This Deed is made this [DATE] by [The Company] (“the Firm”) whose Registered Office address is XXXXXXXXXXXXX.

RECITALS

1. The firm carries on business involving insurance mediation activity as defined in the Financial Conduct Authority Handbook (“the Handbook”)
2. The Firm intends to act as agent for one or more insurance undertakings with whom it has or will enter into such written agreements as required by CASS 5.2.3R of the Clients Assets Sourcebook forming part of the Handbook
3. By this Deed the Firm intends to constitute with effect from the date of this Deed and set out the terms of a non-statutory risk-transferred money trust under which any money received by the Firm as agent for any such insurance undertaking will be held on trust as set out in this Deed separate from the Firm’s money

Operative Provisions

1. In this Deed expressions defined in the Handbook as in force on the date of this Deed have those defined meanings. Further, the expression “Insurer” means an insurance undertaking as defined in the Glossary to the Handbook with which the Firm has made or makes a written agreement within Clause 2 (ii). Where required by any Insurer, the Firm will endorse on this Deed the name of that Insurer
2. For the purposes of this Deed money is risk-transferred money where:
3. The Firm in its capacity as an insurance intermediary (a) holds the money for the Insurer pursuant to a written agreement (whether an agency agreement or terms of business agreement and whether or not the same agreement as referred to in sub clause (b) below) requiring the money to be segregated from the Firm’s money and (b) has made with the Insurer a written agreement in accordance with CASS 5.2.3(R); and
4. There is no agreement between the Insurer and the Firm pursuant to CASS 5.1.5A R for the money to be treated as client money
5. Risk –transferred money may include any premiums including additional and return premiums , claims money, refunds, tax and professional fees (that is fees of third parties instructed on behalf of any of the Insurers, and not fees in respect of the Firm itself as principal)
6. As from the date when this Deed becomes effective the Firm constitutes itself as trustee of the risk-transferred money from time to time received and held by the Firm on the terms set out in this Deed and accordingly such risk-transferred money shall be held on the trusts set out in this Deed separate from the firm’s money and client money. Any such risk-transferred money shall be segregated from the Firm’s money by being paid as soon as practicable either into a bank account opened in accordance with this Deed or to the relevant Insurer for whom it is held
7. For the purposes of the trust constituted by this Deed the Firm shall hold the risk-transferred money in one or more bank accounts (a “risk-transferred money account”) the title of which shall include the words “Insurance Brokers Insurer’s Trust Account”. In any case where the written agreement referred to in clause 2(i) above made with the Insurer stipulates for risk-transferred money, in sofar as held for the Insurer, not to be co-mingled with any other risk-transferred money, there must be a separate risk-transferred money account used exclusively for the risk-transferred money held for the Insurer, and that risk-transferred money may not be pooled when invested in any investments within clause 9 below. Subject to that any risk-transferred money may be co-mingled whether in a risk-transferred money account or being invested in accordance with clause 9 in pooled investments
8. With the previous written consent of the Insurers for whom for the time being the risk-transferred money is held a risk-transferred money account need not be with an approved bank. Subject to that, any risk-transferred money account must be with an approved bank.
9. Within twenty-five business days after the first occasion on which the Firm receives any risk-transferred money for an Insurer the Firm shall provide confirmation to the Insurer that the bank at which the risk-transferred money is held has acknowledged and confirmed in writing that:
10. all money standing to the credit of the risk-transferred money account is held by the Firm as trustee and that the bank is not entitled to combine the account with any other account or to exercise any right of set-off or counter claim against money in that account in respect of any sum owed to it on any other account in the name of the Firm; and
11. that the title of the account sufficiently distinguishes it from any account containing money which belongs to the Firm or is client money and is in the form requested by the Firm
12. Any money which for the time being is held on the trusts of this Deed is held
13. (subject to clause 8(ii) below for the Insurers for whom that money is held by the Firm according to their respective rights and interests and (as far as appropriate on such terms (if any) as may have been specified in the agreements referred to in clause 2(i)(a)) above;
14. On the failure of the Firm for the payment of the costs properly attributable to the distribution of the money in accordance with clause 8(i) above; and
15. Subject to clauses 8(i) and 8 (II) above, for the Firm itself
16. The Firm has power to invest in designated investments subject to the terms set out in this Deed and for this purpose the powers and obligations set out in CASS 5.5.14R (other than CASS 5.5.14R (2)(a)) shall apply as though risk-transferred money were client money and this Deed constituted a non-statutory trust. For the avoidance of any doubt the trust hereby constituted extends to and makes subject to the trusts set out in the previous clause any designated investments in accordance with CASS 5.5.14R as so applied
17. The Firm shall be entitled to draw from the account such commission payments or fees as may be agreed in accordance with the terms of the agreements referred to in clause 2(i)(a) above and such payments or fees shall be withdrawn from the account within twenty five business days of the Firm obtaining beneficial title to such monies
18. The Firm may not make advances of credit itself out of any of the risk-transferred money trust hereby constituted and accordingly may not withdraw commission payments or fees from the risk-transferred money trust before it has obtained the beneficial title to such commission payments or fees. Subject to this the Firm is authorised as trustee to make advances of credit to the Firm’s clients and Insurers from the risk-transferred money. Any debt obligations which arise if the Firm makes any advances of credit will be subject to the trust hereby constituted
19. Within twenty-five business days of a written request being made by any Insurer who has made with the Firm an agreement within clause 2(i)(a) above the firm shall provide to the Insurer or his authorised representative or auditor during usual business hours access to all data, information, documents and records maintained by the Firm in its capacity as agent of the Insurer in whatever medium such may be held and for that purpose shall allow access to the Firm’s premises and shall permit the inspection and taking of copies
20. The Firm shall require its auditors annually to give an opinion as to whether or not the risk-transferred money account is being operated in accordance with the terms of this Deed
21. At least once in every period of twenty-five business days the Firm must check that it has sufficient money segregated in the risk-transferred money account to meet its obligations to Insurers. To do this the Firm must calculate the amount which should be segregated (“the requirement”) and compare that with the amount segregated (“the resource”). The calculation is based in the first instance on the Firm’s accounting records and must be followed by reconciliation with its banking records. If there is a shortfall in the resource compared with the requirement, the Firm must forthwith make a payment equal to the shortfall to the credit of the risk-transferred money account. If there is an excess, the amount of the excess must be withdrawn unless and to the extent that the Firm is satisfied that it is prudent to maintain a positive margin to ensure the calculation is accurate having regard to any unreconciled items in its business ledgers as at the date on which the calculation is performed
22. Any interest or investment returns earned on or derived from the Firm’s holding of risk-transferred money shall belong to the Firm which shall not be bound to account for the same to any other person. However this is subject and without prejudice to any other arrangement which the Firm may make with any Insurer
23. To the extent it considers appropriate but subject to clause 17 below the Firm may satisfy the requirement to segregate risk-transferred money from the Firm’s money and client money by segregating or arranging for the segregation of designated investments with a value at least equivalent to such money as would otherwise have been segregated into a risk-transferred money bank account
24. The Firm may not invest the risk-transferred money unless it
25. takes responsibility for meeting any shortfall in its risk-transferred money resource which is attributable to falls in the market value of a designated investment
26. takes steps to ensure that the investment is at all times in conformity with the range of permitted investments general principles and conditions in CASS 5 Annex 1R
27. The Firm may at any time and from time to time by deed supplemental to this Deed amend the terms of this Deed to enable the trusts hereby constituted to comply with the requirements which may be set out in the Handbook as in force from time to time for a non-statutory risk-transferred money trust PROVIDED that the amendment may be made after failure of the Firm and no amendment may be made which diminishes or materially affects adversely the existing beneficial interest of any Insurer in any part of the funds for the time being subject to the trusts of this Deed

SIGNED as a DEED by

…………………………………………………………….[Name]

……………………………………………………………Director

in the presence of:-

Witness signature………………………………………………..

Witness name……………………………………………………

Witness address…………………………………………………

……………………………………………………………………..

Witness occupation…………………………………………….

…………………………………………………………….[Name]

……………………………………………………………Director

in the presence of:-

Witness signature………………………………………………..

Witness name……………………………………………………

Witness address…………………………………………………

……………………………………………………………………..

Witness occupation…………………………………………….