

**INSURANCE BROKER'S CONTRACT**

**BETWEEN**

---

**AND**

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**BROKERS JAMAICA LIMITED**

# AGREEMENT

THIS AGREEMENT is dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and made BETWEEN , \_\_\_\_\_the with offices at \_\_\_\_\_, in the Parish of Kingston , (hereinafter called "the Bank") of the One Part and \_\_\_\_\_of , \_\_\_\_\_,Kingston \_\_\_\_\_, in the Parish of St. Andrew (hereinafter called "the Broker") of the Other Part.

## WHEREAS

- A. The Broker carries on the business of insurance brokerage and is registered to carry on such business under the provisions of the Insurance Act.
- B. The **"the Bank"** requires insurance to cover various risks in connection with its operations, which insurance shall come up for renewal and shall be effected on the commencement date \_\_\_\_\_ and on the \_\_\_\_\_day of \_\_\_\_\_ in each of the two (2) subsequent years (hereinafter called the "renewal period").
- C. By *public notice*, the invited tenders from pre-qualified, registered Insurance Companies and Brokers for the provision of insurance coverage and services in relation to the **"the Bank"** insurance portfolio.
- D. The **"the Bank"** issued to prospective Bidders, including the Broker, Specifications and data relevant to **"the Bank's"** insurance requirements, being documents entitled "Underwriters Information and Specifications for Coverage for the year from the commencement date \_\_\_\_\_to \_\_\_\_\_, appended hereto as (Appendix 1).
- E. Tenders were received from various Brokers, including the Broker, whose winning proposal is appended hereto (Appendix 2).

Now this AGREEMENT WITNESSETH as follows:

The "Bank" agrees to appoint the Broker and the Broker agrees to accept such appointment to act as Insurance Broker for "the Bank" on the following terms and conditions:

**1. COMMENCEMENT AND DURATION**

In accordance with letter dated \_\_\_\_\_ from \_\_\_\_\_ appended hereto as (Appendix 3), the appointment shall be for a period of **three (3) years** commencing \_\_\_\_\_, and ending \_\_\_\_\_.

**2. REMUNERATION**

The Broker's remuneration for services provided shall be its normal Brokerage fees and commissions which shall be payable by the Insurers out of the premiums collected for the policies of insurance placed on behalf of the "the Bank" whether such policies are denominated in US dollars or Jamaican Dollars or both US\$ and J\$.

**3. SERVICES**

During the term of this Agreement, the Broker shall provide the services hereinafter set forth in accordance with the terms and conditions of this Agreement.

**4. BROKER'S OBLIGATION**

**4.1. Administration of Insurance Account**

- (a) The Broker shall liaise with "the Bank" through suitable representatives in the handling of the insurance portfolio.
- (b) The Broker shall provide technically knowledgeable persons to handle the portfolio.
- (c) The Broker shall liaise with overseas insurance Brokers to ensure that the "Bank's" insurance portfolio is adequately serviced.
- (d) The Broker shall exercise reasonable care and diligence in the performance of its duties under the Agreement and shall use its best endeavours to obtain the best coverage at the most favourable premium rates.

**4.2. Insurance Placement in Respect of Each Contract Year**

- 4.2.1 The Broker shall negotiate, procure and place insurance coverage on behalf of "the Bank" with competent, reputable and suitable Insurers, and maintain such insurance coverage as meets the "the Bank" needs and are on terms and conditions which are in the best interest of the "the Bank". For the first contract year the coverage shall be in accordance with the proposal described in (Appendix 2).
- 4.2.2 For the first and second renewal of the insurance coverage, the Broker shall commence the renewal negotiations no later than **two (2) months** prior to the expiry date of the policies. The Broker shall keep the " Bank" fully informed of the progress of such negotiations and shall, **at least six (6) weeks** prior to renewal date, advise the "the Bank" of the renewal terms, and provide to the "the Bank" details of the proposed terms of the coverage and the premiums, substantiated by Brokers Slips which are signed, stamped and dated by all local insurers and at least the lead insurer/reinsurer if coverage is to be placed overseas, whether directly or via Facultative Insurance/Reinsurance.
- 4.2.3 The Broker shall disclose to the "the Bank" details of all insurers providing coverage to the "the Bank" whether local or overseas and where coverage is by means of Facultative Insurance the Broker shall disclose the local fronting insurer, the lead overseas insurer, the fronting fees and overseas commissions.
- 4.2.4 The Broker shall notify the "the Bank" in writing of any restrictions, terms, conditions and warranties imposed by any Insurer that are not stated in the policy and that the Broker has been made aware of.
- 4.2.5 The Broker shall collect, prepare and present required information to Insurers to facilitate the placement of the insurance and ensure that there is no interruption in "the Bank's" insurance coverage as a result of error or negligence on the part of the Broker.
- 4.2.6 The Broker shall, in the event of being unable to procure coverage on any particular risk in "the Bank's" insurance portfolio; give notice in writing to

"the Bank" of such failure immediately after the fact shall have become or could reasonably have become known to the Broker.

4.2.7 The Broker shall, **at least three (3) months** before the end of the contract period, prepare and present detailed and accurate information on the insurance requirements of "the Bank" which shall form the basis of the Specifications of Coverage for the new tender period.

In carrying out these functions, the Broker shall act in a professional manner in the interest of the "the Bank".

#### **4.3. Insurance Risk Management**

4.3.1 The Broker shall in relation to the Risks and Insurance Coverage of the "the Bank" monitor and advise the "the Bank" on the following:

(a) The relative costs of the principal types of insurance which in the opinion of the Broker might be suitable to "the Bank's" needs.

(b) The competency and solvency of Insurers with whom insurance policies are placed on behalf of the "the Bank".

(c) The ability and record of such Insurers with regard to payment of claims.

(d) Any other factor whatsoever, relating to the "the Bank's" risk exposure and to the ability and competency of any of the Insurers to continue to provide the insurance coverage in the insurance portfolio.

4.3.2 With respect to performance of the obligations set out in (b) (c) and (d) above, the Broker may rely on the advice and information available to the Financial Services Commission in relation to policies of insurance which are placed on the Jamaican Market.

#### **4.4. Premiums**

4.4.1 The Broker shall collect from the "the Bank" and punctually remit to the Insurers the insurance premiums for the coverage being provided to the "the Bank".

4.4.2 The Broker shall account to "the Bank" for all premiums collected from the "the Bank".

4.4.3 The Broker shall disclose to the "the Bank" the name of all Insurers (local and overseas) and/or Sub-Brokers or agencies, with whom a contract is placed on its behalf and the premium payable to each.

4.4.4 In the event that renewal rates/premiums have been increased by 10% or more over the previous year, the "the Bank" reserves the right to review this Agreement. The "the Bank" reserves the right to terminate this agreement if the renewal rates/premiums have been increased by 15% or more over the previous year other than by reason of claims or increased risk factors.

#### **4.5. Claim Procedures**

4.5.1 The Broker shall design claim procedures for the "the Bank".

4.5.2 The Broker shall promptly notify and negotiate claims and settlement with Insurers as soon as advice of such claims is given by the "the Bank", and take responsibility for resolving any disputes in relation to the claims.

4.5.3 The Broker shall provide the "the Bank" with a prescribed status report on all claims made by or against the "the Bank" on a quarterly basis or otherwise as required by the "the Bank".

#### **4.6. Indemnity**

The Broker shall indemnify "the Bank" for all loss, damage or expense wholly or partially occasioned to the Client by the neglect, error or act of omission of the Broker, its servants, agents and/or employees in respect of this Agreement provided that the Broker shall not be liable to the Client for any loss, damage, costs, or expenses of an indirect or consequential nature including without limitation any economic loss or other loss of turnover, profits, business or goodwill.

#### **4.7. Professional Indemnity Insurance**

The Broker shall at its own cost, effect and maintain professional indemnity insurance of at least \$30million to cover losses as mentioned above in keeping with the requirements of the Financial Services Commission.

### **5. OBLIGATIONS OF THE BANK**

#### **5.1. Relevant Information**

5.1.1. During the term of this Agreement, "the Bank" shall provide the Broker with all information relating to the operation of the "the Bank" and access to all buildings, plants and sites and other property of the "the Bank" including information as may be required and as may be reasonably requested.

5.1.2. The **Bank** shall prepare and deliver required information to Insurers via the Broker in a timely manner and within the time frame stipulated by the Insurers to facilitate and negotiate placement of insurances and compliance with "the Bank's" deadlines and ensure that there is no interruption in the coverage as a result of the "the Bank's" failure, neglect or tardiness to do.

5.1.3. The "Bank" shall notify the Broker of material changes in the usage of any of "the Bank's" facilities.

5.1.4. Information provided by the Broker shall not relieve "the Bank" of any obligation or duty owed to an Insurer to make disclosure of information not provided by "the Bank" to the Broker.

#### **5.2. Payment of Premiums**

5.2.1. The "the Bank" shall remit all insurance premiums to the Broker **within thirty (30) days** of the placement of insurance cover by the Broker.

#### **5.3. Administration of the Insurance Account**

5.3.1. The "Bank" shall liaise with the Broker through suitable representatives in the handling of the Insurance Portfolio.

5.3.2. The "Bank" shall provide persons knowledgeable in the operations of "the Bank" who can pro-actively generate new and critical information to enable the Broker to act.

#### 5.4. Indemnity

5.4.1 The "Bank" hereby acknowledges that the Broker may and will rely upon all information given to the Broker by "the Bank" in connection with the performance of the services pursuant to this Agreement and the "Bank" hereby agrees to release and indemnify and hold harmless the Broker from and against all suits, actions, claims, liabilities and costs and expenses which may result from such information proving to be incorrect or misleading in any respect.

### 6. TERMINATION

6.1. Without prejudice to any other rights conferred by Law or this Agreement, "the Bank" shall be entitled to terminate this Agreement in any of the following events:

6.1.1. If the Broker, its servants, agents or employees or sub-Broker shall breach any terms of this Agreement, the Broker shall remedy the breach within **fourteen (14) days** of the written notice which the "the Bank" may serve on the Broker and if the breach remains unremedied at the expiration of the aforesaid notice period, the "the Bank" shall be at liberty to terminate the appointment of the Broker.

6.1.2. If the Broker shall compound with creditors or be put into receivership or shall have a provisional order in bankruptcy made against, it, or being a partnership is dissolved or being a company passes a winding up resolution or has a winding up order made against it.



6.1.3. If the Broker shall, for any reason, cease to be a registered Broker under the provisions of the Insurance Act or fail to maintain a valid Tax Compliance or National Contacts Commission Certificate or for whatever reason becomes disqualified, incompetent or ineligible to perform the services.

6.2. The failure by **"the Bank"** to enforce at any time or for any period any one of more of the terms or conditions of this agreement shall not be a waiver of the right at any time subsequently to enforce all or any new terms and conditions of this Agreement. In any event the terms and conditions of this agreement shall be reviewed annually by the XXXX.

## 7. NOTICES

7.1. Any Notice to be given under this Agreement by one party to the other shall be in writing and may be delivered personally or sent by e-mail or facsimile with the original by registered post addressed to the other Party at the respective addresses stated in this Agreement or such other address as may be notified by one Party to the other in writing for that purpose.

7.2. Any such Notice sent by e-mail or facsimile with original by registered post will be deemed to be served **one (1) day** after transmission and in proving such service it shall be sufficient to prove that the notice was properly addressed.

## 8. LAW APPLICABLE

8.1. This Agreement shall be construed and governed in accordance with the Laws of Jamaica.

## 9. DISPUTES

9.1. All disputes or differences which shall at any time arise between the parties whether during the term of afterwards touching or concerning this agreement

or its construction or effect may be referred to a single arbitrator to be agreed upon by the parties or in default of agreement, to be nominated by the President of the Bar Association in accordance with the Arbitration Act.

**10. CONFIDENTIALITY**

Neither Party shall without the prior written consent of the other use or disclose any information acquired from the other, except in the normal course of executing the respective objectives of each party.

**IN WITNESS WHEREOF** the Parties hereto have set their hands and affixed their seals on the date first herein before mentioned.

Executed under the Common Seal of )  
 )  
by , Chairman & CEO and ) .....  
 )  
 , Secretary, ) .....  
duly authorised in that behalf )  
In the presence of )  
 )  
..... )

Witness

Executed under the Common Seal of )

\_\_\_\_\_ **BROKERS JAMAICA LIMITED)**

by , Director and ) .....

)

, Director ) .....

in accordance with its Articles of )

Association in the presence of )

..... )

Witness