

MODEL AGENCY AGREEMENT

DRAFT

HEADING

**AGENCY AGREEMENT BETWEEN ABC
INSURANCE AGENCY & XYZ INSURANCE
COMPANY LTD**

THIS AGREEMENT

- **THIS AGREEMENT** is made on this _____ day of _____ 20—(commencement date) between the **ABC Insurance Agency** of Post Office Box Number xxxxxxxx xxxxxxxx (Hereinafter referred to as “**Agent**”) on **ONE PART** and the **XYZ Insurance Company Ltd**, of Post Office Box Number xxxxxxxx xxxx (Hereinafter referred to as “**company**”) on the **OTHER PART**

Whereas

- The company is a duly registered insurance company carrying on insurance business in the Republic of Kenya and the agent is an independent contractor with a considerable knowledge in the provision of insurance services.
- The company is desirous of engaging the services of the agent and the agent has accepted such engagement on the terms and conditions herein.

General terms of agreement

- This agreement specifies the terms and conditions under which an Agent may represent the Company in an insurance transaction.
- This agreement shall not be assignable by either party.
- The Company reserves the rights to accept any proposal for new business or renewal request submitted by the Agent.

Miscellaneous Provisions

- The contract constitutes the entire agreement between the parties hereto and supersedes any and all prior contracts and relations between the parties on the company's business other than debts owed or guarantees of payments made by either party.
- The headings in the contract shall not affect its interpretation.

Miscellaneous Provisions

- 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.

Miscellaneous Provisions

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

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.

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.

Authority

- The Company hereby appoints the agent subject to the terms and conditions of this agreement for distribution of its insurance products.
- The Agent has no authority on behalf of the company to alter, modify, or discharge any insurance contract.

Authority

- The Agent has no authority to alter, modify, delete from or add any Company documents and shall not without the written consent of the Company publish or advertise any material regarding the Company.

Duties of the Agent

The Agents shall perform the following duties;

- Solicit and procure business on behalf of the company;
- Maintain confidentiality of all the information received from the client;

Duties of the agent

- Convey all information received from the client to the company; and
- Uphold the image and brand of the Company.

Duties of the company

In its dealings with the Agent, the Company shall act in good faith and in particular shall:

- Inform the Agent and the prospect within a reasonable time of its ***acceptance*** or ***refusal*** of any transaction;

Duties of the company

- Give a *renewal notice* to the *client* and the existing *Agent* and only renew on the *instructions* of the client;
- Where the Agent *ceases* to represent the Company in case of general insurance business, the *business introduced* by the Agent shall be treated as *direct business* and *no* further commission shall be *paid* to any *other person*.

Commission

- 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 Company.

Commission

- In case of ***termination*** of this agreement, a ***Life Agent*** shall be entitled to;
- In case of death or incapacitation, the commission due to the Agent for the next ***12 months*** from the time of death or ***incapacitation***;

Commission

- In case of ***retirement***, the commission due to the Agent for the ***next 24 months*** from the time of retirement.

Commission

- In case of *resignation*, the commission due to the Agent for the *next 6 months*.
- In case of *dismissal* on grounds of *non-performance*, the commission due to the Agent for the *next 12 months*.

Commission

- In case of dismissal on grounds of fraud, criminal offense, misappropriation of funds, misrepresentation, unexplained absenteeism for more than one month, no commission shall be paid to the Agent.

Commission

- In any other case the *commission accrued at the time of termination*; and
- Any other benefits and entitlements at the time of termination.

Contract Termination

- This agreement may be terminated by either party giving the other ***at least 30 days prior written notice*** of the intention to terminate this agreement.

Contract Termination

- This agreement may be terminated by the Company on grounds of ***non-performance*** and unexplained ***absenteeism*** for a period exceeding ***one month***.
- This agreement may be terminated ***without notice*** if any of the following events occur:-

Contract Termination

- If either party *commits a breach* or fails to observe or perform any of the terms, conditions or provisions *of this agreement*;
- If the Agent fails to comply with any of the regulations, rules, requirements, guidelines issued under the *Insurance Act*;

Contract Termination

- If the Agent's *registration* with the Authority is *cancelled* or suspended or *not renewed* upon its expiry;
- If a *bankruptcy* petition has been filed in court against the Agent and not withdrawn or dismissed or if a bankruptcy order is made against the Agent;

Contract Termination

- If the *Agent is a company* or in case of the Company, *a liquidation order* or order for the appointment of a *receiver* or statutory manager is made by the court or the Authority as applicable;

Contract Termination

- If either party enters into a *compromise* or a scheme of arrangement with creditors;
- If either party is involved in *fraud*;
- If performance of the contract is *frustrated*;
and

Contract Termination

This contract shall be terminated

- i. either party is convicted of *criminal* offense

- ii. The Agent is unable to perform his obligations due to illness or any other cause and is *temporarily or permanently incapacitated*, a *notice not less than six months shall be issued before termination*.

Contract Termination

- Termination of this agreement shall not affect the rights, obligations and liabilities of either party in respect of any act or omission which ***occurred before the termination.***

Confidentiality

- Any information relating to either party made available to the other shall not be used or disclosed to any third party by the other party or its employees without prior consent of the other party.

Security Deposit

- The Company shall *every month retain 2%* of the agent's commission *per policy* as a security deposit subject to a maximum of Kenya shillings 500 per month.

Security Deposit

- This security deposit shall be retained by the Company for ***a period of six months*** after the termination of the agent's contract.

Security Deposit

- In the event that the security deposit is not applied within the six months period, it shall be released to the agent upon signing of a discharge voucher or where it is partially applied, the balance at the end of six months shall be refunded by the Company.

Disclosures

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

Disclosures

- An Agent shall keep and maintain in connection with the business such books, records, accounts and other documents as the Company shall from time to time direct.

Licenses

- The Agent shall at all times maintain valid and current business licenses and shall at all times operate within the laws and regulations governing the industry.

Record Keeping

- An Agent shall keep and maintain in connection with the business such books, records, accounts and other documents as the Company shall from time to time direct.

Dispute Resolution

- Both parties shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute arising between them under or in connection with the agreement.

Dispute Resolution

- Any dispute which cannot be amicably settled between parties within thirty (30) days shall be referred to mediation by the Authority.

Waiver

- The delay or failure by either party to exercise any of their rights in any one instance will not prevent the party from exercising their rights at that time or at any other time.

Amendment

- The provisions of this agreement may only be added, modified or varied by the written consent of the parties to this agreement.

Notices

- Any notice made by either party to the other under or in connection with this agreement shall be in writing.

WITNESS

- **IN WITNESS**, whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

Signature

- **SIGNED for and on behalf of the ABC;**
- Binding signature of the **ABC**: Signature:

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-

Name:

-

(Principal Officer)

-

Date:

- In the presence of:

Signature:

-

Name:

-

Date:
