**PROPERTY MANAGING AGENT COMMISION SHARING AGREEMENT**

Dear XXXXX

This letter sets out the agreement for ABC Brokers Limited (ABC) to share with **[INSERT MANAGING AGENT NAME]** (who act as the property managing agent to various Policyholders for whom we arrange a buildings insurance policy under their instruction) the commission it earns on the relevant policies issued to the said Policyholders.

This agreement should be considered in conjunction with the ABC Terms of Business document which has already been provided.

The agreement is effective from [Insert Date]

(1) The payments are earned by **[INSERT MANAGING AGENT NAME]** as remuneration for insurance distribution activities they perform as the property managing agent of the properties covered under the relevant building policies. These activities include (but not limited to): [Delete as Appropriate]

* Invoicing of tenants and/or leaseholders for the collection and payment of insurance premiums
* Issuing insurance certificates to tenants and leaseholders
* Provision of risk and underwriting information
* Presenting contract certain terms to your client
* Issuing cover instructions to ABC
* Assist with the gathering of information in support of claims
* Attendance at loss adjustor visits
* Notifying claims to ABC
* Negotiating claim settlements
* Attendance at insurer property surveys as and when required
* Ensuring implementation of risk improvements requirements with tenants and leaseholders are completed within the timescales required by insurers

(2) Commission is calculated as % of the gross premium before the application of Insurance Premium Tax.

(3) The amount of commission paid to be paid will be detailed within the terms provided for the relevant buildings insurance policy.

(4) Commission will be due on the new business or renewal transaction and any subsequent mid-term adjustments and includes a commission clawback on any mid-term adjustment generating a return premium, or refund. Cancellations will be considered as mid-term adjustments. We may, at our sole discretion, offset any commission clawbacks due back against any commissions payable.

(5) Our standard payment terms are within 30 days of the receipt of cleared funds for the relevant premium transaction (normally at the start of month following client premium payment). Commissions will be paid on a quarterly basis, in arrears, where premiums are paid by monthly instalments.

(6) **[INSERT MANAGING AGENT NAME]** shall be solely responsible for the payment of any and all taxes due including (but not limited to) Income Tax, VAT and National Insurance payable in respect of the commissions due to them and shall account to HM Revenue & Customs for the same.

(7) All parties acknowledge the requirements and scope of the Bribery Act 2010 and will maintain systems and controls to ensure that all payments made and received under this agreement cannot be considered bribes or facilitation payments (in accordance with the meaning of the Act).

(8) To the fullest extent possible **[INSERT MANAGING AGENT NAME]** shall indemnify and keep indemnified ABC against all losses, costs, claims and liabilities whatsoever incurred by ABC Insurance Brokers Limited arising from the Policyholders’ failure to comply with the requirements of clauses (6) and (7) above.

(9) This commission sharing arrangement will be reviewed on an annual basis but does not preclude alternative commission structures being considered on a case-by-case basis. ABC will be entitled to review and change this agreement to reflect changes in legislation or regulatory rules and where we are advised to do so by the Financial Conduct Authority or a relevant Government body.

(10) ABC will provide details of all commissions payments (in cash terms) to be received by both parties to this agreement in the quote it prepares for the Policyholder. **[INSERT MANAGING AGENT NAME]** agrees to pass the details of these commission payments onto the relevant Policyholder and/or the Directors of the relevant Residential Management Company or Right To Manage Company, prior to the issuance of cover instructions to ABC.

**On behalf of ABC Brokers Ltd**

Signed:

Name

Position: Director

Date:

On behalf of **[INSERT MANAGING AGENT NAME]**

Signed:

Name

Position:

Date: