



Industrial Insurance Group Belgium NV - SA®

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## **INSURANCE SUB-AGENT Agreement**

### **BETWEEN**

Industrial Insurance Group Belgium NV - SA®  
Louizalaan 85, B-1050 Brussels Belgium

legally represented in this matter by J.P.L. Den Hartigh

Acting in the capacity of insurance agent/insurance broker (\*),

hereinafter referred to as '**the Intermediary**',

### **AND**

[Name office - Address - FSMA-no.]

Legally represented in this matter by [name representative]

acting in the capacity of insurance sub-agent, hereinafter referred to as 'the sub-agent',

### **AGREED:**

#### **Article 1**

In accordance with Article 1, 8° of the Act of 27 March 1995 regarding the insurance and reinsurance mediation and the distribution of insurance (hereinafter referred to as the 'Insurance Distribution Act'), the insurance sub-agent should be regarded as the insurance or reinsurance Intermediary other than the insurance broker and the insurance agent, and acting under the responsibility of one of the latter.

The sub-agent hereby expressly declares to be aware of the above-mentioned legislation and its implementation decision or decisions.

The work of the sub-agent is confined to carrying out preliminary operations, providing insurance contracts or collecting premiums for insurance policies endorsed by natural or legal persons, without this work comprising entering into commitment vis-à-vis or by the public.

The sub-agent performs the above-mentioned work permanently and for a fee, however, does not come under the authority of the Intermediary.

The sub-agent arranges its work at its sole discretion, and organises its time independently.

The sub-agent will indicate on its stationery and other documents the name of the Intermediary on behalf of which it is acting.



**Article 2**

The sub-agent is registered with the Financial Services and Markets Authority (FSMA) in the register of the insurance and reinsurance intermediaries under the category 'insurance sub-agent', under the number.....

The sub-agent ensures that, in the context of this registration, the requirements of the Insurance Distribution Act and its implementing decision or decisions are and will continue to be met.

The Intermediary is registered with the FSMA in the register of the insurance and reinsurance intermediaries under the category 'insurance brokers/insurance agents(\*)', under the number.....

The Intermediary ensures that, in the context of this registration, the requirements of the Insurance Distribution Act and its implementing decision or decisions are and will continue to be met.

The confirmation of the registration with the FSMA of the Intermediary and of the sub-agent is appended to this Agreement.

**Article 3**

The Intermediary bears no responsibility regarding other work and/or actions of the sub-agent other than those defined in Article 1 of this Agreement.

**Article 4**

On behalf of the Intermediary, the sub-agent, in accordance with Article 1, acts towards policyholders and potential policyholders for all insurance branches in which the Intermediary is active / for the following insurance branches (\*):

.....  
.....  
.....

**Article 5**

The sub-agent performs the work referred to in Article 1 of this Agreement solely and exclusively for the account of the Intermediary, for the insurance branches as referred to in Article 4 of this Agreement.

This excludes a cooperation as sub-agent for other insurance branches with other registered intermediaries, referred to in Article 1, 6 and 7 of the Insurance Distribution Act.

**Article 6**

The sub-agent is entitled to an annual commission on insurance contracts resulting from his work for the Intermediary. This commission consists of a part of the commission received by the Intermediary from the insurance company where the risk is placed, of course, insofar as the Intermediary is or will continue to be entitled to commission on the insurance contracts.

**Article 7**

7.1 The Sub-agent is responsible for the premium collection.

7.2 The Sub-agent collects the first premium due as soon as possible and the renewal premiums as soon as possible as well, but not later than on the premium due date.



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- 7.3 The Sub-agent is responsible for its accounts receivable policy. The consequences of any payment schedule in the framework of this policy agreed with the Client for the premium due are exclusively for the account of the Sub-agent.
- 7.4 In case of an overdue payment by the Client, the Sub-agent will inform Industrial Insurance Group in writing within forty-five days after the expiry of the premium due date and submit proof that it has reminded the customer and pointed out the consequences of overdue payment, after which Industrial Insurance Group will credit the Sub-agent in current account for the premium and will take over the collection.
- 7.5 If in case of overdue payment by the Client the Sub-agent fails to inform Industrial Insurance Group in writing within forty-five days after the expiry of the premium due date, Industrial Insurance Group will credit the Sub-agent in current account for the premium if and as soon as payment of the full amount of the premium due to Industrial Insurance Group has taken place at a later date.

## **7.2 Taking over premium collection**

- 7.1 Industrial Insurance Group may determine that the Sub-agent is no longer entitled to the premium collection in the cases referred to in Article 4:104 paragraph 2 of the Financial Supervision Act (Dutch Wft) and furthermore, if:
  - a The Sub-agent has been granted a suspension of payment or a debt reorganisation scheme for natural persons has been declared applicable to it;
  - b the winding-up of the Sub-agent has been filed for or the Sub-agent has been put into liquidation;
  - c the Sub-agent is placed under guardianship or has lost the disposition over its assets in any other manner;
  - d the Sub-agent is in the process of being wound up in liquidation or, in case of a natural person, has died, unless the AFM has granted an exemption to one of the persons referred to in paragraph 3 of Article 2:80 Financial Supervision Act and the Sub-agents company is continued;
  - e the Sub-agent, having been reminded repeatedly in writing by Industrial Insurance Group, has failed to pay a debit balance on its current account within the time limit laid down by Industrial Insurance Group by transfer to the bank account designated by Industrial Insurance Group;
  - f the Sub-agent has committed fraud with the intent to mislead Industrial Insurance Group in order to achieve financial benefit for itself or for third parties, unless the fraud was committed by an employee or other person under the responsibility of the Sub-agent without the knowledge of the Sub-agent and the Sub-agent has taken adequate measures against the person concerned.
- 7.2 If Industrial Insurance Group has determined that the Sub-agent is no longer entitled to the premium collection because of one of the reasons mentioned in 7.2.1, Industrial Insurance Group will take over the premium collection. The take-over off the premium collection by Industrial Insurance Group will leave the Sub-agents right to compensation intact.
- 7.3 After it has taken over the premium collection, Industrial Insurance Group can either charge the agreed collection costs to the Sub-agent, or buy out its right to compensation upon intake of the Portfolio.



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- 7.4 In the event of an intake of the Portfolio, Industrial Insurance Group will pay the Sub-agent a lump-sum payment, equal to the highest of these amounts:
- a. the amount calculated in accordance with the arrangement of the Minister of Finance of 27 March 1991, no. BGW 91-487, Government Gazette 1991, 61);
  - b. the amount, equal to the market value.
- 7.5 Industrial Insurance Group can only make use of the possibilities referred to in 7.2.3 after three months have expired since the take-over of the premium collection.
- 7.6 Industrial Insurance Group will inform the Sub-agent at least a month in advance by registered letter or by email of the proposed intake of the Portfolio and will provide a calculation of the lump-sum payment.
- 7.7 The intake of the Portfolio will not be implemented if the Sub-agent has requested Industrial Insurance Group in writing before the expiry of the time limit referred to in 7.2.6, to transfer the Portfolio to another Sub-agent, unless Industrial Insurance Group has made known to it in writing that it has legitimate objections against the other Sub-agent.

## **Article 8**

- 8.1 In respect of the Insurances belonging to the Portfolio and any new insurances placed with Industrial Insurance Group through the Sub-agents intervention, the Sub-agent is entitled to the remuneration agreed with Industrial Insurance Group as defined in the Commission Scheme.
- 8.2 Except where the provisions of Book 7 section 936 of the Civil Code (del credere clause) apply, the Sub-agent is only entitled to remuneration in respect of an Insurance in the Portfolio, or a new insurance with Industrial Insurance Group placed through its intervention, after the insurance premium has been paid by the Client.
- 8.3 The remuneration can be changed unilaterally by Industrial Insurance Group. If Industrial Insurance Group wishes to make changes in the right to remuneration, the amount thereof, or the applicable terms and conditions, it will inform the Sub-agent thereof in writing, at least two months before the effective date.
- 8.4 If Industrial Insurance Group changes the level of the remuneration, the amended remuneration applies:
- a. for new Insurances: from the commencement date;
  - b. for current Insurances: from the next contract expiry date;
  - c. for amendments to current Insurances: from the amendment date.



## Commission scheme

The following details our Commission Scheme:

<b>Portfolio exceeding*</b>	<b>Acquisition commission**</b>	<b>Ongoing commission***</b>
More than €500,000	5%	20%
€200,000/500,000	5%	17%
€100,000/200,000	5%	14%
€50,000/100,000	5%	11%
€12,500/50,000	5%	8%
Less than €12,500	15%	0%

\* = Portfolio larger than on reference date

- once a year on 1 November
- applicable to all entries (debit and credit) from that day forward

\*\* = Acquisition commission (one-off)

- for each new insurance
- payback period 1 year.

\*\*\* = collection by Industrial Insurance Group

- all correspondence is sent directly to the Client by email, the agent receives a copy
- Sub-agent receives only commission in current account



### **Article 9**

Except for as stated in Article 9 of this Agreement, the sub-agent can only claim the reimbursement as provided for in Article 6 of this Agreement as compensation for his work.

As long as the sub-agent limits its activity to the work defined in Article 1 of this Agreement, the ownership of and the Portfolio right to the insurance policies endorsed by the Intermediary through the sub-agent's intervention are vested exclusively in the Intermediary.

However, from the moment that the sub-agent obtains its own FSMA registration as an insurance broker or insurance agent, the Intermediary will transfer the ownership of or the Portfolio right to the insurance policies endorsed by the Intermediary through the sub-agent's intervention to its former active sub-agent, without any compensation in return.

### **Article 10**

Either Party may terminate this Agreement by registered letter with due observance of a notice period of one month during the first year of the Agreement.

After the first year, the notice period will be increased by one month for each commenced year, without this notice period exceeding six months.

The notice of termination by registered letter will only have an effect from the third working day following the date of dispatch.

Each Party may terminate this Agreement without notice or before the expiry of the period of notice and without prejudice to any compensation, if exceptional circumstances permanently preclude any professional collaboration or if one of the Parties has seriously fallen short of its obligations.

The Agreement may no longer be terminated without notice or before the expiry of the period of notice, if the fact to justify this was known to the Party who relies on it for at least 7 days.

After termination of the Agreement by the sub-agent or the Intermediary, the sub-agent will continue to retain the remuneration provided for in Article 6 of this Agreement by way of indemnity for the insurance contracts that were endorsed by the Intermediary through the sub-agent's intervention for as long as the Intermediary retains the rights to the commission on these insurance contracts.

The above-mentioned indemnity, however, is not due if:

- the Intermediary has terminated the agreement because of a serious shortcoming attributable to the sub-agent;
- the sub-agent or its heirs transfer the rights and obligations under this Agreement to a third party, according to an Agreement with the Intermediary.

The sub-agent will notify the Intermediary within one year after the termination of this Agreement that it exercises its right to indemnity.



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**Article 11**

By way of derogation from Article 9, this Agreement will terminate immediately from the moment that either the sub-agent or the Intermediary no longer fulfils the conditions laid down in the Insurance Distribution Act for registration with the FSMA in the insurance and reinsurance intermediaries register.

In that case, all rights provided for in this Agreement will lapse for the Intermediary and the sub-agent.

The Intermediary or the sub-agent will immediately inform the other party by registered letter of the cancellation of the registration as an insurance Intermediary in the FSMA.

Drawn up in..... on..... /..... /.....

In as many duplicates as there are parties involved.

For the sub-agent,

For the insurance intermediary

(Signature preceded by "read and approved".)

**(\*) Delete as appropriate**