placed, including but not limited to attending Your premises, reviewing documentation relating to the Business, the proposal of the placing of the Business and any claims in relation to such Business.

10.9 We (or Our agents or representatives) may review Business placed by You on a quarterly basis, including considering the quality of business, retention and loss ratio and claims, and any other indicators or metrics that assist in measuring customer outcomes in relation to such Business.

10.10 You may not assign or novate the rights and obligations under this Agreement and Commission Policy without Our prior consent in writing.

Intermediary

10.11 In the event that You make any charges to Customers in connection with the sale of a Bupa policy, regardless as to whether You are making those charges purely in relation to the sale of the Bupa policy or in relation to a wider package also containing other products, services or benefits, You shall:

- a. ensure that those charges are governed by a separate contract with those Customers and are identified in writing to those Customers as a separate amount so charged; and
- b. notwithstanding the above, promptly:
 - i. notify Us where there is any risk that charges made by You may be deemed to be part of the subscription under Bupa's contract of insurance by virtue of the Finance Act 1994, Part III – Insurance Premium Tax, Section 72 Interpretation: Premium as amended or updated from time to time (*the Finance Act*); and
 - ii. indemnify Bupa for and promptly pay on demand any insurance premium tax due on those charges, fines, costs, liability, damage, claims, charges, expenses or other losses whatsoever (including reasonable legal fees and expenses and VAT thereon) incurred by Bupa in relation to those charges where those charges are deemed to be part of the subscription under the Finance Act. This indemnity will survive termination of Your agency under this Agreement and Commission Policy.

10.12 Any failure by Us to enforce any or all of these provisions shall not amount to or be interpreted as a waiver of any of our rights.

10.13 The headings in this Agreement and Commission policy are for reference purposes only and shall not affect the interpretation of this Agreement and Commission Policy.

10.14 We may change any provision of the Agreement and Commission Policy and the General Business Commission Table (at Appendix 1) or General Business Clawback Table (Appendix 2) from time to time. Such an amendment may be made by providing written notice at any time of the change to You. Written notice of any change will either provide a minimum of 30 days' notice of the change or the change will not take effect until the thirtieth day after the written notice is received in accordance with clause 9.6 above.

10.15 Where You pay an internet search engine for increased prominence in search results You will include the term 'Bupa' or any derivatives as a negative broad match within all paid search accounts. The term 'Bupa' can be used within paid search advertisement copy, however it must be made clear within the advertisement

that You are the advertiser and not lead Customers to believe that the advertisement is for the official Bupa website prior to clicking on the advertisement.

- 10.16 This Agreement and Commission Policy supersedes all previous Commission arrangements, if any, between You and Us and represents the entire agreement between You and Bupa relating to the matters dealt within this Agreement and Commission Policy, unless agreed separately with Us in writing.
- 10.17 No variation or amendment to this Agreement and Commission Policy shall be valid except where agreed in writing between You and a Bupa head of customer segment sales.
- 10.18 Nothing in this Agreement and Commission Policy is intended to create any right which, by virtue of the Contracts (Rights of Third Parties) Act 1999, might otherwise be enforceable by a third party against either You or Bupa.
- 10.19 This Agreement and Commission Policy shall be governed by and construed in accordance with English Law and You and We agree that any dispute arising out of this Agreement and Commission Policy shall be subject to the exclusive jurisdiction of the English courts.
- 10.20 Save as set out in clause 9.6, any notice required to be given under this Agreement and Commission Policy shall be in writing including by e-mail and will be deemed to have been duly given or made as follows:
- if sent by personal delivery, upon delivery at the address of the relevant party;
 - if sent by first class post, upon the opening of business two business days after the date of posting if within the same country, or the opening of business five business days after the date of posting if posted to another country; and
 - if sent by e-mail or facsimile, when despatched.

11. Compliance

- 11.1 You are, and will remain, in compliance with all relevant legal and regulatory requirements including FCA Rules applicable to Your activities governed by this Agreement and Commission Policy.
- 11.2 You will at all times ensure that You have all the necessary regulatory permissions and authorisations with the Appropriate Financial Services Regulator, including where required permissions in relation to client money, in order to carry on any insurance business which is the subject of this Agreement and Commission Policy.

Treating Customers Fairly

- 11.3 Bupa is fully committed to compliance with FCA Principle 6: Treating Customers Fairly (TCF), and to delivering the best possible outcomes for customers. To this end, You agree that:

- You will meet the regulatory requirements and obligations of TCF including the TCF consumer outcomes on an ongoing basis;
- You are able to demonstrate that the fair treatment of customers is firmly embedded within Your culture, procedures and business standards; and
- You are able to demonstrate that You have considered Your role in the Bupa product lifecycle as set out in FCA Handbook guidance *'The Responsibilities of Providers and Distributors for the Fair Treatment of Customers'* ('RPPD').

Disclosure and Transparency

- 11.4 You shall comply with all relevant regulatory, fiduciary and legal requirements including FCA Rules regarding disclosure of all forms of remuneration (including Commission) and other prescribed information to Your Customers in connection with insurance business which is the subject matter of this Agreement and Commission Policy
- In particular:
- you shall comply with FCA Rules in relation to the disclosure of Commission to commercial Customers upon their request; and
 - you shall explain and disclose Commission payable to a Customer where this requirement arises under regulatory, fiduciary or legal requirements or as a result of the nature of Your relationship with a Customer.
- 11.5 In keeping with the principle of TCF, We expect You to sell and administer Business in a clear and transparent manner that does not place Your own interests before those of Your Customers, and to demonstrably meet Your regulatory obligations under FCA Principle 7: Communications with clients.
- 11.6 Except for material provided to You by Us, You undertake to ensure that any advertising or promotional material or correspondence which refers to Bupa, which You use in any way or make available to Your employees, Customers or Appointed Representatives, is clear, fair and not misleading.

Conflicts of Interest

- 11.7 In relation to any insurance business which is the subject of this Agreement and Commission Policy, You shall manage conflicts of interest fairly in accordance with FCA Principles and will take all reasonable steps to identify conflicts of interest, and maintain and operate effective organisational and administrative arrangements to prevent conflicts of interest from constituting or giving rise to a material risk of damage to Your clients in accordance with FCA Rules.
- 11.8 Where You solicit or accept inducements which may conflict with Your duties to Customers, You will consider whether soliciting or accepting such inducements conflicts with Your

obligations under FCA Principles 1 and 6 to act with integrity and treat customers fairly.

Complaints

- 11.9 You will maintain adequate and effective complaint handling procedures which treat Customers fairly and comply with FCA Rules.
- 11.10 You shall promptly notify Us in writing of any complaints, disputes and/or lawsuits brought or made by a Customer against Us or You in respect of any insurance business which is the subject of this Agreement and Commission Policy. To the extent that You are legally permitted to do so, You will make available to Us all written communications, notices and any other documents issued or received in relation to such complaints, disputes and/or lawsuits.

Money Laundering, Bribery and Corruption

- 11.11 You are responsible for compliance with all relevant legal and regulatory requirements and guidance governing the prevention of money laundering and terrorist financing including FCA Rules, the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 and the Terrorism (United Nations measures) Order 2009 and with the Joint Money Laundering Steering Group's Guidance Notes for the Financial Sector, all as amended from time to time.
- 11.12 In accordance with such legislation and regulation as set out in clause 11.11 You shall ensure that your systems and controls enable You to identify, assess, monitor and manage money laundering risk, and are comprehensive and proportionate to the nature of Your activities.
- 11.13 In accordance with such legislation and regulation as set out in clause 11.11 You will also operate effective screening processes to guard against economic resources available to sanctioned individuals or entities.
- 11.14 Bupa will not accept any insurance business under this Agreement and Commission Policy where there is any suspicion of money laundering or terrorist financing.
- 11.15 You will not, and nor will any of your officers, employees, shareholders, representatives or agents ('Associated Parties'), be involved in the offering, promising, giving or receiving any financial or other advantage to or from any person in breach of any law against bribery, including the Bribery Act 2010 as amended or updated from time to time.
- 11.16 You agree that you have and will maintain adequate procedures in compliance with Ministry of Justice guidance to prevent persons associated with You from committing bribery offences as defined in the Bribery Act 2010 as amended or updated from time to time.
- 11.17 To the best of Your knowledge and belief, neither You nor any of Your Associated Parties have at any time:

- a. been found by a court in any jurisdiction to have engaged in any corrupt act (or similar conduct);
 - b. admitted to having engaged in any corrupt act (or similar conduct); or
 - c. been investigated or been suspected in any jurisdiction of having engaged in any corrupt act (or similar conduct).
- 11.18 To the extent permissible by any applicable laws, You shall promptly report to us any apparent breach of Clause 11.15, or any investigation by the Appropriate Financial Services Regulator or any other regulatory authority.
 - 11.19 You shall cooperate with Us and/or the Appropriate Financial Services Regulator or any other regulatory authority in relation to any enquiry or investigation in respect of matters relating to bribery or corruption in connection with this Agreement and Commission Policy.
 - 11.20 In connection with this Agreement and Commission Policy, You shall not undertake any activity in any way that would constitute a criminal act in the jurisdiction in which You are located or carrying on business, or that would expose Us to any criminal sanction.

Data Protection

- 11.21 In respect of all Personal Data processed pursuant to this Agreement and Commission Policy, You will comply with all applicable obligations imposed by, or made under the Data Protection Act 1998 as amended or updated from time to time ('DPA') together with any other applicable regulations, orders or codes of practice or equivalent legislation in the jurisdiction in which You carry on business.
- 11.22 Without prejudice to the generality of clause above, where You disclose Personal Data other than Bupa Data (in respect of which clauses 11.27 and 11.28 below shall apply) to another party (the 'Recipient') in connection with the operation of this Agreement and Commission Policy, You will ensure that You obtain all necessary consents so that the Personal Data You provide to the Recipient can be lawfully used or disclosed by the Recipient in the manner and for the purposes anticipated by this Agreement and Commission Policy.
- 11.23 Each party shall take reasonable care to establish and maintain appropriate technical and organisational measures against unauthorised or unlawful processing of Personal Data and against accidental loss or destruction of, or damage to, Personal Data.
- 11.24 Information supplied to Us will become part of the data held by Us and Our group of companies in accordance with the provisions of the DPA. Access to such data may be granted by Bupa to others on a strictly confidential basis in the course and for the purpose of the efficient administration of the Bupa group of companies, and for enabling products

and services which Bupa considers may be of interest to You or Your customers to be brought to their attention. Information may also be disclosed with a view to preventing fraudulent or improper claims.

- 11.25 Where You share Personal Data with Us or any of Our group companies You shall ensure that appropriate consents are obtained from any individual to whom such Personal Data relates, prior to sharing such Personal Data. For the avoidance of any doubt where you share Sensitive Personal Data with Us You will ensure that you have explicit consent to do so as required by the DPA.
- 11.26 If You request Personal Data from Bupa, Bupa shall have the right to:
- i. refuse to disclose such Personal Data where it considers (in its sole discretion) that such a disclosure may result in a breach of the DPA; or
 - ii. require as a condition of any such disclosure that unless You provide to Bupa on request evidence of appropriate consent obtained from any individual to whom such Personal Data relates. For the avoidance of any doubt where you request Sensitive Personal Data from Us You will ensure that you have explicit consent to do so as required by the DPA.
- 11.27 In respect of all Bupa Data which is Personal Data You agree that Bupa shall be the Data Controller and You shall be the Data Processor (as both terms are defined in the DPA) and that if You process any such Bupa Data You shall do so as Data Processor only in accordance with Bupa's instructions, and shall perform Your obligations under this agreement in such a manner to enable Bupa to comply with the DPA and any other regulations relating to Personal Data or privacy.
- 11.28 Without prejudice to the generality of the clause above, as Data Processor, You agree that You shall:
- i. not disclose Bupa Data to any party other than Bupa without Bupa's prior written consent;
 - ii. not transfer any Bupa Data outside of the European Economic Area without Bupa's prior written consent; and
 - iii. notify Bupa as soon as reasonably possible in the event of accidental or unauthorised access to, damage or loss of Bupa Data.

Contract Certainty

- 11.29 You agree that You will pay due regard to the requirements and expectations of appropriate codes for achieving Contract Certainty so that Customers are aware of the terms and conditions of their Cover in a timely manner and in accordance with regulatory requirements.

Network Membership

- 11.30 Where You are a principal of a Network, You must inform Bupa of the appointment or removal of any Appointed Representative as a member.
- 11.31 The Network will maintain and implement appropriate due diligence procedures and checks before such appointment.
- 11.32 An appropriate system of oversight and monitoring must be implemented for any Appointed Representative for which You act as principal.
- 11.33 Where You appoint an Appointed Representative, it is agreed that Bupa will not have any direct contractual relationship with such Appointed Representative and You will be responsible for their activities including ensuring that they comply with this Agreement and Commission Policy as if directly binding upon them.

Professional Indemnity Insurance

- 11.34 You will maintain Professional Indemnity insurance which complies with the minimum applicable limits of indemnity under FCA Rules throughout the term of this Agreement and Commission Policy and for such period thereafter as may be necessary or desirable Professional Indemnity insurance which will include Your Appointed Representatives and any other Network members at such level and on such terms as are prudent in the context of the insurance business conducted.

Audits

- 11.35 During the term of this Agreement and Commission Policy, You shall:
- a. properly and accurately record in Your books and records all transactions which relate in any way to this Agreement and Commission Policy or to services provided by You under it (*'Transaction Records'*), including records of the reasons for personal recommendations, the documentation provided to Customers, and how claims have been settled and why;
 - b. provide copies of the Transaction Records, and/or any other such information as We may reasonably require by notice in writing in order to monitor compliance with Your obligations under this clause 11; and
 - c. maintain accurate and complete books and records and internal controls sufficient and of such quality, consistent with generally applicable accounting principles and practices, to permit an audit of the books and records by an internationally recognised firm of public or chartered accountants or their equivalent, and which would, following that audit, result in an unqualified audit opinion with respect to Your financial statements.

Access to Records

- 11.36 You agree to allow Us, Our agents, the Appropriate Financial Services Regulator, or any other appropriate regulatory body access at any reasonable time, including after this agreement has ended, to all information and documents retained by You concerning this Agreement and Commission Policy.
- 11.37 You agree to co-operate fully with Us and the Appropriate Financial Services Regulator in dealings with the Appropriate Financial Services Regulator that relate to this Agreement and Commission Policy and in any investigation.
- 11.38 You will promptly on request provide copies of any correspondence, promotional material or other documentation (including management information) relating to insurance business carried out under this Agreement and Commission Policy, including but not limited to copies of suitability letters and other correspondence relating to any specific advice on or sale of insurance business carried out under this Agreement and Commission Policy which is the subject of a complaint or of an investigation by the Appropriate Financial Services Regulator or other competent authority.

Indemnity

- 11.39 You agree to indemnify Bupa for any loss, cost, damage, expense, liability action, claims or demands however arising that We may suffer arising from any omission or breach of this Agreement and Commission Policy or Your failure (or failure of Your employees, advisers or agents) to comply with Your legal and regulatory obligations or otherwise by Your negligence, wilful default, fraud or breach of duty.

12. Licence

- 12.1 We are pleased to agree to You using the Bupa logo (as provided to You by Our Marketing Department from time to time) (*The Bupa Logo*) on Your internet site on the terms set out in this Agreement and Commission Policy. We hereby grant You the non-exclusive, non-transferable, revocable right to use the Bupa Logo to advertise Bupa's products provided that such display of the Bupa Logo is pre-approved by the Bupa Brand Manager in Bupa's Marketing Department.
- 12.2 We will provide You with an electronic version of Our Logo. If We amend or update the Bupa Logo, You will promptly comply with any reasonable instruction from Us to replace the Bupa Logo with the updated or amended version.

- 12.3 You will ensure that any activities in accordance with the Bupa logo including all marketing and advertising and promotion in any media will comply with all applicable laws, regulations and regulatory standards and guidance. You must not use the Bupa Logo in such a way so as to represent or imply that any of Your marketing, advertising and/or promotions in any media are created, approved by, or made on behalf of Bupa. Specifically, when You undertake a financial promotion using the Bupa Logo We expect You to follow FCA Handbook guidance set out in the RPPD.
- 12.4 Except for this licence, You will not obtain any rights to any Intellectual Property contained in the Bupa Logo or any such other images and text for which We have granted You express permission to use including, without limitation, any rights in links, technical specifications, text, artwork, icons, images, graphics or text.
- 12.5 Our website contains Bupa's own intellectual property and the intellectual property of third parties. You agree not to infringe such Intellectual Property rights whether by copying, transmitting, framing, caching or using or manipulating such property or otherwise. We do not accept liability for Your misuse of any Intellectual Property belonging to any third party.
- 12.6 Nothing in this Agreement and Commission Policy will limit Bupa's liability for death or personal injury caused by Our negligence or that of Our employees, or for fraudulent misrepresentation. If, however, We are found liable in contract, tort, for breach of statutory duty, or otherwise, Our total liability arising in connection with the licence will be limited to £1,000.
- 12.7 We may terminate the licence granted under this clause for any reason by giving the Intermediary not less than 7 days' notice in writing. On termination, You must immediately remove the Bupa Logo from Your internet site and confirm to Us in writing that this has been done.

Bupa health insurance is provided by:

Bupa Insurance Limited. Registered in England and Wales No. 3956433. Bupa Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Arranged and administered by:

Bupa Insurance Services Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales No. 3829851.

Registered office: 1 Angel Court, London EC2R 7HJ.

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