

**AGENCY AGREEMENT**

**BETWEEN**

**XXXX INSURANCE SERVICES**

**&**

***INSERT COMPANY NAME***

**THIS AGREEMENT** is made on this \_\_\_\_\_ day of \_\_\_\_\_ 2015 between the ~~XXXXXXXXXXXX~~ of Post Office Box Number xxxxxxxx Nairobi (Hereinafter referred to as "~~XXXX~~") of the **ONE PART** and the ~~XXXXXXXXXXXX~~, of Post Office Box Number xxxxxxxx Nairobi (Hereinafter referred to as "~~XXXX~~") on the **OTHER PART**

### **1. Terms of agreement**

- a) This agreement specifies the terms and conditions under which the agent may introduce business to the company.
- b) Nothing in this agreement shall override the duty of the agent to place the interest of the prospect before all other considerations.
- c) This agreement shall not be assignable by either party.
- d) This agreement does not bind the company to accept any proposal for new business or renewal put to it by the agent, nor does it bind the agent to accept on behalf of the prospects the terms put to it by the company.

### **2. Law and Jurisdiction**

This agreement shall be construed according to Kenyan Law and any disputes arising in respect of it shall be determined under the Kenyan law.

### **3. Variation**

Any variation to the terms of this agreement must be confirmed in writing by both parties and shall not negate the content of this contract.

### **4. Authority**

- 4.1. The company hereby appoints the agent subject to the terms and conditions of this agreement, as its non-exclusive agent for the sale of its insurance products.
- 4.2. The agent shall not, without consent of the company, amend quotations or terms or conditions of insurances arranged by the company, or place clients on cover.

### **5. Duties of the agent**

- 5.1. The agent will comply with all laws, statutes and regulations affecting the subject matter of this agreement, and in particular abide by the rules, requirements and procedures of the Insurance Regulatory Authority.
- 5.2. The agent undertakes to pass to the company promptly any material information notified to the agent by the client in connection with any insurance contract in which it has an interest.

## **6. Duties of the company**

In its dealings with the agent, the company shall act dutifully and in good faith and in particular shall:

- a) Inform the agent and the prospect within a reasonable time of its acceptance or refusal of any transaction;
- b) To give a renewal notice to the client and the existing agent and only renew on the instruction of the client;
- c) To perform their obligations as provided in the Guidelines on registration of Agents issued by the Authority; and
- d) Where the business was introduced by the Agent, the Insurer shall not renew the business without notifying the existing Agent.
- e) Where the agent ceases to represent the company the business introduced by the Agent shall be treated as direct business and no further commission shall be paid to any other person.

## **7. Commission**

- 7.1. In consideration of the obligations undertaken or agreed to be undertaken by the agent under this agreement, the company shall, during the term of this agreement, pay the agent commission as agreed with the insurer.
- 7.2. In case of termination of this agreement the Agent shall be entitled to;
  - (a) in case of death, the commission due to the agent for the next six month from the time of death; or
  - (b) in any other case the commission earned at the time of termination; and
  - (c) all other benefits and entitlements.

## **8. Termination**

- 8.1. This agreement shall come into force on the date hereof and subject to the rights of termination set out in this agreement, shall continue in force for a period of one year and thereafter unless or until terminated by either party giving the other not less than sixty days' notice; such notice must be given in writing by post, e-mail or fax addressed to the either party.
- 8.2. Either party shall be entitled to terminate the agreement forthwith upon written notice if the other party commits any breach of this agreement, if either party makes any voluntary arrangement with its creditors or goes into liquidation or bankruptcy or ceases to carry on business.

- 8.3. If the Agent is unable to achieve the production targets due to illness or any other cause and is temporarily or permanently, prevented from performing his obligations, a notice not less than six Months shall be issued before termination.
- 8.4. Upon retirement of an agent due to old age or infirmity, the agent shall be entitled to receive commissions for a further period of not less than 24Months before the company is discharged from all liability.

## **9. Consequences of termination**

Termination of the contract shall not affect the rights and liabilities of either party existing at the date of termination.

## **10. Confidentiality**

- 10.1. Any information relating to the agent made available to the company by the agent will not be used by the company or disclosed to any third party by the company or any of its employees without prior agreement of the agent.
- 10.2. Any information relating to the company made available to the agent by the company will not be used by the agent or disclosed to any third party by the agent or any of its employees without prior consent of the company.

## **11. Security Deposit**

The Company shall within 3 Months in the event that the security bond is not applied be released to the agent upon signing of a discharge Voucher.

## **12. Disclosure**

Agents will treat all medical information as confidential. The agent will be under a duty to disclose such information to the principal if he is aware that such could affect the acceptance of any application for a policy.

## **13. Licenses**

The agent shall at all times maintain valid and current business licences and shall at all times operate within the Laws and regulations governing the industry. Conforming to the sales practices as outlined in the Insurance Act, and regulations as modified or amended from time to time will be a requirement.

#### **14. Record Keeping**

14.1. An agent shall keep and maintain in connection with his business such books, records, accounts, and other documents as required under the Contract of Service.

14.2. Any cheques, securities, policies, receipts books or other records being in possession of the Agent shall be kept securely locked in a suitable safe.

#### **15. Principles**

An agent shall exercise due care, skill, and diligence in his business dealings and shall deal fairly with all clients and maintain the highest standards of integrity and discipline.

#### **16. Arbitration**

All disputes, differences or questions that may arise regarding the implementation or interpretation of the agents agreement or the terms thereof, shall be referred to the decision of an arbitrator to be appointed in writing by the parties. The Arbitration laws of Kenya shall govern the arbitrator and the award of the arbitration.

#### **17. Waiver**

The delay or failure by the Agent to exercise any of its rights in any one instance will not preclude it from exercising its rights at that time or at any other time

#### **18. Amendment**

Amendments on the Contract shall be done in writing signed by the parties.

#### **19. Notices**

Any notice made by either party to the other under or in connection with this agreement shall be in writing and may be delivered personally or sent by mail, fax, or other written means of communication to the relevant parties' office. All written notices shall be deemed received by the other party as follows-

- (a) If delivered personally on the next working day
- (b) If sent by post within 7 days from the date of posting

#### **20. The Services**

The Agent shall perform its services in consideration of the payment of the compensation as agreed, and which are in line with the Law and upon the terms and conditions of the agreement.

## **21. Representations and Warranties**

The agent Represents that they:

- (a) have full capacity and authority and all necessary licenses, permits and consents to enter into and provide all necessary services under the agreement;
- (b) appropriately experienced, qualified and trained to perform its services;
- (c) shall discharge, their obligations, with due skill, care and diligence including but not limited to good industry practices;
- (d) shall be performed the services in compliance with all applicable laws, enactments orders, regulations, and other similar instruments.

The Insurer Represents that:

- a) it shall compensate the agent in accordance with the law and this Contract
- b) it shall provide the Agent with such information as is reasonably necessary for the Agent to conduct its business
- c) in its relationship with the agent the insurer shall respect and comply with this Contract and all the applicable laws

## **22. Miscellaneous provisions**

22.1. The contract constitutes the entire agreement between the parties hereto and supersedes any and all prior contracts and relations between the parties hereto relating to the company's business other than debts owed or guaranteed of payments made by the life assurance agent to the company.

22.2. The headings in the contract shall not affect its interpretation.

22.3. If any terms or provision in the contract shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law. Such term or provision or part shall to that extent be deemed not to form part of this contract but the validity and enforceability of the remainder of the contract shall not be affected.

22.4. Whenever required by context, the use of the singular number shall be constructed to include the plural, and the use of the plural the singular and the use of any gender shall include both genders.