



General Insurance/Takaful Agent Handbook

1 July 2014

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A GENERAL INSURANCE/TAKAFUL AGENT HANDBOOK

1. Short Title and Commencement

- 1.1 This handbook may be cited as the **General Insurance/Takaful Agent Handbook (hereinafter referred to as 'Handbook')**
- 1.2 This handbook shall come into force on **1st July 2014**.

2. Application of Handbook

- 2.1 This handbook shall apply to Agents who does all or any of the following:-
 - a) solicits/procures or obtains a proposal for insurance/takaful on behalf of a general insurer and general takaful operator;
 - b) offers or assumes to act on behalf of a general insurer and general takaful operator in negotiating a policy/certificate;
 - c) does any act on behalf of a general insurer and general takaful operator in relation to the issuance, renewal or continuance of a policy/certificate.

3. Definition and Interpretation

- 3.1 For the purpose of this handbook, any one of the following may be deemed to be an agent:-
 - a) Individual Agent or
 - b) Corporate Agent.

'Individual agent' means a sole proprietorship under Business Name Act (Chapter 92) to transact in general insurance or general takaful business for general insurance company or general takaful operator. Any individual agent registered must be a Brunei citizen or permanent resident.

'Corporate agent' means a company registered under the Companies Act, (Chapter 39) and set up to transact general insurance or general takaful business for general insurance company or general takaful operator.

'Corporate nominee' means nominee who act for corporate agent and who provide technical advice on general insurance and general takaful business.

'The Authority' refers to Autoriti Monetari Brunei Darussalam (AMBD).

'Certificate of Registration' means a certificate issued by BITA to agents.

'Designated Person' is a person appointed by the owner of the agent's company and is charged with the responsibility of managing the affairs of the agent's company.

'Commission' means an amount or a benefit in kind, whether expressed as a percentage of premium or not, agreed to be paid by an insurer to an insurance intermediary including introducer's fees.

“General Insurance Business” means all general insurance business (including the re- insurance of liabilities under a policy in respect thereof) which is not life business.

‘General Takaful Business’ means takaful for financial aid and assistance to a participant in case of loss or damage caused to his property, assets or body due to a casualty or disaster such as fire, flood, accident which is not Family Takaful Business.

“BITA” means Brunei Insurance and Takaful Association.

‘Licence’ refers to the Licence to Carry on General Insurance Agent Business and/or Licence to Carry on General Takaful Agent Business issued by AMBD.

‘Member’ means general insurance company and general takaful operator registered under Insurance Order 2006 and Takaful Order 2008 respectively.

‘Registrar’ means a person or body of persons appointed by the Authority to handle registration of general insurance and general takaful agent.

‘Principal’ refers to the insurer/takaful operator that an agent represents.

‘Ultra-vires’ means any act that is beyond the scope of its corporation powers.

‘Wakalah fees’ means an amount or a benefit in kind, whether expressed as a percentage of contribution or not, agreed to be paid by a takaful operator to a takaful intermediary including introducer’s fees.

3.2. Any reference hereinafter to this ‘handbook’ shall include any and all variations, additions and amendments made thereto from time to time by majority of the members subject to approval from the Authority .

4. Person Disqualified from being an Agent

4.1. Any person is not allowed to act as an Agent under the following situations:-

- a) is found to be of unsound mind;
- b) has been convicted of any criminal offence including that involving criminal misappropriation, criminal breach of trust, cheating or forgery or abatement of or attempt to commit any such offence;
- c) has been convicted of an offence or held to have committed an act involving fraud, dishonesty or misrepresentation (against any Member or against any person having official dealings with such Member);
- d) is or become insolvent and unable to pay his debts as they fall due, stops, suspends, or threatens to stop or suspend payment of all or a material part of his debts, begin negotiations or takes any proceedings or other step with a view to readjustment, rescheduling or deferral of all of its indebtedness (or of any part of his indebtedness which he will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of his creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of his indebtedness;

- e) any step or petition is taken by any person to declare him a bankrupt or as a case may be, for the dissolution or winding up or a receiver or a judicial manager be appointed over the assets and undertakings of the corporate agent;
- f) has outstanding premium/contribution debts or other financial obligations with another insurer or takaful operator with whom he previously had an agency agreement;
- g) have misappropriated premium/contribution or otherwise committed inappropriate acts whilst dealing in general insurance and/or general takaful business; or
- h) has had his Certificate of Registration and/or Licence cancelled.

5. Enforcement of the Handbook by the Registrar

- 5.1. The Authority is responsible for registering, licensing and regulating agents.
- 5.2. Only agents whom have received recommendation from BITA can apply to the Authority for a licence to carry on general insurance agent business and/or licence to carry on general takaful agent business.
- 5.3. In accordance to section 48(2) of the Insurance Order, 2006 and section 49(2) of the Takaful Order, 2008, the Authority appoints BITA to administer examination for a person who wishes to apply for registration as a general insurance/takaful agent.

6. Agent Registrar

- 6.1. For the purpose of administration of the handbook, the Authority shall appoint BITA as the Registrar.
- 6.2. The Registrar shall maintain a Register (hereinafter referred to as 'the Register') to be kept, containing the name, address and such other particulars as may be prescribed by the Registrar to all agents registered pursuant to the handbook.
- 6.3. The Registrar shall be responsible for the maintenance and custody of the Register.
- 6.4. The Registrar shall also perform such other duties as may be assigned by the Authority from time to time.

7. Application for Registration as an Agent under this Handbook

- 7.1. Any person who wishes to be registered under this handbook shall apply through the Member to the Registrar for the Certificate of Registration. Such application shall be checked, countersigned and submitted to the Registrar by the Member.
- 7.2. An application for registration shall be made in the specified form and shall be accompanied by such documents and payment of the fee as may be required or prescribed by the Registrar from time to time.
- 7.3. When the Registrar is satisfied that a person has complied with the minimum requirement for an agent (hereinafter referred to as "Minimum Requirements") and all the requirements in these handbook, he shall be duly registered by the Registrar and his name and particulars shall be included in the Register.

- 7.4. A person shall not engage in soliciting/procuring and obtaining any general insurance and general takaful business until he has been issued a Licence by the Authority and has entered into an agency agreement with a Member.
- 7.5. The Member shall not enter into an agency agreement with an agent who is not registered with the Registrar and Authority.
- 7.6. A person applied for registration under this handbook shall have or be deemed to have expressly agreed that upon registration by the Registrar he shall be bound and shall perform and observe the obligations which are to be performed and observed by an agent under this handbook.
- 7.7. An individual agent shall use appropriate business name to reflect the nature of their agency business. For example, ABC Enterprise, ABC Insurance Agency Services, ABC Insurance Takaful Agency, ABC Insurance Agency Management.
- 7.8. A corporate agent shall use appropriate company name to reflect the nature of their agency business. For example, ABC Insurance Agency Services Sdn Bhd, ABC Insurance Takaful Agency Sdn Bhd, ABC Insurance Agency Management Sdn Bhd.

8. Corporate Agent

- 8.1. A corporate agent shall be represented by a nominee or nominees holding valid Identification Cards issued by BITA in accordance with this handbook.
- 8.2. A corporate agent must ensure that a person intended to be appointed as a corporate nominee shall comply with the requirements of this handbook.
- 8.3. Any corporate nominee must comply with the 'qualifications' listed under the Minimum Requirements for an agent as stated in Section B.
- 8.4. All the clauses contained in this handbook relating to the conduct, function and restrictions on individual agent shall apply equally to corporate nominee.
- 8.5. Where the corporate agent has only one corporate nominee and the position of such a corporate nominee become vacant, the corporate agent shall advise the Authority and the Registrar immediately and have the vacancy filled immediately unless extension has been granted by the Authority.

9. Written Examination

- 9.1. In addition to the requirements mentioned in this handbook, every person applying for Certificate of Registration shall have a pre-contract examination for insurance/takaful agent (e.g. PCEIA) from the Malaysian Insurance Institute or any other insurance qualifications as mentioned in Appendix II.
- 9.2. The Registrar may exempt any person from the requirement to obtain pre-contract examination for insurance/takaful agent referred to in clause 9.1 provided the person has at least five (5) years experience in handling general insurance and general takaful business and has obtained the basic certificate in general insurance mentioned in Appendix II.
- 9.3. Nothing herein shall preclude the Registrar in its absolute discretion from withdrawing or revoking the exemption granted under clause 9.2 hereof. In such event, the Registrar shall issue a notice to all Members of such withdrawal or revocation.

10. Disclosure and Restriction of Other Interest

- 10.1. Any person applying for registration as an agent under this handbook or a registered agent having any other business interest shall declare in writing to the Authority all such other business interest and notwithstanding the provisions contained in the handbook. The Authority shall have the absolute power to determine whether or not such other business interest may be continued, and if so, the condition (if any) on which and the period for which they may be continued.
- 10.2. An agent shall not be an employer or a director or a shareholder or debenture holder in or have any interest in any other company or firm which is formed for the purpose of transacting or is in fact engaged in transacting any form of insurance business including insurance broking and/or loss adjusting without the prior written approval of the Authority.
- 10.3. A corporate agent shall not employ someone whilst he is an employee or a director of or a shareholder or debenture holder in or has any interest in another corporate agent. An employee or a director of or a shareholder or debenture holder in or person who has any interest in any other company or firm which is formed for the purpose of transacting any form of general insurance and general takaful business, shall not be registered as an agent or be a director of or a shareholder or debenture holder in or have any interest in a corporate agent.
- 10.4. No director or other management staff or any Member of his immediate family or a company carrying on business as an insurance agent shall hold shares in any insurance company or takaful operator. 'Member of his immediate family' includes a wife, husband, father, mother, son and daughter.

11. Minimum Requirements for an Agent (hereinafter referred to as "Minimum Requirements")

- 11.1. Every person applying for registration to the Authority shall, in addition to the requirements and/or stipulations mentioned in this handbook, comply with the Minimum Requirements as mentioned in Section B.

12. Code of Practice for General Insurance/Takaful Agents

- 12.1. Every agent shall comply with the Code of Practice referred to in Appendix I hereto for General Insurance Agents and General Takaful Agents.

13. Licence, Certificate of Registration and Identification Card

- 13.1. Where a person has been registered in the Register, the Registrar will issue a Certificate of Registration and Identification Card and upon approval of the Authority, the Authority will issue a Licence.
- 13.2. The Registrar will issue Certificate of Registration and Identification Card (hereinafter referred to as 'identification documents') indicating the Principal which he represents. The Registrar may charge fees for the purpose of Certificate of Registration and Identification Card as in Appendix E.
- 13.3. The identification document issued hereunder shall be valid for a period of twelve (12) months (unless cancelled earlier). Each agent or corporate nominee shall receive an identification card indicating the Principal which he represents.

- 13.4. An agent shall at all times display his Licence and Certificate of Registration at his place of business. An agent shall also identify himself as an agent by producing his Identification Card and each place of business must have its own nominee.
- 13.5. An agent shall indicate below his name that he is a “registered insurance agent” or/and “registered takaful agent” in all advertisements, letterheads, signboards, brochures or other publications.
- 13.6. An agent shall all the times ensure that:
- a) he maintain proper office premises to transact general insurance and general takaful business;
 - b) a valid licence obtained from the local authorities to operate such business (if applicable);
 - c) a proper signboard on display indicating the name of an agent and the Principal that he represents. Each letter of the name of the agency appearing on the signboard is to be at least twice the size (both in length and breadth) of each letter of the name of the Principal it represents. In addition, the words ‘agents for’ is to precede the name of the Principal he represents;
 - d) at least one (1) qualified staff (hereinafter called the ‘designated person’ in charge) who is a holder of basic certificate in general insurance or general takaful or any other insurance qualifications as described in Appendix II, must be stationed at the office

PROVIDED that where the designated person in charge leaves the employment and/or service of the agent, the agent shall obtain another designated person in charge or at such extended time as authorized by the Authority in writing.

- 13.7. An agent shall represent only the Principal named in the Licence and Certificate of Registration. In the event that the agent no longer represents that Principal, the agent must immediately notify the Registrar and the Authority in writing within seven (7) working days of such event. Likewise, if the agent ceases to represent any Member to which he has made an agent application, an agent must immediately notify the Registrar and the Authority of such event within seven (7) working days.
- 13.8. In the event that the agent ceases to represent the Principal, an agent shall return his identification documents immediately to the Registrar for cancellation. It shall be the responsibility of the Principal always to ensure that the Certificate of Registration and Identification Card issued by BITA to such agent are returned to them for cancellation not later than seven (7) working days after the date of termination of the agency. Failure by an agent to return these documents as required under this handbook may prejudice his future application for any new agency with other Member or renewal thereof.
- 13.9. The Registrar shall duly inform the Authority of such changes in writing not later than fourteen (14) working days. In the event that the agent ceases to represent the Principal, the Licence issued by the Authority should be returned to the Authority.

14. Renewal of Certificate of Registration and Identification Card

- 14.1. Any agent who desires to be retained in the register shall not later than two (2) calendar months before such expiry make an application in the prescribed form and

pay the prescribed fee in Appendix E for the renewal of his Certificate of Registration and Licence. Such application shall be first approved and countersigned by the Principal which he seeks to represent.

- 14.2. Upon the application and payment as aforesaid, the Registrar shall, if satisfied that an agent has continuing agent agreement with the Principal, issue a renewal Certificate of Registration and Identification Card to him.
- 14.3. A renewal Certificate of Registration and Identification Card shall be valid (unless cancelled earlier) for a period of twelve (12) months.
- 14.4. Any agent who has failed to apply for a renewal Certificate of Registration in the manner and within the period laid down in this handbook may on making an application in such form and on payment of such additional fee as may be prescribed by the Registrar be granted a renewal Certificate of Registration.
- 14.5. Any agent who fails to obtain a renewal Certificate of Registration within two (2) months of expiry shall be removed from the Register.

15. Presumption as to the Register

- 15.1. The entry of a person name on the Register shall be prima facie evidence that the person described therein is duly registered by the Registrar to solicit/procure in general insurance and general takaful business for the Principal which he represents.
- 15.2. The absence of any person's name from the Register shall be prima facie evidence that the person is not licensed to solicit/procure in general insurance and general takaful business under the handbook for any Member.

16. Notification of Changes

- 16.1. An agent shall notify the Registrar in writing whenever there is any change in his name or address or when he ceases to represent any Principal. Such notification shall be made within seven (7) working days of such change and this notification shall be made through the Principal he represents.
- 16.2. Notwithstanding the foregoing clause, the Principal shall notify the Registrar in writing within seven (7) working days of receipt of the notification.
- 16.3. The Registrar shall duly inform the Authority of such changes in writing not less than seven (7) working days.

17. Correction or Alteration of the Register

- 17.1. The Registrar shall, from time to time amend, from the Register any particulars which come to his knowledge regarding such agent.
- 17.2. The Registrar may remove from the Register the name of an agent who is deceased.
- 17.3. The Registrar to record in the Register any status of suspension, cancellation or refusal of any agent pursuant to clause 18 below.
- 17.4. The Registrar may cause to be published in any manner as it reasonably deems fit any action taken pursuant to clause 17.3 above.

17.5. The registrar shall duly inform the Authority of such changes in writing not later than seven (7) working days.

18. Cancellation or Suspension of Certificate of Registration or Refusal to Register by the Registrar

18.1. If any person applying for registration or already registered in the Register does not comply with the clause 4 of this handbook, his registration shall be refused or be liable to be cancelled without notice whereupon the Registrar shall forthwith initiate steps to terminate his agency with the Principal and a notice issued by the Registrar to the Principal in this respect shall be binding on such Principal.

The Registrar may cancel a Certificate of Registration and direct the removal from the Register of the name of any person registered if it comes to the knowledge of the Registrar that:

- a) the person has obtained registration by a fraudulent or incorrect statement; or
- b) there is no subsisting agency agreement with any general insurance company or general takaful operator he purports to represent.

18.2. His Certificate of Registration may be suspended or cancelled as the Registrar deems fit whereupon the Registrar shall forthwith serve a notice of suspension or cancellation pursuant to clause 18.3. below to an agent and Principal he represents.

18.3. Where the Registrar intends to suspend or cancel the Certificate of Registration of any person and to remove his name from the Register, the Registrar shall give seven (7) working days prior notice to the person concerned to appear before the Registrar to give any evidence or explanation as the Registrar deems fit.

Provided that if the person concerned does not appear for the hearing without a reason acceptable to the Registrar, the Registrar may without hearing forthwith cancel the agent's Certificate of Registration and remove the name from the Register.

18.4. The Registrar shall similarly notify the Authority and the Principal which such person represents of any suspension or cancellation or intended suspension or cancellation of such person's Certificate of Registration.

18.5. If any person whose Certificate of Registration has been cancelled under this handbook subsequently exonerated or reinstated by the Registrar or otherwise exonerated of the charges for which his Certificate of Registration was cancelled and makes application in such manner and pays such fees as may be prescribed, the Registrar may direct that the name of that person be re-entered in the Register and that a new Certificate of Registration be issued.

18.6. Any person whose Certificate of Registration has been suspended under this handbook, is subsequently exonerated or reinstated by the Registrar, the Registrar may direct that the suspension be lifted from the register and the name of that person be re-entered in the register.

18.7. The Registrar may order suspension of the Certificate of Registration of an agent whose conduct is under investigation by the Authority or the Registrar and may lift the suspension upon such terms as the Registrar shall deem fit.

19. Functions of an Agent

- 19.1. Every agent shall solicit and procure new and renew general insurance and general takaful business in terms of his appointment as an agent and shall endeavour to conserve the business already secured.
- 19.2. In procuring new general insurance and general takaful business, an agent shall:
- a) take into consideration the needs of the prospective policyholder/participant and their capacity to pay premium/contribution;
 - b) make all reasonable enquiries in regards to the risks and to bring to the notice of his Principal any circumstances which may adversely affect the risk to be underwritten;
 - c) take all reasonable steps to ensure that the necessary proposal forms are fully and accurately completed by each prospective policyholder/participant.
- 19.3. Every agent shall, with a view to conserving the business already secured endeavour to maintain contact with all persons who have become policyholder/participant through him and shall render all reasonable assistance so as to enable them to enforce their rights and entitlement under the policy or certificate of takaful.
- 19.4. Nothing contained in these handbook, however shall be deemed to confer any authority on an agent to perform any function pertaining to loss survey or loss adjustment or settling or approving of any insurance or takaful claims.
- 19.5. The agent shall be responsible for:-
- a) all acts of his employee or person acting on his behalf,
 - b) ultra-vires acts,
 - c) the payment of all premium/contribution due to the Principal in accordance with the Insurance Order 2006 and Takaful Order 2008.

20. Conduct of an Agent

- 20.1. An agent shall in his conduct be guided by the Code of Practice for General Insurance/Takaful Agent in Appendix I to this handbook. A standard agency agreement is to be signed by the agent referred to in Appendix III.

Notwithstanding the guide included in the aforesaid, an agent shall not in the course of his engaging in the agency business with a Principal to do the following:-

- a) make or issue or cause to be made or issue any written or oral statement misrepresenting or making misleading, unfair or biased comparison regarding the terms conditions or benefits in any policy or certificate of takaful;
- b) prevent the prospective policyholder/participant effecting insurance or takaful from stating material facts to the Principal or influence that prospective policyholder/participant not to state them;
- c) influence the prospective policyholder/participant effecting the insurance or takaful to make misrepresentation to the Principal in regard to material facts; or

- d) withhold any information in his possession relevant to the acceptance of the risk by the Principal he represent.
- 20.2. An agent shall not engage sub-agent to solicit/procure for general insurance or general takaful business on his behalf and shall not pay to such person any commission/wakalah fee or any other compensation in respect thereof.

PROVIDED that this prohibition shall not apply to corporate agent engaging full-time employee for functions other than soliciting/procuring general insurance and general takaful.

- 20.3. An agent who acts in contravention of any of the aforesaid clauses shall have or be deemed to have committed an offence against this handbook.

21. Payment of Premium/Contribution

21.1 Cash-Before-Cover for Motor Business

- a) Motor business shall be written strictly on “cash-before-cover”.
- b) An agent must pay the premium/contribution collected for a motor policy/certificate to the Principal within Seven (7) days from date of receipt.

21.2 Non-Motor Business

- a) An agent must pay the premium/contribution collected for a non-motor policy/certificate to the Principal within Thirty (30) days from date of receipt.

22. Commissions/Wakalah Fees

- 22.1. Maximum Commission/Wakalah Fee allowed to an agent shall not exceed the rate as prescribed in the Appendix IV.
- 22.2. No Commission/Wakalah Fee of whatsoever nature shall be paid by or given by any Member to any person who is not an agent registered by the Authority and the Registrar, whether directly or indirectly, for procuring, selling, transacting, dealing or negotiating any general insurance or general takaful business for or on behalf of or for benefit of that Member.

23. Corporate Nominee

- 23.1 The appointment of a corporate nominee or nominees by a corporate agent shall be subject to the approval of the Registrar. A corporate agent shall satisfy the Registrar that the person intended to be appointed as a corporate nominee or nominees has at least the following qualification:-
- a) he is the principal officer of that corporate agent or such other officer as may be approved by the Registrar in writing;
 - b) he is engaged full time in the principal office of the corporate agent;
 - c) he is a person of good character and high business integrity; and
 - d) he satisfy the “Fit and Proper Criteria” condition and requirement.

24. Contravention of Handbook by an Agent

- 24.1 An agent who acts in contravention of or has not complied with any of the clauses in these handbook shall have or be deemed to have committed an offence against these handbook and his Certificate of Registration and Licence shall be liable to be cancelled.
- 24.2 Where the Registrar has reason to believe that an agent has acted in contravention of these handbook, the Registrar may issue orders to an agent concerned requiring any or all of the following:-
- a) the presentation of written statements, any material or information used by him in the course of soliciting for general insurance and general takaful business;
 - b) the submission of a statement or report under oath explaining, rebutting or otherwise dealing with the matter alleged against him.
- 24.3 An agent who fails to comply with an order of the Registrar shall be deemed to have committed an offence under this handbook.
- 24.4 For the purpose of this handbook, an agent shall be deemed to have failed to comply with an order of the Registrar if he fails to comply or act with it within seven (7) working days after receipt of a written notice from the Registrar.

25. Inquiries into Complaints

- 25.1. If any person applying for registration or already registered in the Register is alleged in terms in any complaint received by the Registrar to be guilty of an offence under this handbook or has failed to comply with this handbook or of any conduct unworthy or unbecoming of an agent, the Registrar may institute an inquiry into the said complaint or allegation.
- 25.2 If the Registrar is satisfied that a prima facie case has been established for instituting an inquiry into the complaint for allegation, the Registrar may forthwith order suspension of the Certificate of Registration issued to the agent concerned.
- In case of a corporate agent, such suspension of any nominee may if the Registrar deems fit apply to the corporate agent concerned and the other nominees on the agency regardless of the number of nominees in the agency or whether the other nominee has/have been issued with such suspension order by the Registrar.
- 25.3. The Registrar shall be free to decide the manner, mode, process and time of the proposed inquiry including the examination of witnesses and appointment of legal and other professional advisers, if any. Upon such inquiry, the person against whom such offence or misconduct is alleged shall be entitled to appear before the Registrar and be heard personally.
- 25.4. If after due inquiry, the Registrar finds the person guilty of the alleged offence or misconduct, or that the person has failed to comply with the handbook, the Registrar shall cancel the Certificate of Registration and Licence of the person concerned. Provided however, that if the Registrar feels that the conduct was not such as to warrant deregistration, it may suspend the Certificate of Registration and Licence for such period and set such terms for reinstatement as the Registrar shall deem fit and/or reprimand in areas deserving censure as the Registrar deems fit.

25.5. The Registrar shall notify in writing the person under inquiry and the Principal he represents of its decision or order.

26. Exemption from Liability

26.1. Any person nominated, employed or appointed in connection with the administration, implementation and enforcement of the handbook shall not be responsible for any act or omission of any agent on its Register.

26.2. No suit or other legal proceedings shall lie against the Registrar or any person nominated, employed or appointed in connection with the administration, implementation and enforcement of the handbook for any act done in good faith in the performance or intended performance of any duty, or in the exercise on any power herein, or for any neglect or default in the performance or exercise in good faith of such duty or power.

26.3. Any person nominated, employed or appointed in connection with the administration, implementation and enforcement of the handbook shall not be liable to any action for defamation at the suite or any person in respect of any statement made in the course of or in discharge of its or his function or duty whether the statements are made orally or in writing.

27. Miscellaneous

27.1. All notices or other communication shall be in writing, and shall be addressed to the last known address of the addressee. Unless otherwise specified herein, all notices or any other communication to or upon any part shall be deemed to have been given in the case of notices by hand. In the case of notices by acknowledge receipt letter, seven (7) working days after the same is sent by registered post.

27.2. In this handbook, unless the context otherwise requires, words importing the masculine gender shall include the feminine and words in the singular shall include the plural.

B. MINIMUM REQUIREMENTS FOR AN AGENT

An individual agent and corporate nominee shall comply with the following minimum requirements before he can be registered.

1. Representation

- 1.1. An agent is allowed to represent not more than three (3) principals.

2. Qualifications

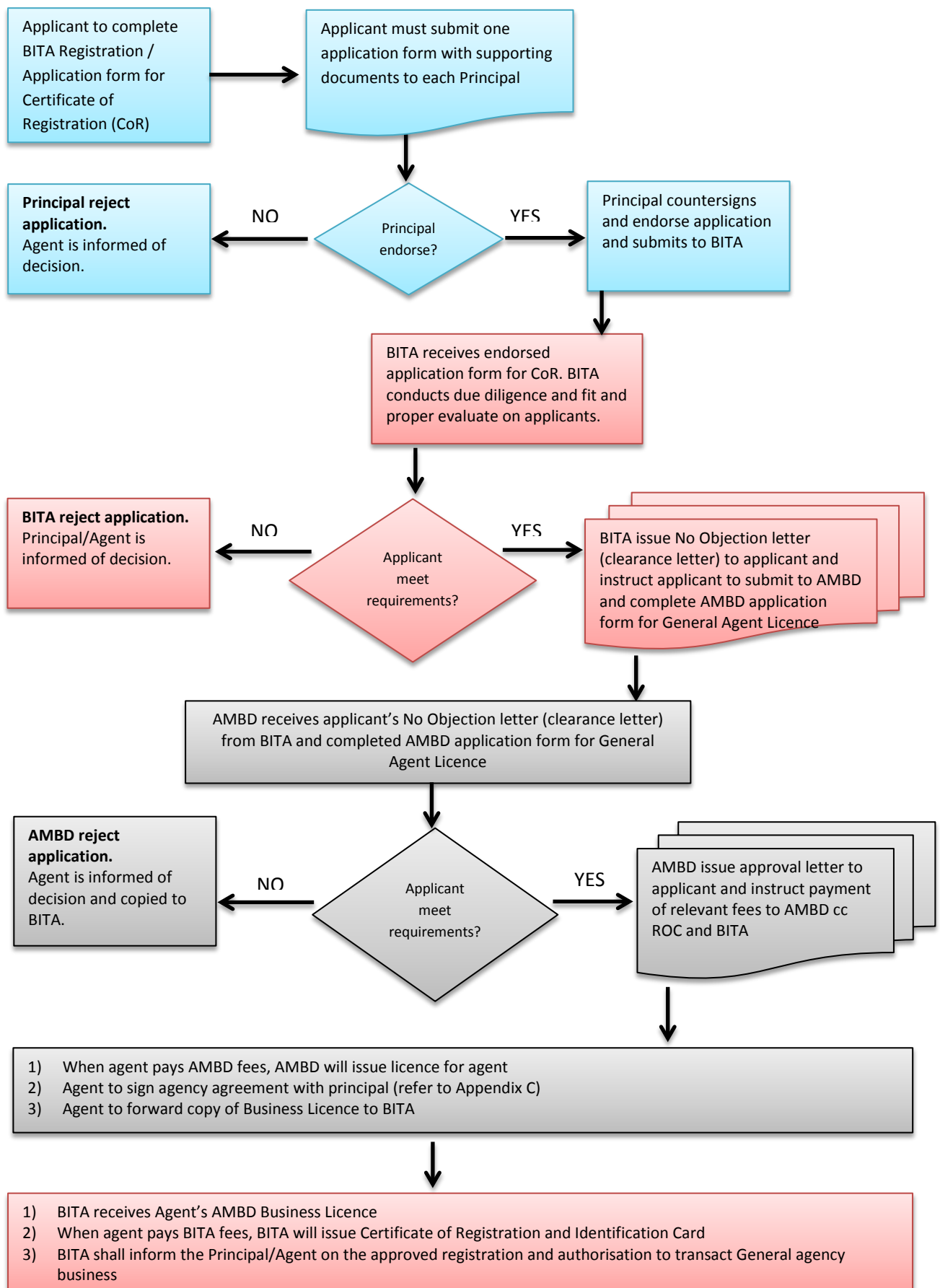
- 2.1. Any person applying for a registration and who wishes to renew his Certificate of Registration as an agent is required to comply with (a) and (b) or (c) or (d) below:
 - a) have at least five (5) years of handling general insurance business and/or general takaful business; and
 - b) who is a holder of basic certificate in general insurance or general takaful from Malaysian Insurance Institute (MII) or Singapore College of Insurance (SCI); or
 - c) obtained Pre-Contract Examination for Insurance/Takaful Agent Certificate (PCEIA) awarded by Malaysian Insurance Institute (MII) or Singapore College of Insurance (SCI); or
 - d) be holders of any qualifications referred to in Appendix II.

3. Fit and Proper Criteria

- 3.1. To qualify and continue to be registered as an individual agent or corporate nominee with the Authority and BITA, the agent must satisfy the following conditions and requirements:
 - 3.1.1. An individual agent must be:
 - a) at least twenty-one (21) years of age; and
 - b) a Brunei Darussalam citizen or a permanent resident.
 - 3.1.2. Any corporate nominee must be:
 - a) at least twenty-one (21) years of age; and
 - b) a Brunei Darussalam citizen or a permanent resident; or
 - c) a foreign spouse of a Brunei Darussalam citizen or permanent resident; or
 - d) a foreigner holding a senior management position with a valid work permit or employment pass issued by the Labour Department, Ministry of Home Affairs, Brunei Darussalam.
 - 3.1.3. An individual agent or corporate nominee shall comply with the requirement for an agent as stated under this handbook.
 - 3.1.4. An individual agent or corporate nominee shall not be an undischarged bankrupt or a person in respect of whom a bankruptcy proceeding is pending in Court.
 - 3.1.5. An individual agent or corporate agent shall:

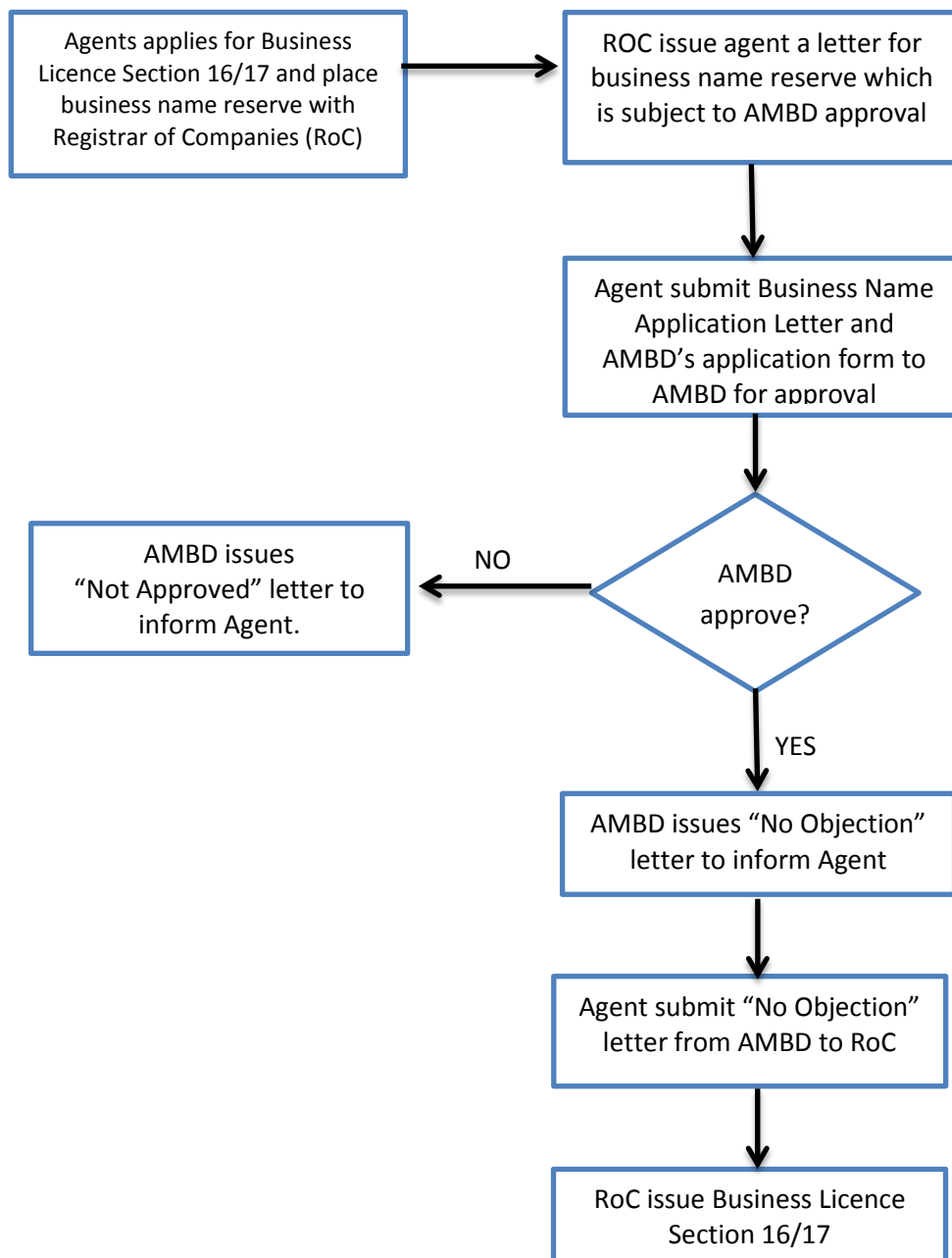
- a) not be the subject of a winding up order or a judicial management order; or
 - b) not be a company in respect of which a receiver has been appointed, whether by the Court or otherwise; or
 - c) not be a company in respect of which an application or petition for winding up, appointment of judicial manager or appointment of receiver has been filed in Court and is pending.
- 3.1.6. An individual agent or corporate nominee shall not have entered into a compromise or a scheme of arrangement with creditors, being a scheme of arrangement that is still in operation.
- 3.1.7. An individual agent or corporate nominee shall not be the subject of one or more outstanding judgment debts which he/it has been unable to satisfy within seven (7) days from the date of the judgment.
- 3.1.8. An individual agent or corporate nominee had not been committed of:
- a) an offence under the Insurance Order, 2006 and Takaful Order, 2008 or any regulations made thereunder;
 - b) an offence under the Brunei Darussalam Penal Code;
 - c) an offence under any act or regulations administered by the Authority;
 - d) a criminal offence involving fraud, misrepresentation or dishonesty; or
 - e) an offence under any statute which is a re-enactment act, repealing act or a consolidation act in respect of any of the legislations referred to above.
- 3.1.9. An individual agent or corporate nominee shall not:-
- a) be the subject of criminal proceedings which are pending in Court;
 - b) be the subject of a prohibition order or any order made by the Authority;
 - c) have been or is involved with a corporation which has been censured, disciplined, suspended or refused membership or registration by the regulatory authority of any business or profession; or
 - d) have had any judgment (including the finding of fraud, misrepresentation or dishonesty) given against him/it in any civil proceedings in Brunei Darussalam or elsewhere, or is a party to any pending proceedings that may lead to such judgment.
- 3.1.10. An individual or corporate nominee shall at all times be in compliance with and not be in breach of any of the clauses of the handbook which may be amended from time to time.

APPLICATION FOR GENERAL INSURANCE/TAKAFUL AGENT



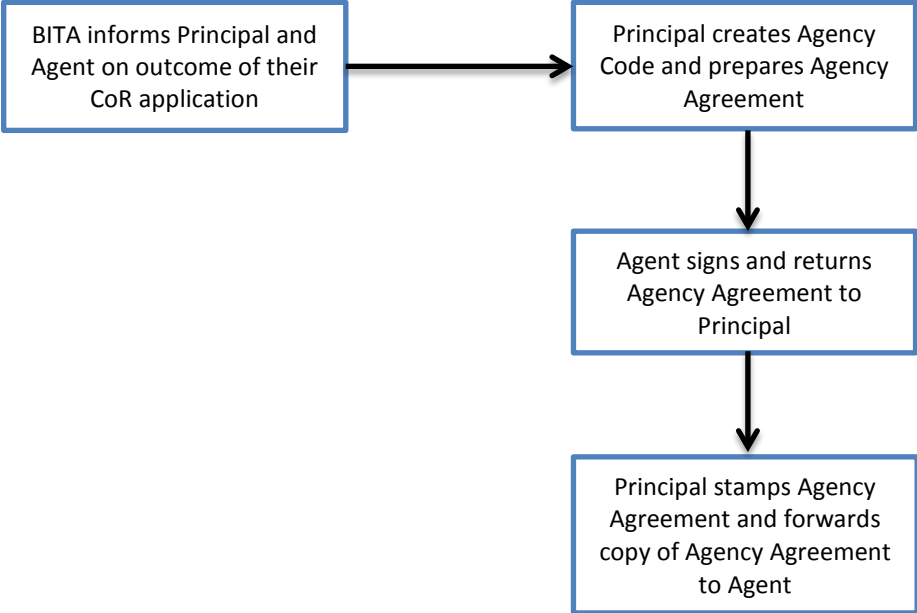
APPLICATION FOR BUSINESS NAME

- Agents can apply for a Business Name at Registrar of Companies (RoC) and concurrently fill in AMBD application form for General Agent Licence.
- Agents shall use appropriate business name to reflect the nature of their agency business. Section 5 of Insurance Order and section 7 of Takaful Order requires the written approval of the Authority for the word “insurance” and “takaful” to be used by any persons.



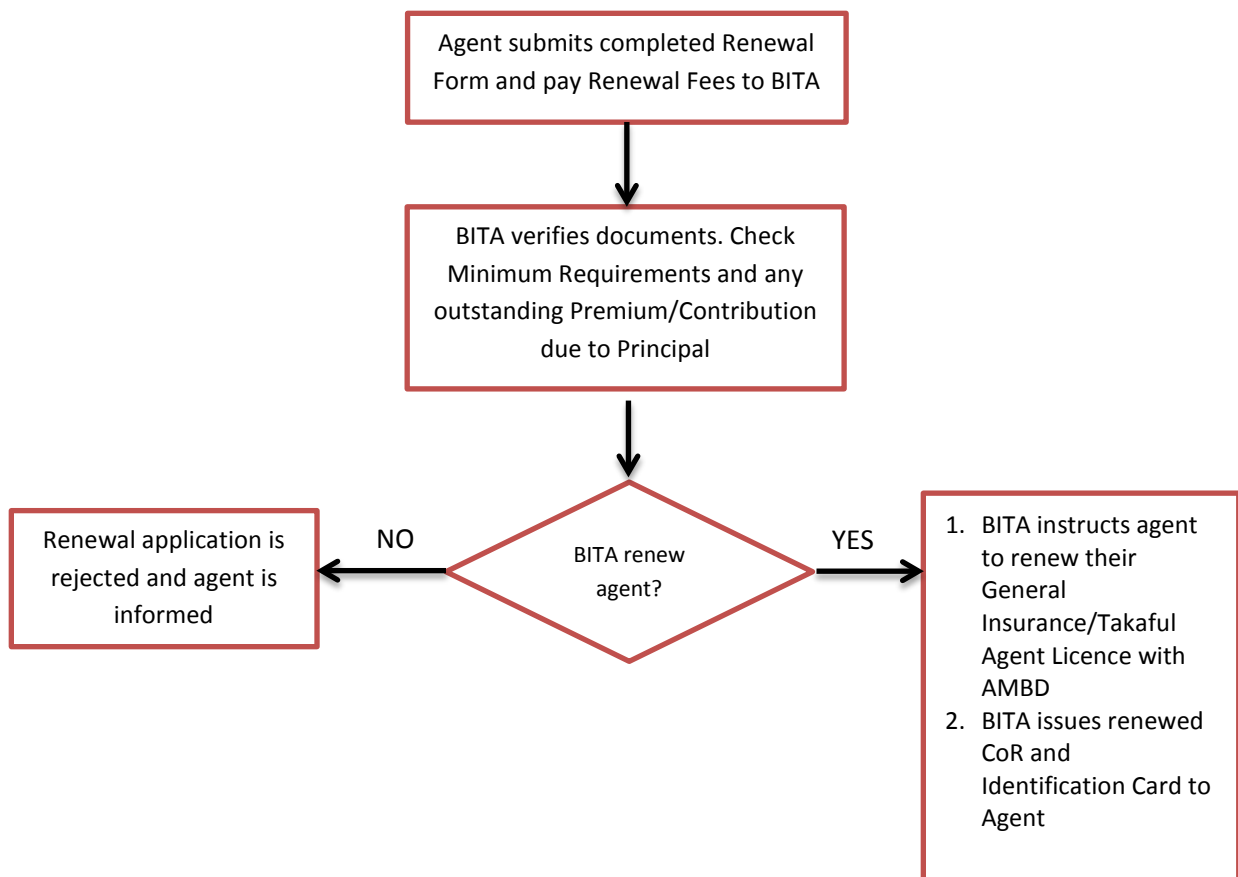
SIGNING OF AGENCY AGREEMENT

- Agents that have been given approval letter for Certificate of Registration and Identification Card by BITA and/or approval letter for General Insurance/Takaful Agent Licence by AMBD shall sign an Agency Agreement with their Principal.



**RENEWAL OF CERTIFICATE OF REGISTRATION
AND GENERAL INSURANCE/TAKAFUL AGENT LICENCE**

- Agents wishing to renew their CoR must submit their application for renewal at least two months before the end of their CoR validity date.
- Agents that are renewed by BITA will be issued a new CoR and Identification Card.
- AMBD will not renew the agent’s licence if there is no clearance letter from principal and BITA. If there is any changes to the agent’s name or principal they presented, this need to be specified in the renewal form.



FEE STRUCTURES PAYABLE TO BITA

1. The Registration and Renewal fee charges for the Certificate of Registration is payable to BITA on an annual basis and are shown in the table below. Registration fees are refundable only if unsuccessful.

Item	Particular	Fee
a.	PROCESSING FEE (non-refundable)	\$25.00 per application form
b.	REGISTRATION FEES (for Certificate of Registration):	
1.	Individual agents	\$125.00 per principal
2.	Corporate agents -	\$200.00 per principal
i.	First three nominee	Free
ii.	Additional nominee	\$100.00
c.	OTHER CHARGES:	
1.	Change in Principal	\$50.00
	Change in name of agency -	\$50.00
i.	If there are changes in the management of the Company and the agency status is maintained	\$50.00
ii.	If there are changes in the management of the company and/or the agency status of the Company is changed from individual agent to corporate agent or vice-versa	\$100.00 per principal
d.	Amendments (change in name/position etc.)	\$50.00 per principal
e.	Replacement of lost Certificate or Identification Card	\$50.00 each
f.	Late renewal fee -	
i.	Within 2 months after expiry date	\$50.00 per principal
ii.	More than 2 months after expiry date treated as new registration	\$100.00 per principal

2. Fees and other charges are subject to change as and when required.

CODE OF PRACTICE FOR GENERAL INSURANCE/TAKAFUL AGENT

This code applies to general insurance and general takaful business but does not apply to reinsurance business. The Principal undertake to enforce this code and to use their endeavours to ensure that all agents involved in selling, soliciting and servicing general insurance and general takaful business observe the code of practice.

It shall be an obligation of an agent to conduct business with utmost good faith and integrity.

In the case of complaints from prospective policyholder/participant the Principal concerned shall require an agent to co-operate so that the facts can be established. An agent shall inform prospective policyholder/participant complaining that he can take his problem directly to the Principal concerned.

A General Sales Ethics

1. An agent shall:-

- i. where appropriate, make prior appointment to call. Unsolicited or unarranged calls shall be made at an hour likely to be suitable to the prospective policyholder/participant;
- ii. when he makes contact with the prospective policyholder/participant, identify himself as an agent and explain as soon as possible that the arrangements he wishes to discuss include general insurance and general takaful business. He shall make it known that he is an agent for one or more Principal, as the case may be;
- iii. produce his agent identification card upon request by the prospective policyholder/participant;
- iv. ensure as far as possible that the policy/certificate of takaful proposed is suitable to the needs and resources of the prospective policyholder/participant;
- v. give advice only on those insurance or takaful matters in which he is knowledgeable and seek or recommend other specialist advice when necessary; and
- vi. treat all information supplied by the prospective policyholder/participant as completely confidential to himself and to the Principal to which the business is being offered.

2. An agent shall not:-

- i. inform the prospective policyholder/participant that his name has been given by another person unless he is prepared to disclose that person's name if requested to do so by the prospective policyholder/participant and has that person's consent to make that disclosure;
- ii. make inaccurate or unfair criticisms of any Principal or another agent;
- iii. make comparisons with other type of policy/certificate unless he makes clear the differing coverage terms and condition of each policy/certificate;
- iv. prevent the prospective policyholder/participant from stating material facts to the Principal or induce the prospective policyholder/participant not to state them; and
- v. induce the prospective policyholder/participant to make a misrepresentation to the Principal in regard to material facts.

B Explanation of the Policy/Certificate of Takaful

An agent shall:-

- i. identify the Principal he represents;
- ii. explain all the coverage terms and conditions of the policy/certificate of takaful, which he is recommending so as to ensure as far as possible that the prospective policyholder/participant understands what he is buying;
- iii. draw attention to any restrictions, exclusions and conditions applying to the policy/certificate;
- iv. if necessary, obtain from the Principal, specialist advice in relation to item (ii) above; and
- v. not to impose any charge in addition to the premium/contribution required by the Principal without disclosing the amount and purpose of such charge.

C Disclosure of Underwriting Information

An agent shall, in obtaining underwriting information or in the completion of the proposal form:-

- i. avoid influencing the prospective policyholder/participant and make it clear that all the answers or statements are the latter's prospective policyholder/participant own responsibility;
- ii. ensure that the consequences of non-disclosure and inaccuracies are pointed out to the prospective policyholder/participant by drawing his attention to the relevant statement in the proposal form and by explaining them himself to the prospective policyholder/participant; and
- iii. disclose all information received from the prospective policyholder/participant relating to the acceptance of the risks to the Principal he represents.

D Accounts and Financial Aspects

An agent shall, if authorized to collect money in accordance with the terms of his agency appointment:-

- i. keep a proper account of all financial transactions with a policyholder/participant which involve the transmission of money in respect of policy/certificate of takaful;
- ii. acknowledge receipt all money received in connection with policy/certificate of takaful and shall distinguish the premium/contribution from any other payment included in the money;
- iii. remit any such money so collected in strict conformity with his agency agreement.

E Documentation

An agent shall not withhold from the policyholder/participant any written evidence or documentation relating to the policy/certificate of takaful.

F Claims

- i. If the policyholder/participant advises an agent of an incident which might give rise to a claim, an agent shall inform the Principal he represents without delay and thereafter give prompt advice to the policyholder/participant of the Principal's requirements concerning the claims, including the provision of information received from the policyholder/participant to the Principal without delay.

- ii. No indication of acceptance or rejection of the claim or any admission or denial of fact or liability shall be given to the policyholder/participant without written instruction from the Principal he represents and he must make clear to the policyholder/participant that all correspondence made pursuant to the Principal's investigation and processing of the claim is strictly on a without prejudice basis.
- iii. Notice to an agent shall not be deemed to be notice to the Principal.

G Rates Fixed by the Principal

All rates shall be fixed by the Principal and the agent shall not charge the policyholder/participant a rate above the gross rate set out by the Principal.

H Publicity

No advertisement or other printed material concerning the Principal he represent shall be published or circulated by the agent unless a copy thereof has been approved by a duly authorized official of the Principal he represents.

I Premium/Contribution Refund

Any refund of premium/contribution due under a contract/aqad of insurance/takaful shall be paid by the Principal directly to the policyholder/participant and such refund shall not be paid or credited to any other person, including an agent. Any premium/contribution refund to the policyholder/participant should be calculated after deducting pro-rated agent's commission/wakalah fee.

J Agency Agreement

This code of practice shall be incorporated verbatim or by reference to all agency agreement of an agent and no policy/certificate shall be sold by such agent except within the terms of such an agency agreement.

LIST OF QUALIFICATIONS FOR EXEMPTION UNDER CLAUSE 9

Persons possessing the following professional qualification are not required to obtain Pre-Contract Examination for Insurance Agent Certificate (PCEIA) or General Certificate of Insurance (GCI) qualification:

Item	Qualifications	Offered by Academic Institutions
1	Certification and / or Examination of Insurance and Takaful related Courses; i.e. QEFITA	Centre for Islamic Banking, Finance and Management (CIBFM) Brunei Darussalam
2	Affiliate of Australia Insurance Institute (General)	Australia Insurance Institute
3	Associateship of Malaysian Insurance Institute (AMII)	Malaysia Insurance Institute
4	Associate Chartered Insurance Institute	Chartered Insurance Institute, UK
5	Associate Chartered Insurance Institute	Chartered Insurance Institute, UK
6	Associate Insurance Institute of Canada	Insurance Institute of Canada
7	Associate of Australia Insurance Institute	Australia Insurance Institute
8	Associate Singapore Insurance Institute	Singapore Insurance Institute
9	Associateship Examination	Insurance Institute of India
10	Associateship of the Institute of Actuaries (AIA) / Associateship of the Faculty of Actuaries (AFA), - must have chosen subject 303 General Insurance as an elective	Institute of Actuaries / faculty of Actuaries, UK
11	Associateship of the Insurance Institute of Canada	Insurance Institute of Canada
12	Associateship of the Malaysian Insurance Institute (DMII)	Malaysia Insurance Institute
13	Associateship of the Society of Actuaries (ASA)	Society of Actuaries, US
14	BA Risk Management	Glasgow Caledonian University, UK
15	Bachelor in Science in Economics (Risk Management and Insurance)	Wharton School, University of Pennsylvania, US
16	Bachelor of Business – must have chosen at least one Actuarial Science and one Insurance elective in the third year.	Nanyang Technological University, Singapore
17	Bachelor of Business (Actuarial Science)	Nanyang Technological University, Singapore
18	Bachelor of Business (Insurance)	Nanyang Technological University, Singapore
19	Bachelor of Business in 1991, [Note: Only exempted from Basic Insurance Concepts and Principles module]	Nanyang Technological Institute, Singapore
20	Bachelor of Science in Economics (Actuarial Science) - Must have chosen INSR 230 – property and Liability Insurance Company Management and Policy as an elective	Wharton School, University of Pennsylvania, US
21	Basic Course in General Insurance	Swiss Insurance Training Centre, Zurich
22	BBA (Risk Management and Insurance)	Georgia State University, US
23	BSc Investment, Finance and Risk	City University, UK
24	Business Diploma (Insurance)	George Brown College of Applied Arts & Technology, Canada
25	Certificate III in General Insurance	Australia Insurance Institute
26	Certificate in Basic Course, Non-Life	Insurance Institute of Japan
27	Certificate in General Insurance Examination	Singapore Insurance Institute

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28	Certificate in Insurance	Chartered Insurance Institute, UK
29	Certificate in Insurance and Financial Services, [Note: Only for those who have completed “Basics of General Insurance” as one of the modules]	Singapore College of Insurance
30	Certificate in Ordinary Qualification for Non-Life Insurance Agency by GIA (Japan), [Note: only exempted from Basic Insurance Concepts and Principles module]	The General Insurance Association of Japan
31	Certificate IV in Financial Services (General Insurance)	Australia and New Zealand Institute of Insurance and Finance
32	Certificate IV in General Insurance	Australia Insurance Institute
33	Certificate of 3 rd General Insurance Training Course for Agents	Institut Teknologi MARA, Malaysia
34	Certificate of Insurance	Bombay College of Insurance
35	Certificate of Proficiency in Card Protection Insurance □, (For insurance agents and staff of corporate insurance agents, other than staff of insurance brokers, selling travel insurance only)	Singapore College of Insurance
36	Certificate of Proficiency in Foreign Domestic Worker Insurance, (For insurance agents and staff of corporate insurance agents, other than staff of insurance brokers, selling travel insurance only)	Singapore College of Insurance
37	Certificate of Proficiency in Travel Insurance, (For insurance agents and staff of corporate insurance agents, other than staff of insurance brokers, selling travel insurance only)	Singapore College of Insurance
38	Chartered Insurance Institute Certificate of Proficiency	London School of Insurance, UK
39	Chartered Insurance Professional (CIP)	Insurance Institute of Canada
40	Chartered Property and Casualty Underwriter (CPCU),	The American Institute
41	Compact General Insurance Agents course	Malaysia Insurance Institute
42	Degree of Master of Science	University of Connecticut, US
43	Diploma in Actuarial Science	Institut Teknologi MARA, Malaysia
44	Diploma in Banking and Finance Management – must have opted for the insurance-focused electives	Nanyang Polytechnic, Singapore
45	Diploma in Banking and Insurance Management	Nanyang Polytechnic, Singapore
46	Diploma in Business (General Insurance)	Australia Insurance Institute
47	Diploma in Business Studies – Major in Insurance	Institut Teknologi MARA, Malaysia
48	Diploma in Financial Services (General Insurance)	Australia and New Zealand Institute of Insurance and Finance
49	Diploma in General Insurance (DGI)	Singapore College of Insurance
50	Diploma in Insurance	Glasgow Caledonian University, UK
51	Diploma in Insurance	Chartered Insurance Institute, UK
52	Diploma in Insurance	HK Institute of Vocational Education
53	Diploma in Insurance	Malaysia Insurance Institute
54	Diploma in Life/General Insurance	Australia Insurance Institute, Australia
55	Diploma in Risk and Insurance Management	Nanyang Polytechnic, Singapore
56	Diploma of All (General)	Australia Insurance Institute
57	Diploma of the Malaysian Insurance Institute (DMII)	Malaysia Insurance Institute
58	Fellow in Chartered Insurance Institute	Chartered Insurance Institute, UK

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59	Fellow of Australia Insurance Institute	Australia Insurance Institute
60	Fellowship of Insurance Practice	Malaysia Insurance Institute
61	Fellowship of the Institute of Actuaries (FIA) / Fellowship of the Faculty of Actuaries (FFA), - must have chosen subject(S) 303 General Insurance and/or 403 UK Fellowship: General Insurance as an elective.	Institute of Actuaries/Faculty of Actuaries, UK
62	Fellowship of the Institute of Actuaries (FIA)/Fellowship of the Faculty of Actuaries (FFA) - must have chosen subject(S) 303 General Insurance and/or 403 UK Fellowship: General Insurance as an elective.	Institute of Actuaries/Faculty of Actuaries, UK
63	Fellowship of the Institute of the Actuaries of Australia(FIAA) - must have chosen Subject 3 – General Insurance as one of the elective for Part III of the program	Institute of the Actuaries of Australia ⁴
64	Fellowship of the Society of Actuaries (FSA)	Society of Actuaries, US
65	Fellowship Program (FCIP),	Insurance Institute of Canada
66	First Course in General Insurance	Malaysia Insurance Institute
67	FMII	Malaysia Insurance Institute
68	Foundation Course in General Insurance	Malaysia Insurance Institute
69	General Course in Insurance (28/4/80 to 6/6/80)	Chartered Insurance Institute College of Insurance, UK
70	General Insurance Essentials (GIE)	Insurance Institute of Canada
71	General Insurance Training Course for Agents	Malaysia Insurance Institute
72	Higher Diploma in Insurance	HK Institute of Vocational Education
73	Institut Teknologi MARA Course in Insurance	Institut Teknologi MARA, Malaysia
74	Insurance Executive Development	IRD
75	Intensive Course for general Insurance Agents	Malaysia Insurance Institute
76	Intermediate Course in General Insurance	Malaysia Insurance Institute
77	Kursus Pengurusan Risiko dan Insurans	Universiti Malaya, Malaysia
78	La Crosse: Finance Major – Risk and Insurance concentration	University of Wisconsin, US
79	Licentiate Exam (Non-life),	Insurance Institute of Canada
80	Licentiate Exam (Non-life),	Insurance Institute of India
81	Master in Business Administration (Insurance and Risk Management)	Wharton School, University of Pennsylvania, US
82	Master of Actuarial Science - must have chosen the “Electives Outside the Major” from the risk management and insurance courses	Georgia State University, US
83	Master of Business Administration (Actuarial Science) – Must have chosen INSR 825 – Property and Liability Insurance Company Management and Policy as an elective	Wharton School, University of Pennsylvania, US
84	MBA (Actuarial Science) – must have chosen AS8520 Principles of Property and Casualty Ratemaking as one of the electives	Georgia State University, US

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85	MBA (Risk Management and Insurance)	Georgia State University, US
86	MSc (Risk Management and Insurance)	Georgia State University, US
87	MSc Insurance and risk Management	City University, UK
88	PhD (Risk Management and Insurance)	Georgia State University, US
89	PhD in Insurance and Risk Management	University of Pennsylvania, US
90	Pre-Contract examination Insurance Agent Certificate	Malaysia Insurance Institute
91	Statement of Attainment in Advanced Insurance Practice ³	Australia Insurance Institute
92	Statement of Attainment in Insurance Practice ²	Australia Insurance Institute
93	Takaful related Course, Examination or Certification	Malaysia Insurance Institute
94	Takaful related Course, Examination or Certification	Islamic Banking Finance Institute Malaysia (IBIFM)
95	Universiti Kebangsaan Malaysia Course in Insurance	Universiti Kebangsaan Malaysia
96	Universiti Malaya Course in Insurance	Universiti Malaya, Malaysia

² The Statement of Attainment in Insurance Practice comprises four modules from Certificate III in General Insurance and two modules from Certificate IV in General Insurance.

³ The Statement of Attainment in Advanced Insurance Practice comprises four modules from Certificate IV in General Insurance and two modules from Diploma in Business (General Insurance).

⁴Note that "Associateship of the Institute of the Actuaries of Australia (AIAA)" is not a qualification acceptable in lieu of the CGI qualification because Parts I & II, which are required under the Associateship program, do not have any general insurance coverage.

Card Protection Insurance refer to insurance cover in respect of lost or stolen credit cards and other financial and non-financial cards and ancillary services including lost reporting and emergency expenses cover.

SAMPLE OF AGENCY AGREEMENT

THIS AGREEMENT is made on [Date], between [Name of Principal and Address] (hereinafter called “the company” which expression shall where the context allows include any assigns or successors of the company) of the one part and [Name of Agent] (hereinafter called “the agent” which expression shall where the context allows include the agent’s estate, heirs, personal representatives successors in the title and permitted assigns) having address at [Agent’s address].

1 APPOINTMENT AND TERRITORY

The company hereby appoints an agent as non-exclusive agent in obtaining general insurance and general takaful business in Brunei Darussalam.

2 FAITHFUL PERFORMANCE

The agent hereby undertakes and agrees with the company that an agent will abide by the Code of Practice outlined under **Appendix 1** and at all times during the continuance of this agreement observes, fulfill and perform the terms and conditions set out in the Appendix I mentioned above.

3 AMENDMENTS

Subject to Clauses 15 and 16 of this agreement, any amendment to the terms of this agreement must be in writing and be mutually agreed to by both parties.

4 APPOINTMENTS OF AGENT

The agent hereby undertakes and agrees with the company that an agent will not appoint any other persons, firms or corporations to act as a sub-agent.

5 PREMIUM/CONTRIBUTION

An agent undertakes and agrees with the company that an agent will promptly collect all premium/contribution due on policy/certificate issued through an agent’s account.

Premium/contribution (including commission) collected by an agent shall be the property of the company and shall be deemed to be held by an agent in trust for the company.

Motor

The agent undertakes to remit all premium/contribution for motor business to the company within Seven (7) days from date of receipt.

Non-Motor

The agent undertakes to remit to the company all premium/contribution within Thirty (30) days from date of receipt. The Company reserves the right to impose reasonable interest on premium/contribution due if the agent fails to remit the premium/contribution after the required Thirty (30) days.

6 COMMISSIONS AND REMUNERATION

Subject to the company receipt of the relevant premium/contribution the company shall pay to the agent by way of commission within Thirty (30) days after receipt of same, in accordance with the rates of commission attached in the **Appendix B** hereto.

7 LIABILITY OF AGENT

An agent shall be personally liable and account for the payment to the company of all the premium/contribution of businesses and policy/certificate produced by an agent notwithstanding the non-receipt by an agent of such premium/contribution from the policyholder/participant.

8 RIGHTS OF SET-OFF

The company shall at all times be entitled to, without notice to or consent from an agent, exercise its rights of set-off and apply any sums owing by the company to the agent or standing to the credit of an agent against or in or towards satisfaction of any of an agent's liabilities to the company under this agreement, including but not limited to unpaid premium/contribution. An agent shall not, unless otherwise previously consented to in writing by the company have any rights of set-off against the company and all monies due to by an agent to the company shall be paid by an agent in full without any set-off, deductions or counterclaim.

9 LEGAL ACTION

An agent shall not bring or defend any actions suits and other proceedings and shall not accept service of process in the name of the company in any action or suit in any court of law. An agent shall not in the name of the company appear before any court, judge, magistrate or other officer and shall not pursue or commence proceedings as the case may be any actions, suits and other proceedings whether civil or criminal to which the company may be a party or in or by which the company may be interested or affected and shall not be give security for costs and shall not compromise or compound any such actions suits or other proceedings as aforesaid and demands which may be against the company. An agent shall not brief and instruct solicitors, attorneys and counsel in relation to any actions, suits and other proceedings and shall not authorize a person or persons in Brunei Darussalam or elsewhere PROVIDED ALWAYS THAT the company may by written permission permit the agent to do otherwise.

10 BREACH OF AGREEMENT

Without prejudice to or limiting the provisions of clause 11 hereof, the company shall have the right at any time giving notice in writing to an agent to terminate this agreement forthwith in any of the following events:-

- a. If an agent commits a breach of any of the terms and conditions of the agreement;
- b. If an agent acts or has acted in a manner which the company considers detrimental to its interest;
- c. If the business of an agent is acquired by or taken over by any person or corporate body or if the controlling interest therein passes to such person or corporate body;
- d. If an agent shall be convicted of any offence punishable by imprisonment whether or not punishment is inflicted;

- e. If an agent enters into liquidation whether compulsory or voluntarily (otherwise than for the purpose of amalgamation or reconstruction) or compound with his assets, or take or suffer any similar action in consequence of debts; or
- f. If an agent shall die (who is an individual agent), be adjudicated a bankrupt or if bankruptcy proceedings shall have been commenced against an agent.

11 CONSEQUENCE ON POLICY/CERTIFICATE AT TERMINATION OF AGREEMENT

In the event of this agreement being terminated all insurance policy/certificate accepted and commencing prior to the expiry date of the cancellation shall remain effective until their natural expiration or by cancellation by the company giving the appropriate notice under the respective policy/certificate.

12 TERMINATION OF AGREEMENT

Either party shall at any time be at liberty to terminate this agreement upon giving to the other party one (1) calendar month notice in writing, such notice to be sent by ordinary post to the other party and at the expiration of such notice, this agreement shall terminate without prejudice nevertheless to the rights and remedies of either party hereto or accruing prior thereto. Notice sent by the company by ordinary post to the address of the agent specified in this agreement or the last known address of the agent shall be deemed to have been effectively served three days after the date of posting.

Upon termination of this agency agreement by either party for any cause whatsoever;

- a. commission/wakalah shall cease to be payable by the company; and
- b. an agent shall return all documents bearing the company name or service mark together with any other document or item belonging to the company within seven (7) working days.
- c. The company shall notify the registrar for any termination of agreement and give the reason for such action.

13 NON-ASSIGNMENT OF AGREEMENT

An agent shall not be permitted to assign transfer or charge this agreement or any rights obtained thereunder or any part thereof without the written approval of the company.

14 ALTERATION OF TERMS IN RELATION TO COMMISSIONS

The company may at any time be at liberty to amend, alter, vary or change any of the rates of commission payable under this agreement by giving one (1) month written notice to the agent of their intention to do so and, an agent should be bound to accept the same and the **APPENDIX B** hereto shall be deemed to have been amended accordingly.

15 EFFECT OF LEGISLATIVE AMENDMENT

In the event of any legislation or any agency rules or any association registered in Brunei Darussalam of which the company is a member being introduced subsequent to this agreement which imposes responsibilities on either party and which affects any of the terms of this agreement, then this agreement shall be modified. Period (for such changes) to an agent shall not be less than one (1) month unless the legislation or Association states

otherwise in which event, the notification period shall be fixed by the legislation or association.

16 COMMENCEMENT OF AGREEMENT

- a. This agreement shall be deemed to supersede all or any existing agreements and shall be regarded as the only binding agreement between the parties.
- b. This agreement shall be deemed to have commenced from the date stated in this agreement and shall continue in full force and effect until terminated under the provisions of clauses 10 or 11 hereto.

17 DEDUCTIONS FROM AGENCY ACCOUNT

In all and every circumstance under which the company shall be entitled, whether by the terms of this agreement or by operation of law to be indemnified by an agent, the company shall be entitled to deduct such sum of money from the agency account as referred to in clause 8 above.

18 CONFIDENTIAL INFORMATION

An agent shall whilst this agreement is in force and thereafter, keep in strict confidence any information that the agent has been given access to or may have acquired from the company in the course of the agent's performance of this agreement, an agent shall not divulge or disclose to any third party or use or permit to be used (whether for the benefit of the agent or any other third party) such information in any way or manner for any purposes whatsoever other than for the sole and exclusive benefit of the company except for such information:-

- a. which is publicly or becomes publicly known without any fault of the agent;
- b. which the agent is required by law to disclose; or
- c. which the company has agreed in writing may be disclosed or used.

19 SAFE CUSTODY OF COVER NOTE

- a. An agent shall be responsible for the safe custody of all proposal forms and cover notes received from the company;
- b. In the event of unlawful entry into the premises of the agent where the cover notes are kept, the agent undertakes to inform the company immediately on such a happening;
- c. In the event the cover notes are lost or destroyed for any reason whatsoever, the Agent is required to report the same to the company and to the relevant police authorities.

20 AGENT OBLIGATION

An agent agrees with the company throughout the term as follows:-

20.1 Entry into of Contract of General Insurance/General Takaful

Before signing any cover note as agent for the company, the agent must;

- 20.1.1 Ensure that the person intending to take out insurance/general takaful with the company appears creditworthy and able to pay the premium/contribution payable;
- 20.1.2 Take such other steps as may be necessary to ensure to the reasonable satisfaction of an agent that the prospective policyholder/participant is a fit and proper person to enter into the contract/aqad of general insurance and general takaful with the company;
- 20.1.3 Procure the prospective policyholder/participant's signature on the proposal form having ensured that the form have been fully and correctly completed before signature.

20.2 Signature of Cover Note

An agent signs each cover note as an agent for the company.

20.3. Account and Record

- 20.3.1 An agent shall keep proper accounts and records and allow the company at all reasonable times to inspect and check those accounts and records. The company has rights to take and extract copies of account and record.

20.4 Indemnity

An agent shall indemnify and keep indemnified and hold the company harmless against all claims, actions, proceedings, damage, costs, expenses and any other loss of whatsoever nature (including the company's legal expenses on a full indemnity basis) arising from or in any way attributable to:-

- 20.4.1 any act of the agent or any of his servant or agent in contravention of any provision in this agreement or in excess of the authority conferred by this agreement;
- 20.4.2 any act omission, neglect or default of an agent or any of his employee, servant or agent in contravention of the provisions of any written law or subsidiary legislation;
- 20.4.3 any act, omission, neglect or default of an agent or any of his employee, servant or agent in contravention of any stipulation, request, requirement directive, obligation, rule or condition made or imposed by the company from time to time;
- 20.4.4 any action or other proceedings in court or any other forum taken by the company for the recovery of any premiums due to the company from the agent or to enforce or recover damages for breach by the agent of any provisions of this agreement;
- 20.4.5 any claims by any person whatsoever founded on any company's documents or any documents provided to the agent (whether or not signed by any authorised signatory of the agent) that may have been lost misplaced or unaccounted for and whether or not the Agent is in any way at fault or negligent in having lost misplaced or been unable to account for the same and notwithstanding that such loss, misplacement or inability to account may have been reported to the company.

20.5 Cancellation by the policyholder/participant

In the event the policyholder/participant cancels the cover note/policy/certificate, an agent shall

20.5.1 Notify the company of such cancellation immediately;

20.5.2 On the request of the company repay to the company the commission paid to an agent and the company may debit the agent's account with the amount of any such commission credited but not paid.

20.6. Guarantee or Cash Deposit

An agent shall procure a guarantee acceptable to the Company or put a Cash Deposit, of a sufficient amount in the opinion of the Company to cover the amount of money held under this agreement. This amount may be revised by the Company from time to time.

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This agreement shall be deemed to have been made in Brunei Darussalam, and the construction validity and performance of this agreement shall be governed in all respects by law in Brunei Darussalam.

AS WITNESSED

SIGNED by)
For and on behalf of)
[Name of company])

)
)
in the presence of :-)

SIGNED by)
For and on behalf of)
[Name of Agent])

)
)
in the presence of :-)

COMMISSIONS / WAKALAH FEES BY PRODUCT LINE

1. Commissions/Wakalah Fees are at the discretion of the Principal. The Commissions/Wakalah Fees will be as agreed between the agent and its principal.
2. Where Commissions/Wakalah Fees are given, the Commissions/Wakalah Fees shall not be more than as tabled below for each product line:

Item	Product Line	Maximum Commission / Wakalah Fee
1.	Aviation	15%
2.	Bond	15%
3.	Engineering	20%
4.	Fire	25%
5.	Marine Cargo	20%
6.	Marine Hull	15%
7.	Medical and Health	10%
8.	Motor	20%
9.	Personal Accidents	25%
10.	Professional Indemnity	15%
11.	Workmen Compensation	25%
12.	Others	25%