



The 2018 General Terms and Conditions for Insurance Brokers of the Finnish Insurance Brokers' Association

1 Definitions

Contracting parties: The insurance broker (hereinafter referred to as the Broker) and Client together

Contract: The Contract consists of the following documents:

- Service Agreement
- Appendices mentioned in the Service Agreement
- These General Terms and Conditions

Unless otherwise agreed in the Service Agreement, the order of application of the documents is the same as above.

Contract Period: 12 months from the effective date of the Contract and thereafter always 12 months at a time, unless the Contract is cancelled or other arrangements have been agreed upon in the Service Agreement.

Services: The Services specified in the Service Agreement.

Supplementary Services: Services other than those specified in the Service Agreement.

2 The Broker's Responsibilities and Obligations

2.1 The Broker shall be responsible for implementing the Services with care and in a professional manner according to the Client's instructions. After the Service Agreement has taken effect, the Broker shall be given a reasonable amount of time to get acquainted with the Client's insurance needs and valid insurance cover.

- 2.2 The Broker shall supply the Services based on the information and material provided by the Client. If the Broker observes an error or deficiency in the information, the Broker shall inform the Client about this without delay. However, it is not the Broker's responsibility to check the accuracy of the information or material provided by the Client. The Broker shall not be responsible for any error in the Service which is the result of the deficiency or inaccuracy of the information provided by the Client.
- 2.3 Should an error occur in the Service supplied by the Broker to the Client, the Broker shall have the right and obligation to amend the error they have caused free of charge as soon as circumstances allow. If the Client fails to inform the Broker in the way specified in section 3.1.2 about an error they have discovered or which they can reasonably be expected to have discovered, the Client shall not have the right to lodge a claim based on the error.
- 2.4 The Broker shall be obliged to compensate any damage caused by their actions which are contrary to law or to the Service Agreement, to the Client or another party whose rights the commission or insurance relates to. However, the Insurance Broker shall be discharged from liability if they are able to demonstrate that they have acted in a professional manner and with care.
- 2.5 The parties to the insurance contract shall be the insurance company and the Client. The Broker shall not be responsible for granting an insurance policy, the contents and interpretation of the terms of policy, or the good financial standing of the insurance company or anything else relating to the insurance company.
- 2.6 The Broker shall not be liable for any damage caused by the Client's failure to pay for their insurance premium by the due date.
- 2.7 The Broker's responsibility shall be limited at most to the amount of the fees paid for the Contract Period when the error or deficiency occurred. The Broker shall not be held responsible for any direct or indirect damages caused to the Client, a company belonging to the same group as the Client or any third parties, including but not limited to: lost profit (*lucrum cessans*); the loss of income, revenue or markets; the disruption of production or service; the failure to enter into an agreement with a third party, or any other comparable damages.
- 2.8 Any claims for compensation for an error caused by the Broker shall be presented in writing no later than three (3) months after the Contract has expired and in any case at least according to the time period specified in the act on the limit for recovering debts, or otherwise the right to demand compensation is lost.
- 2.9 The Broker shall undertake to retain in force the liability insurance required by law and to present, at the Client's request, an insurance certificate that proves the validity of the insurance policy and shows its key content.
- 2.10 The Broker is obliged to keep any funds in their possession which belong to the Client or the insurer, in a bank account separate from their own assets. The Broker shall also remit these funds to the recipient without delay.

3 The Client's Responsibilities and Obligations

- 3.1 The Client shall be obliged to:
- 3.1.1 at the Broker's request, supply the Broker without delay with any sufficient and accurate information required for the supply of the Services and for making an insurance contract;
 - 3.1.2 become acquainted with all the material supplied by the Broker (including insurance policies and terms of policy), and to inform the Broker without delay if there are any errors in the material or service, or if the material or service does not meet the Client's instructions or requirements;
 - 3.1.3 cooperate with the Broker in such a way that the Broker is able to supply the agreed upon Services, for example, by arranging access to the object of insurance for evaluation purposes, if required;
 - 3.1.4 inform the Broker without delay about any changes to the Client's business or risks which may have an effect on the services provided by the Broker or to the insurance policies brokered by the Broker.
 - 3.1.5 supply the Broker with all the necessary information and complete any other actions requested by the Broker to ensure that the Broker fulfils their legal obligations as regards risk assessment and the identification and identity verification of the Client.
- 3.2 The Client shall undertake to sign a letter of attorney, which determines the Broker's contractual rights in relation to insurance companies. The Client shall deliver the signed letter of attorney to the Broker as soon as possible or in connection with the signing of the Contract. The Client understands that the Broker cannot represent the Client without a valid letter of attorney.
- 3.3 If the Client is a building management / real estate management company that enters into the Contract on behalf of the companies ("Company") it supplies services for, the letter of attorney shall have an appendix listing the Companies. The appendix to the letter of attorney shall be updated as the Client obtains new Companies to serve or as Companies cease to order the services of the Client.

4 Remuneration

- 4.1 The grounds for the remuneration are defined in the Service Agreement.
- 4.2 The Broker is entitled to Remuneration when the Contract has come into effect. Unless agreed otherwise, the Client shall pay the Remuneration in one instalment within 14 days of the invoice date.

- 4.3 If any significant changes occur in the Client's business, risks, insurance cover requirements or any other matter that will affect the Broker's workload, the Contracting Parties shall negotiate a change in the Remuneration that corresponds to the change in workload. However, any Remuneration invoiced and paid before this shall not be refunded to the Client. Significant change refers, for example, to a change exceeding 15% in the Client's revenue due to mergers and acquisitions, or a significant change to the Client's line of business. Significant change does not refer to normal business growth or decline.
- 4.4 The Remuneration does not include value added tax or other corresponding taxes, unless required by law.
- 4.5 Interest on arrears shall be paid on any delayed Remuneration starting from the due date. The Client shall pay any expenses incurred to the Broker from collecting the delayed Remuneration.
- 4.6 The Broker and the Client shall agree on any Supplementary Services and the remuneration paid for them separately.
- 4.7 The Broker has the right to the entire Remuneration for the ongoing Contract Period, even if the Contract is terminated to end before the end of the ongoing Contract Period, or if the Client's insurance contract is terminated in the middle of the insurance period and the Client consequently receives a refund for the insurance payment.

5 Supplementary Services

If the Client requests the Broker to supply any other services than those specified in this Contract, these general conditions of contract shall be applied also to such Supplementary Services, unless otherwise agreed in the contract on Supplementary Services.

6 Confidentiality

- 6.1 The Broker shall undertake to protect the confidentiality of any information provided by the Client. Information is considered confidential when it concerns the Client's or another party's financial status, state of health or other personal circumstances, and business or professional secrets. However, when the provision of services so requires, the Broker shall have the right to disclose confidential information to third parties, such as insurers offering insurance, loss adjusters or the Broker's subcontractors.
- 6.2 The secrecy obligation does not concern information
- 6.2.1 for whose disclosure or revelation the Client has provided their written consent beforehand;
 - 6.2.2 which the Broker is obliged to disclose or reveal by law, decree or other government regulation, or by court order;
 - 6.2.3 which is generally available, otherwise public or generally known.

7 Personal and Customer Data

- 7.1 Both Parties shall undertake to protect the confidentiality of any business secrets and other confidential information they have received concerning the other Party. The secrecy obligation shall continue even after this Contract has ended. The Parties shall also make sure that their employees pledge to protect the confidentiality of such information.
- 7.2 The Broker shall process personal data in accordance with the EU's General Data Protection Regulation and/or any other valid legislation. The Broker shall implement such technical, physical and organisational measures that fulfil the security requirements for data processing provided by law.
- 7.3 It is the Client's responsibility to ensure that it has the right to disclose personal data to the Broker. Personal data shall be processed only in cases where the data is necessary in order to perform the Service.
- 7.4 The Broker may disclose information concerning the Client if required to do so by an imperative legal provision, court order or a binding provision by authorities. With the Client's consent, the Broker also has the right to disclose information to an insurance company, loss adjuster or other corresponding body and to a company belonging to the same group as the Broker when it is necessary in order to perform the Service.
- 7.5 The Broker has the right to use the Client's confidential information in anonymous industry-specific or corresponding statistics in which the information cannot be linked to an individual customer. The Broker also has the right to disclose these statistics.
- 7.6 In addition to information provided by customers, the Broker may collect commercially distributed customer data from various sources. Such data may include names, addresses and email addresses.
- 7.7 Information disclosed by the client may be transferred outside the EU member states for processing purposes in accordance with the provisions of the EU's General Data Protection Regulation and other valid data protection legislation.

8 Intellectual Property Rights

The proprietary rights and copyright and other intellectual property rights to the tools and material developed or used in connection with the provision and implementation of the Service, such as software, forms and the manner of presenting the material, shall belong to the Broker. Without the Broker's written consent, the Client shall not have the right to use such tools and material for any other purpose than those provided in the Contract or to disclose them to third parties.

9 Notifications

All notifications pursuant to this Contract shall be made in writing and sent using the contact information provided by the Client or the Broker.

10 Procedures for the Revision of the Contract

- 10.1 The Service Agreement contains everything that has been agreed upon between the Contractual Parties and shall replace and supersede all previous verbal and written agreements, offers, negotiations and presentations relating to the Services and Supplementary Services.
- 10.2 The Broker has the right to amend the Services, Supplementary Services, prices and invoicing practices defined in this Contract. The Broker shall notify the Client of any changes in writing at least one (1) month before the changes come into effect.
- 10.3 If the Client does not accept the changes, the Client shall notify the Broker about this in writing within one (1) month of receiving the notification of changes, after which the Contractual Parties shall immediately start negotiations on the matter. If no agreement is reached during these negotiations, each Contractual Party may cancel the Contract to end within three (3) months, during which time the Contract shall continue under the same conditions.

11 Validity of the Contract

- 11.1 The Contract shall come into effect on the date agreed upon in the Service Agreement. If no effective date has been agreed upon, the Contract shall come into effect when it has been signed by both Contractual Parties.
- 11.2 The non-fixed term Contract can be cancelled in writing at the earliest one (1) year from the effective date of the Contract, with a period of notice of three (3) months.
- 11.3 After the Contract has been cancelled, the Broker's responsibility to deliver Services and Supplementary Services, including the handling of claims, shall end at the latest at the end of the period of notice unless agreed otherwise between the Contracting Parties.
- 11.4 If the Client is a housing association/real estate corporation/other society ("Company"), on behalf of which the Contract is signed by a building management or real estate management company or another authorised agent, the termination of the building management or real estate management agreement or the expiry of another power of agency shall not affect the validity of this Contract.
- 11.5 In addition, each Contractual Party may terminate the Contract with immediate effect in the following cases:

- 11.5.1 If the other Contractual Party breaches the Contract in a significant way. If the breach of contract is remediable, the Contract can only be terminated, however, if the offending Contractual Party fails to remedy the breach of contract within 30 days of receiving a written demand for remedying the breach of contract from the other Contractual Party.
- 11.5.2 If the other Contractual Party is declared bankrupt or goes into administration, is placed in liquidation or restructuring of debts, or goes out of business.

12 Legal Duty of Disclosure to the Client

The Broker shall not own directly or indirectly more than a 10 per cent share of any insurer's number of votes or capital, and no insurer or its parent company shall own directly or indirectly more than a 10 per cent share of the Broker's number of votes or capital.

The Broker's name has been entered in the Register of Insurance Intermediaries maintained by the Financial Supervisory Authority. The registration entry can be checked on the Financial Supervisory Authority's website at www.finanssivalvonta.fi.

The Client is aware that the Client can report any procedures that are contrary to the legislation applied to insurance brokers or contrary to good brokerage practice to the Financial Supervisory Authority for control action.

13 Disputes and the Applicable Law

- 13.1 This Contract will be construed under the laws of Finland.
- 13.2 The Parties shall strive to solve any disputes by means of negotiation. The Parties shall refer any disputes resulting from this Contract to be primarily settled amicably in an arbitration taking place in accordance with the rules of conciliation of the Finnish Bar Association. A settlement can be referred to an arbitrator or a district court for confirmation.
- 13.3 Otherwise any disputes shall be settled in the district court of the Broker's domicile, unless agreed otherwise in the Service Agreement.