



BROKER AGREEMENT

BETWEEN S.A. UNDERWRITING AGENCIES (PTY) LTD

REGISTRATION NUMBER: 92/03324/07

FSP license number: **FSP281**

(Hereinafter referred as the “SAU”)

and

(The Broker)

(Hereinafter referred to as the “**Broker**”)

(initial here_____)

1. BACKGROUND

- 1.1 SA Underwriting Agencies Pty Ltd (FSP281) is a registered financial services provider (FSP) licenced in respect of Category I Products, Short Term Insurance Personal Lines and Short Term Insurance Commercial Lines.
- 1.2 SAU might in future change its license restrictions to include additional financial services or to render services in relation to additional subcategories.
- 1.3 The broker is a registered financial services provider (FSP) licensed in respect of Category I Products, Short Term Insurance Personal Lines and/or Short Term Insurance Commercial Lines.
- 1.4 The broker wishes to offer and sell SAU's products to their potential clients ("the Policyholder") and SAU is to provide the services in respect of their product to the broker's clients.
- 1.5 The broker has represented to SAU that it has the necessary expertise, experience and resources required to offer and sell SAU's products to their potential clients.
- 1.6 The Parties wish to record the terms and conditions regulating the manner in which the broker shall offer and sell SAU's products to potential clients and SAU rendering the services, in respect of their product.

2. REPRESENTATION

- 2.1 The Broker hereby accepts the appointment and acknowledges that he/she acts as agent for his/her client and that any action that he/she takes on his/her clients' behalf shall be deemed to be on his/her clients' instructions.
- 2.2 In addition any notice whether written or verbal, which may be served on the Broker, which communication will be directed to any nominated and authorised representative (s) of the Broker or for instance a nominated email address shall be deemed to have been served on the policyholder. SAU shall ensure that the broker is provided with sufficient time to present the information to their client.
- 2.3 The broker can never represent SAU as an employee or as an extension of SAU's office.
- 2.4 Nothing in this Agreement or in the activities of SAU or its Insurers at the time shall detract from the Broker's obligations of any statutory requirements as enacted or gazetted from time to time.

3. BROKER MANDATE

3.1 The Broker shall not be entitled to:

- 3.1.1 publish or distribute any advertising material or circular concerning SAU, unless it is authorised marketing material or written authority has been granted by SAU;
- 3.1.2 without prior consent by SAU conclude any insurance or give any undertaking or proposal that could be binding on SAU in any way;

(initial here _____)

- 3.1.3 act in any other way in the performance of his/her agreement, unless otherwise agreed by SAU;
- 3.1.4 investigate and or administer and or accept any claim for and on behalf of SAU or the Insurer without prior written agreement. Should the Insured and/or Broker not be satisfied with the result or procedures of a claim, the Broker has the right to use whatever resources necessary to resolve the matter;
- 3.1.5 settle any claim whatsoever;
- 3.1.6 commit SAU or the Insurer in anyway whatsoever without prior written agreement;
- 3.1.7 advertise for and on behalf of SAU's Insurers;
- 3.1.8 portray to any party that they hold any binding authority for SAU and/or its Insurers or portray the image or perception to be an employee or extension of SAU or its Insurers;
- 3.1.9 deviate from SAU's underwriting guidelines and or Policy Wording without the prior written approval of SAU or the Insurer;
- 3.1.10 commit SAU and/or Insurer to any block or book of business or Insurance Portfolio without prior written agreement of SAU and/or the Insurer;
- 3.1.11 to alter or change any policy wording, underwriting criteria or premium rates without prior written agreement of SAU;
- 3.1.12 employ or subcontract with Sub-Brokers or handle business on or behalf of any other Brokers unless agreed in writing by SAU.

3.2 The Broker undertakes:

- 3.2.1 that there are no undisclosed circumstances or reasons that may influence SAU's decision to accept this agreement;
- 3.2.2 that no documentation of any description belonging or relating to SAU shall be passed into the possession of any unauthorised person or any competitors of SAU;
- 3.2.3 at its discretion to utilise the full product offering of SAU to promote SAU, where appropriate;
- 3.2.4 not to disclose to any person at any time even after the operation of this agreement, any procedures, rating structures or business practices of SAU;
- 3.2.5 to be fully compliant with the Financial Advisory and Intermediary Act, subordinate legislation such as the General code of Conduct, Regulations etc. and all other relevant legislation;
- 3.2.6 that all staff, key individuals and representatives adhere to all Fit and proper requirements in terms of the FAIS Act and subordinate legislation.

(initial here _____)

4. COMPENSATION OF THE BROKER

- 4.1 The Broker shall be entitled to payment of commission and fees as regulated by relevant legislation, calculated according to the terms set out in Annexure A attached hereto, subject to review by SAU from time to time and agreed by the Broker.
- 4.2 Commission and fees shall be payable to the Broker on all premiums received. Commission paid on any unpaid premium notified after a commission run will be deducted from the subsequent month's commission payment.
- 4.3 Any expenditure incurred by the Broker shall be his/her responsibility.
- 4.4 The Broker will not be entitled to set off commission or fees due to him/her against any amount owing to SAU.
- 4.6 In the event of cancellation of this agreement, SAU may retain 100% of the commission or fees due for 30 days, 50% of the commission or fees due for 60 days and 25% of the commission or fees due for 90 days from the date that the insurer received the last premium from the insured. This precaution is merely to cover the commission being paid in advance as per Par. 4.2 with regards to unpaid premiums, stop payments by Insured or disputes raised by the insured's bank. The broker further acknowledges that in certain circumstances premiums may be returned unpaid after this period in which event the broker undertakes to reimburse the insurer with any such commission or fees.
- 4.7 In the event that the Broker's FSP licence is withdrawn, suspended or lapses SAU will retain the commission or fees payable to the Broker until such a time as confirmation is received that the licence has been reinstated or reissued. In terms of relevant legislation SAU cannot deal with the Broker unless they are duly authorised to conduct financial services.

5. CANCELLATION OF AGREEMENT

- 5.1 This agreement may be cancelled in writing at any time by either party by giving 90 (ninety) days' notice in writing by email, fax and/or registered post in which case:
- 5.1.1 The Broker shall return (or where applicable delete) to SAU all documentation belonging to SAU within a period of 7 (seven) days from the date of such cancellation being in force, meaning after the 90 day period, inclusive of computer programs, quotation systems, passwords etc. SAU will retain the copyright on all such material, systems and programs at all times, and have the right to delete such from the Broker's Network.
- 5.1.2 The Broker shall delete/uninstall (where applicable) SAU's quoting system. The broker will not have access to any of SAU's online systems and web quote systems and any other systems obtained from SAU. The broker will only be allowed access to SAU's public website.

(initial here _____)

- 5.2 In the event that the agreement is cancelled and the policies of policyholders are to be cancelled, the following is required;
- 5.2.1 In the event that the Broker is a 'mandated intermediary' SAU will require copies of such mandates granting the broker the authority to cancel the policy on behalf of the policyholder.
- 5.2.2 In the event that the Broker is a 'non-mandated intermediary' written confirmation from the policyholder will be required before the policy may be cancelled.

6. OWNERSHIP OF DATA AND CLIENT INFORMATION

- 6.1 Ownership of all policy and policyholder information will remain that of SAU and the relevant insurer as required by legislation.
- 6.2 The client remains the broker's and SAU shall not be entitled to market or sell any products of whatsoever nature to them, notwithstanding any other provision of this agreement other than by agreement in writing by the Broker.
- 6.3 The broker is to obtain and keep record of their clients banking details. In terms of legislation and this agreement SAU will not disclose clients banking details without the prior written consent by each individual client.
- 6.4 No data and information of the broker's clients and/or the portfolio may be discussed, disclosed or given to any third party without the prior written consent of the Broker.

7. OBLIGATIONS OF BROKER

7.1 The Broker agrees:

- 7.1.1 that no amendment to any policy, endorsement or receipt shall be effective unless confirmed in writing by SAU. Any instruction will be confirmed with the insured and confirmed in writing by way of updated schedule. A voice recording between SAU and the insured will be regarded as acceptable confirmation.
- 7.1.2 that no liability rests with SAU and or the Insurer for any risk until it has been accepted by SAU and or the Insurer and a policy number has been issued. Any instruction will be confirmed with the insured and confirmed in writing by way of updated schedule. A voice recording between SAU and the insured will be regarded as acceptable confirmation.
- 7.1.3 that no new policy, endorsement or receipt shall be submitted to the Insured or his/her representative before acceptance of the necessary premium by SAU unless by prior agreement;
- 7.1.4 to ensure that all information provided to clients regarding SAU are factual. The Broker warrants that he/she will refrain from making any defamatory, insulting or unsubstantiated negative comments about SAU. The broker acknowledges that by doing so it would render the Broker liable in liquidated damages to SAU for any patrimonial losses suffered, whether directly or indirectly, by SAU;

(initial here _____)

- 7.1.5 on first application SAU may make a credit bureau enquiry and other references to the financial background of the Broker and/or his/her Partners, Directors, Members, or Shareholders;
- 7.1.6 SAU will send Notices / Endorsements / Policy Documents / Instructions and communications with regards to the normal course of business to the Insured and a copy will be sent to the Broker. The Broker is however responsible to fulfil its duties as a financial services provider. SAU agrees to attempt to assist the broker to fulfil such duties. SAU accepts no liability due to the Brokers' failure to adhere to the Financial Advisory and Intermediary Act, subordinate legislation such as the General code of Conduct, Regulations etc. and any other relevant legislation.

8. OBLIGATIONS OF SAU/INSURER

- 8.1 SAU and/or the Insurer retains the right to fulfil such obligations as it has or may have accepted, either expressly or otherwise in any Agreement with Insurers from time to time, and may communicate with policyholders or prospective policyholders directly to the extent that any legislation so requires for the purposes of satisfying such statutory obligations.

9. CLAIMS

- 9.1 The Broker shall not accept or purport to accept any liability on behalf of SAU in respect of any claim against SAU or the Insurer.
- 9.2 SAU and/or the Insurer shall only accept liability for any claim that has been notified to their offices within 30 days of the event by the Insured or their authorised representative.

10. SAU WEBSITES, ONLINE SYSTEMS AND WEB QUOTE SYSTEMS

It is recorded and agreed to between the parties hereto, that in addition to the aforementioned, the following terms and conditions herein below shall specifically govern SAU websites, online and web quote systems, and insofar as such may be capable of being applied without contradiction or conflict, to the remainder of this Agreement :-

- 10.1 The Broker will have access to www.saunderwriters.com and the following information portals:
- 10.1.1 Their Insured's records are accessible on www.sauonline.co.za;
- 10.1.2 Online quoting facilities are accessible at www.flashquote.co.za;
- 10.1.3 Where applicable, tailored quoting websites;
- 10.1.4 Authorised online marketing and product information is available on www.sau4u.co.za

(initial here_____)

10.2 SAU ONLINE SYSTEM (www.sauonline.co.za)

- 10.2.1 SAU wishes to provide a service to its Broker that will allow the Broker to gain access to their policyholders' records on SAU Online.
- 10.2.2 SAU will issue a password to each of its Brokers. Such password will gain the Broker access to his/her policyholder's records on the website. Immediately after gaining first time access to the website, the Broker is obliged to modify his/her own password for future access.
- 10.2.3 Such password can be changed as many times as the Broker may deem fit. It is the Brokers responsibility to ensure that the password is secure and is not provided to any unauthorised individuals.
- 10.2.4 Use of this facility and the online service is entirely at the Broker's own risk.
- 10.2.5 The Broker acknowledges he/she is authorised by his/her client to disclose certain information regarding his/her client to SAU. The Broker, after submitting his/her password, authorises SAU to reveal his/her record of clients on SAU online to the Broker's authorised representative. SAU confirms that such records can only be accessed by entering his/her Broker password.
- 10.2.6 The Broker accepts that SAU cannot be held liable for any loss, or damage suffered by the Broker as a result of unlawful activities by unscrupulous persons, as SAU cannot prevent such behavior. SAU may request independent verification of any information transmitted by the user through the site or e-mail from time to time, to limit these risks.
- 10.2.7 SAU and its affiliates, shareholders, agents, consultants or employees are not liable for any indirect, special, incidental and consequential damages relating to the loss or theft of the Broker's password caused by malfunction of third party systems used by the Broker and any unlawful access to or theft of data unless found grossly negligent SAU will be liable for damages where SAU has acted negligently in divulging the Broker's password to any third party and which has led to damages against the Broker.

10.3 WEB QUOTE SYSTEMS (www.flashquote.co.za and tailored quoting websites)

- 10.3.1 Any and all insurance applications for policy fulfilment that SAU may receive via the web quote system will expire within 3 business days from the date of receipt of any such application.
- 10.3.2 Pending the acceptance of any such submission in accordance with clause 10.3.1 above, any and all liability or risk in relation to any and all information submitted to SAU and/or advice emanating from the Broker to any prospective policyholder is agreed to be borne exclusively by the Broker.

(initial here_____)

- 10.3.3 All quotes generated by the web quoting system are based on the limited information provided by the Broker on behalf of its prospective policyholders on the electronic form. The quotes are therefore only an estimation and not a binding offer. The quotes are subject to change, based upon more comprehensive risk related and personal information that the Broker is obliged to verify and the prospective policyholder will be required to disclose. Verification of this information and further consideration of the application when SAU contacts the Broker or the prospective policyholder will occur.
- 10.3.4 In the event that any policyholder or prospective policyholder approaches SAU and requests advice from SAU, SAU shall direct such policyholder or prospective policyholder to the Broker who shall then be obliged to render any such advice sought to the policyholder or prospective policyholder.
- 10.3.5 The finalisation of any and all insurance policies as contemplated herein shall be so confirmed and communicated in one of the following manners:
- 10.3.5.1 per direct communication to SAU's tele centre;
 - 10.3.5.2 per SMS validation;
 - 10.3.5.3 per hard copy print;
 - 10.3.5.4 It is agreed that SAU will not be liable for any technical failure/s on the part of the SAU online and web systems (which system includes SMS transmissions) unless found grossly negligent.
 - 10.3.5.5 It is hereby specifically recorded that SAU's online and web quote systems is and constitutes SAU's exclusive intellectual property, all and any elements of which are prohibited from being in any duplicated or materially replicated.
 - 10.3.5.6 SAU reserves its right to, without notice, and from time to time, disable its systems in order to carry out upgrades, repairs, maintenance and any other changes or amendments thereto which actions are agreed shall not constitute a breach of this agreement. SAU shall endeavour to give reasonable notice where possible.
 - 10.3.5.7 Upon becoming aware of any faults, inconsistencies or lacuna in the SAU online and web quote systems, the Broker undertakes, and shall be obliged to immediately notify SAU thereof.
- 10.3.6 The terms and conditions to follow should be read in conjunction with the terms and conditions set out in paragraph 10.2 above. The Broker agreement governs the relationship between the Broker and SAU. Should there be a conflict between the provisions, the conditions of the Broker agreement insofar as conflict will take precedence.

(initial here_____)

- 10.4 Marketing and product material (www.sau4u.co.za)
- 10.4.1 All material made available on www.sau4u.co.za shall remain the property of SAU and is provided with the intention to assist the Broker in their marketing and advisory efforts.
- 10.4.2 The rights and benefits of all designs, logos, layouts and product offerings so portrayed vest with SAU at all times.

11. ENTIRE AGREEMENT

The parties acknowledge that this agreement replaces all previous agreements between the Broker and SAU from date of signature of this agreement, and that the agreement is based upon the facts and information supplied by the Broker and by SAU in their marketing and underwriting criteria supplied.

12. AMENDMENTS

- 12.1 Any amendment, additions or variation of the terms of this agreement must be in writing and signed by both parties, in which case such alteration or addition or shall not constitute a novation of the whole agreement.
- 12.2 The Broker undertakes not to cede or assign any of his/her rights or obligations in terms of this agreement to third parties without prior written consent from SAU.
- 12.3 Should either one of the parties to this agreement change its physical address or any of its other contact details, the other party to this agreement must be notified in writing of such change within 7 (SEVEN) days.

13. WAIVER

- 13.1 No indulgence, extension, relaxation or latitude by any of the parties shall in any way prejudice the other party's rights in terms hereof or create new rights, nor shall any party hereto be prejudiced, stopped or precluded from exercising its lawful contractual rights against the Broker by virtue of such indulgence, extension, relaxation or latitude.
- 13.2 For the purpose of interpretation of this agreement and in the event of any dispute arising here from, the English version hereof shall prevail in accordance with the laws of the Republic of South Africa.

14. COSTS

If a party institutes proceedings, or instructs attorneys, or incurs any other cost or expense in connection with the enforcement of any of its rights against the other party in terms of this contract, the costs and expenses incurred shall be borne by the unsuccessful party or as directed by the court, on the scale applicable as between an attorney and Client scale, and shall include collection, commission, tracing charges and the costs of employing a detective to obtain evidence of, and/or information concerning the other party's breach of the provisions,

(initial here_____)

which in all of the circumstances the other party acknowledges would be fair, reasonable and necessary for the protection of a party's interests in terms hereof.

15. DURATION

- 15.1 The Parties will be entitled to terminate this Agreement summarily if:-
 - 15.1.1 The other Party commits a breach of any of his/her obligations in terms of this agreement;
 - 15.1.2 The other Party's estate is sequestrated or liquidated, as the case may be.

16. NOTICES AND DOMICILIA

16.1 All notices, consent, demands or communications delivered by either party to the other party or dispatched by properly paid registered post to the other Party, shall, as the case may be, be regarded as having been received on the earlier of the date of delivery or the 10th (tenth) business day after the date on which it was posted. All notices sent by either party will be addressed as follows:

16.1.1 SA Underwriting Agencies
679 Bond Street, Bond St. Business Park
SA Underwriters Place, Ferndale
Randburg, 2194
Attention: Johann Mynhardt

16.1.2 The Broker

Attention: _____

or at such other address of which the party concerned may notify the other in writing.

- 16.2 Any notice given in terms of this agreement shall be in writing and shall –
 - 16.2.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;
 - 16.2.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) business day following the date of such posting;
 - 16.2.3 if transmitted by facsimile be deemed to have been received by the addressee 1 (one) business day after despatch;
 - 16.2.4 if sent electronically, shall be deemed to have been received on the first business day following the successful transmission thereof as evidenced by the electronic confirmation of receipt (unless the contrary is proven). Electronic notices are to be sent to **info@saunderwriters.com**.

(initial here _____)

16.3 Notwithstanding anything to the contrary contained in this agreement, a written notice or communication actually received by a party at its chosen address set out above shall be an adequate written notice of communication to such party.

17. VARIATIONS

No amendment or variation of any of the provisions of this agreement shall be of any force or effect unless reduced to writing and signed by both parties.

SIGNED AT _____ ON THE _____ DAY OF _____ 20_____

WITNESSES

1. _____
Duly Authorised for and on behalf of SAU

2. _____
Witness

SIGNED AT _____ ON THE _____ DAY OF _____ 20_____

WITNESSES

1. _____
Duly Authorised for and on behalf of the Broker

2. _____
Witness

(initial here _____)

Annexure A

1 COMPENSATION TO THE BROKER

1.1 COMMISSION

In terms of regulations under the Short-Term Insurance Act 53 OF 1998 part 5, Limitation on Remuneration to Intermediaries, (Section 48) Maximum commission payable:

- 1.1.1 “No commission shall exceed, in respect of:
 - 1.1.1.1 a motor policy, 12.5% of the premium payable under the policy; or
 - 1.1.1.2 any other short-term policy, 20% of the premium payable under the policy.”

1.1.2 Commission is paid on the 15th of each month (or closest working day)

1.2 BROKER ADVICE FEE

- 1.2.1 A maximum of R _____ (*initial here* _____) per policy. (Maximum Fee R100.00)
- 1.2.2 The Broker agrees the broker advice fee stated above may be reduced by SAU by up to R _____ (*initial here* _____) to conclude a new policy, if required.
- 1.2.3 The Broker agrees that R _____ (*initial here* _____) of the broker advice fee may be used by SAU to retain the Policyholder in the event the Broker’s client wishes to cancel his/her policy.
- 1.2.4 All fees must be shown separate of premium.
- 1.2.5 All fees must be agreed by and declared to the policyholder. During the currency of policies the Broker will earn commission on the premium received.
- 1.2.6 If the Broker will earn a Policy Advice fee during the existence of policies, the Broker agrees that the fee has explicitly been agreed with his client. The detail relating hereto is indicated on the Policyholder’s policy schedule.
- 1.2.7 SAU will ensure that the fees explicitly agreed between the Broker and the policyholder will be reflected on the policy schedule and disclosed by SAU to the policyholder during the process when underwriting is confirmed by SAU.
- 1.2.8 Inception fees, joining fees, etc., which are collected at the inception of the Policy by the Broker or his/her staff does NOT form part of this Agreement and is solely levied by the Broker.

SIGNED AT _____ ON THE _____ DAY OF _____ 20_____

Duly Authorised for and on behalf of SAU

Witness

Duly Authorised for and on behalf of the Broker

Witness

(*initial here* _____)

Annexure B

BROKER DETAILS

Broker Name: _____

Company Registration Number _____

FSP Number: _____

Year registered as FSP: _____

Years in business: _____

Key individual(s) name(s): _____

PI Cover:

Insurance Company: _____

Policy Number: _____

Insured Amount: _____

Inception/Renewal Date: _____

VAT Number (If VAT registered –please attach copy of registration):

Telephone: _____

Fax: _____

Cell Phone: _____

e-mail (Principal member) _____

Physical address: _____

Postal address: _____

(initial here _____)

BANKING DETAILS (Please attach proof):

Bank: _____

Branch Code: _____

Account Holder: _____

Account Number: _____

Account Type: _____

E-MAILS TO BE DIRECTED:

e-mail (Commission Statement) _____

e-mail (Policy Cancellations) _____

e-mail (Underwriting) _____

e-mail (Marketing) _____

e-mail (Claims) _____

Broker employee's birthdays:

Contracts held with other Insurers and/or Underwriters

The following compulsory documents are attached to this application:

- Copy of ID of principal member
- Proof of banking details
- Vat certificate (If Vat registered)
- FSB Licence
- FSB Licence Annexure (conditions and restrictions)
- Company/CC registration documentation
- PI Cover

(initial here _____)

Have any contracts with other Insurers and/or Underwriters been declined or prematurely terminated?
Provide details

Policy Protection Rules declaration:

1. Do you receive more than 30% of your total commission and remuneration from any of the mentioned insurers?

Centriq		Santam	
Yes	No	Yes	No

2. Do you hold more than 10% of Shares of any of the mentioned insurers?

Centriq		Santam	
Yes	No	Yes	No

3. Are you an associated company of any of the mentioned insurers?

Centriq		Santam	
Yes	No	Yes	No

(initial here_____)