



Canadian

Non-Marine

Binding Authority Agreement

LMA3020
(20/07/2006)
Form approved by Lloyd's Market Association

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**CANADIAN
NON-MARINE
BINDING AUTHORITY AGREEMENT**

This Binding Authority Agreement, the Schedule attached hereto and any endorsements hereon ('the Agreement') is made by and between the Underwriting Members of Lloyd's whose syndicate numbers and proportions are shown in the attached table ('the Underwriters') and the Coverholder.

All communications between the Coverholder and the Underwriters shall be made via the Lloyd's Broker.

Whereas the Coverholder has sought authority to bind insurances on behalf of the Underwriters and has negotiated the grant of such authority through the Lloyd's Broker and has agreed to co-operate with and assist the Underwriters, their representatives and where appropriate the Lloyd's Broker in all matters pertaining to the Agreement, it is mutually understood and agreed between the Underwriters and the Coverholder as follows:-

DEFINITIONS

Further to the definitions of 'the Agreement' and 'the Underwriter' contained in the first paragraph of the Agreement, additional definitions that apply to the Agreement wherever they appear are:-

'Automobile Business' means any insurance classified as automobile by the laws and regulations of any Canadian province or territory.

'Coverholder' means the coverholder whose name and address is stated in the Schedule.

'Endorsement' means any endorsement, rider or attachment issued by the Coverholder that attaches to and forms part of a Policy.

'Lloyd's Broker' means the Lloyd's Broker whose name and address is stated in the Schedule.

'Policy' means a document issued by the Coverholder evidencing a contract of insurance including any declarations page, coverage summary, schedule, Wording, Endorsement and any renewal thereof or interim document.

'Regulator(s)' means the authority or authorities responsible for the regulation of a particular insurance under the laws of the province or territory applicable to the insurance.

'Requirements' means "requirements of the Council" as defined in Lloyd's Definitions Byelaw.

'Wording' means any form or document containing the terms of a contract of insurance which must attach to and form part of a Policy.

FORMATION, SCOPE AND TERMINATION

SECTION 1

EFFECTIVE DATE

- 1.1 The Agreement shall take effect only when the Underwriters have acknowledged in writing receipt of a copy of the Agreement signed by the Coverholder;
- 1.2 Any amendment to the Agreement shall be evidenced in writing and endorsed hereon. All amendments shall be acknowledged in writing by the Coverholder;
- 1.3 Any renewal of the Agreement shall take effect only when the Underwriters have received from the Coverholder signed written acceptance of the terms of the renewal.

SECTION 2

PERIOD

Subject to Section 1, the Agreement is effective during the period stated in the Schedule unless cancelled or terminated in accordance with Sections 4.2 and 16.

SECTION 3

PERSONS RESPONSIBLE FOR OPERATION AND CONTROL

- 3.1 Notwithstanding 3.2 and 3.3, the person(s) named in 3.1 of the Schedule is(are) responsible for the overall operation and control of the Agreement;
- 3.2 The person(s) authorised to bind insurances is(are) named in 3.2 of the Schedule;
- 3.3 The person(s) with overall responsibility for the issuance of documents evidencing insurance bound is(are) named in 3.3 of the Schedule;
- 3.4 The person(s) authorised to exercise any claims authority granted by the Agreement is(are) named in 3.4 of the Schedule.

SECTION 4

GRANT OF AUTHORITY

- 4.1 The Underwriters hereby authorise the Coverholder to bind insurances and amendments thereto for the Underwriters' account;
- 4.2 The Coverholder shall comply with any direction, condition or requirement, including any direction to cancel or terminate the Agreement, given by Lloyd's to the Underwriters;
- 4.3 In respect of every insurance bound the Coverholder has a duty to:-
 - 4.3.1 issue Policies, Endorsements and such other documents evidencing cover as may be agreed in writing by the Underwriters;
 - 4.3.2 collect and process premiums and return premiums on the Underwriters' behalf;
 - 4.3.3 handle claims and/or settle claims if authorised;
- 4.4 The grant of authority under 4.1 and 4.3 shall be in accordance with the terms and conditions contained in the Agreement;
- 4.5 Nothing in the Agreement shall be construed as creating the relationship of employer and employee between the Underwriters and the Coverholder.

SECTION 5

DELEGATION OF AUTHORITY

- 5.1 The grant of authority to bind insurances and issue documents evidencing insurances bound shall not be delegated by the Coverholder to any other person, firm, company or any branch office;
- 5.2 If any authority(ies) or responsibility(ies) other than those described under 5.1 is(are) delegated to a third party(ies), any such delegation must be in writing and the Underwriters must be a party to the written contract of delegation to the third party(ies).

SECTION 6

AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S)

The Coverholder is authorised to bind insurances only of the class(es) and for the coverage(s) stated in the Schedule, subject to the exclusions stated in Section 7.

SECTION 7

EXCLUDED CLASS(ES) OF BUSINESS AND COVERAGE(S)

The following shall not be bound:-

- 7.1 war and civil war risks;
- 7.2 nuclear risks;
- 7.3 risks of financial guarantee, financial default, bankruptcy or insolvency;
- 7.4 master policies issued to a group, association, organisation or club for the benefit of its members under a group or mass marketed program;
- 7.5 any other class(es) of business or coverage(s) as stated in the Schedule.

SECTION 8

PERIOD OF INSURANCES BOUND

- 8.1 No insurance shall be bound for a period greater than that stated in the Schedule;
- 8.2 Every insurance bound shall commence during the period of the Agreement;
- 8.3 No insurance shall be bound further in advance of its inception date than the number of days stated in the Schedule;
- 8.4 Each insurance bound shall run to its contractual expiry date, unless cancelled or terminated in accordance with its individual cancellation or termination provisions;
- 8.5 In the event of cancellation or termination of any insurance bound the Coverholder shall comply with any applicable law relating to the cancellation or termination of such insurance and to the return of premium, commission, fees, charges and taxes.

SECTION 9

MAXIMUM LIMITS OF LIABILITY/SUMS INSURED

The Coverholder is authorised to bind insurances only up to the limits of liability or sums insured stated in the Schedule.

SECTION 10

GROSS PREMIUM INCOME LIMIT

- 10.1 The Coverholder shall not bind total gross premium income in excess of the limit stated in the Schedule;
- 10.2 The Coverholder shall monitor the total gross premium income bound and notify the Underwriters immediately if it becomes apparent that the total gross premium income is likely to exceed the percentage of the limit stated in the Schedule;
- 10.3 For the purposes of this Section, gross premium income shall be defined as all premiums, additional premiums less return premiums (before any deductions).

SECTION 11

TERRITORIAL LIMITATIONS

- 11.1 The Coverholder is authorised to bind insurances only for risks located in the province(s) or territory(ies) stated in the Schedule;
- 11.2 The Coverholder is authorised to bind insurances only for insureds domiciled in the province(s) or territory(ies) stated in the Schedule;
- 11.3 The territorial limits of each insurance bound shall not be greater than those stated in the Schedule.

SECTION 12

AGGREGATES

- 12.1 The Coverholder shall record and monitor the aggregate exposures as defined in the Schedule;
- 12.2 The Coverholder shall advise the Underwriters of the aggregate exposure at the intervals stated in the Schedule;
- 12.3 The Coverholder shall not bind total aggregate limits in excess of the amounts stated in the Schedule.

SECTION 13

PREMIUMS, DEDUCTIBLES AND EXCESSES FOR INSURANCES BOUND

- 13.1 All gross premiums for insurances bound shall be calculated as stated in the Schedule;
- 13.2 The Coverholder shall incorporate Deductibles and/or Excesses in insurances bound as stated in the Schedule.

SECTION 14

OTHER CONDITIONS AND/OR REQUIREMENTS RELATING TO THE OPERATION OF THE AGREEMENT

- 14.1 The Coverholder shall comply with any conditions and/or requirements as stated in the Schedule or endorsed hereon;
- 14.2 The Coverholder shall comply with any amendments to the Agreement as stated in the Schedule or endorsed hereon.

SECTION 15

AUTOMATIC RENEWAL OF INSURANCES BOUND

- 15.1 The Coverholder shall maintain adequate records to identify and monitor, within any applicable time frames, all insurances bound which provide for or are subject to law granting automatic renewal or any extension of the period of any insurance bound;
- 15.2 The Coverholder shall review each insurance bound prior to its individual renewal date in order to offer renewal terms or to decline the renewal. This process shall be carried out in compliance with any applicable automatic renewal law;
- 15.3 The Coverholder is responsible for the necessary, timely and proper issuance of any notice of non-renewal for individual insurances bound to prevent their automatic renewal;
- 15.4 In the event of expiry, cancellation or termination of the Agreement, the Coverholder shall provide the Underwriters with details of the following as soon as possible:-
 - 15.4.1 all insurances in force at the date of expiry or the effective date of cancellation or termination of the Agreement, which are or may be subject to automatic renewal;
 - 15.4.2 all insurances for which terms have been offered preceding the date of expiry or the effective date of cancellation or termination of the Agreement, which could be bound and may be subject to automatic renewal;
 - 15.4.3 all insurances where automatic renewal cannot be or has not been prevented;
- 15.5 After the initial report by the Coverholder, the Coverholder shall continue to provide details of all such insurances on a monthly basis.

SECTION 16

CANCELLATION AND TERMINATION

- 16.1 Without prejudice to the terms of 16.2 and 16.3 the Agreement may be cancelled at any time by either party giving to the other not less than:-
- 16.1.1 the number of days notice in writing as stated in the Schedule; or
 - 16.1.2 the minimum notice period, if any, required by the laws of the province or territory applicable;
- Any such notice will be effective from the date given, and the Agreement will terminate upon the expiration of the period of such notice;
- 16.2 Unless the Underwriters specifically agree to the contrary in writing, the Agreement will be automatically terminated in the event the Coverholder shall:-
- 16.2.1 become the subject of voluntary or involuntary rehabilitation or liquidation proceedings;
 - 16.2.2 become the subject of an action in bankruptcy;
 - 16.2.3 make or propose any composition with its creditors or make any assignment for the benefit of its creditors or otherwise acknowledge its insolvency;
 - 16.2.4 have imposed by a court of competent jurisdiction the appointment of an administrator or administrative receiver or equivalent office holder;
 - 16.2.5 have a receiver or equivalent office holder appointed for the whole or any part of the Coverholder's business;
 - 16.2.6 be merged with, acquired by or otherwise absorbed by any individual, corporation or other business entity or organisation of any kind;
 - 16.2.7 being a partnership, be dissolved by agreement between the partners or by operation of law;
 - 16.2.8 have any relevant license or authority to conduct business suspended, removed or impaired by any order or decree of any judicial or regulatory authority having jurisdiction over the Coverholder;
- 16.3 The Underwriters and Coverholder specifically agree that the Underwriters reserve the right to cancel the Agreement at any time with immediate effect upon the occurrence of any of the events set out in 16.3.1 to 16.3.3 inclusive;
- The Underwriters shall give written notice of such cancellation and the Agreement shall terminate at the date specified in the notice;
- 16.3.1 The Coverholder fails to comply with any of the provisions of the Agreement;
 - 16.3.2 Any past or present director, officer, partner or employee of the Coverholder or any individual named in the Agreement is convicted of or charged with any criminal offence involving fraud or dishonesty or any other criminal offence that may materially affect the operation of the Agreement;
 - 16.3.3 The Lloyd's Broker is suspended as a Lloyd's Broker or ceases to have permission to transact insurance business at Lloyd's as a Lloyd's Broker unless an alternative Lloyd's Broker is mutually agreed in writing by the Underwriters and the Coverholder;
- 16.4 The Coverholder shall inform the Underwriters immediately upon becoming aware of the occurrence of any of the events set out in 16.2, 16.3.1 and 16.3.2. Any failure by the Coverholder so to advise shall not affect the automatic termination of the Agreement under 16.2 or the Underwriters' rights under 16.3;
- The Underwriters shall advise the Coverholder immediately upon becoming aware of the occurrence of the events in 16.3.3;
- 16.5 The receiving party shall immediately acknowledge in writing receipt of any notice of cancellation or termination given by the other party. However, failure to acknowledge receipt of any notice will not prejudice the effect of the notice of cancellation or termination;

- 16.6 Notice of cancellation or termination shall be sent by prepaid registered mail to the address(es) of the parties as stated in the Schedule. Proof of mailing shall be sufficient proof of notice having been served.

SECTION 17

EFFECT OF EXPIRY, CANCELLATION OR TERMINATION

- 17.1 At any time during any period of notice of cancellation or termination of the Agreement, the Coverholder shall have no authority to extend insurances already bound without the prior written consent of the Underwriters;
- 17.2 With effect from the date of expiry, cancellation or termination of the Agreement:-
- 17.2.1 the Coverholder shall have no authority to offer terms, bind insurances, renew, cancel, extend, amend or alter in any way insurances already bound, without the prior written consent of the Underwriters. Such written consent shall only be effective where it is not in contravention of local law;
 - 17.2.2 the Coverholder remains under a duty to perform its obligations in accordance with the terms and conditions of the Agreement until every insurance has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved unless otherwise instructed by the Underwriters;
 - 17.2.3 the Coverholder shall deliver promptly to the Underwriters or their appointed representative all unused Policies, Endorsements, other documents and other unused materials which it possesses in connection with the Agreement and ensure that any electronic storage and/or production of such documents ceases;
 - 17.2.4 the Underwriters' rights to receive monies due in respect of insurances bound shall not be affected and the Coverholder agrees not to challenge these rights; provided always that, if the Underwriters at their written option collect monies from insurance brokers or other insurance intermediaries, insureds or others from whom monies may be due in respect of insurances bound, the Underwriters shall give the Coverholder credit for such sums;
- 17.3 With effect from the date of expiry of the Agreement, unless the Underwriters instruct the Coverholder otherwise, the Coverholder shall retain the authority under the Agreement to cancel, amend or alter insurances already bound until every such insurance has expired or has otherwise been cancelled or terminated and, in respect of claims arising under such insurances, until all such claims have been paid or otherwise resolved;

DOCUMENTATION FOR INSURANCES BOUND

SECTION 18

APPLICATIONS OR PROPOSAL FORMS

Any specific application or proposal form to be used by the Coverholder shall be agreed by the Underwriters prior to use and if appropriate identified in the Schedule.

SECTION 19

DOCUMENTS ISSUED

- 19.1 The Coverholder shall issue a Policy in respect of every insurance bound and an Endorsement in respect of every change made to each insurance bound:-
- 19.1.1 Policies issued shall be uniquely numbered and shall include the Agreement Number stated in the Schedule;
 - 19.1.2 Endorsements, if any, shall be uniquely and consecutively numbered for the Policy concerned;

- 19.2 Each Policy and Endorsement issued shall bear the signature of one or more of the persons named in 3.1, 3.2 or 3.3 of the Schedule;
- 19.3 If local law or the insured requires that an insurance is evidenced by a policy issued by the Underwriters instead of a Policy issued by the Coverholder, the Coverholder shall request such policy to be issued by the Underwriters and the Policy issued by the Coverholder shall be void;
- 19.4 Immediately upon binding the Coverholder shall issue evidence of insurance to the insured or the insured's agent. Policies and Endorsements shall be issued as soon as practicable, but in any event, no later than 30 days after inception, or in accordance with local law;
- 19.5 The Coverholder shall retain a copy of all documents issued;
- 19.6 Unless otherwise stated in the Schedule or upon request, the Coverholder shall send a copy of all such documents issued to the Underwriters.

SECTION 20

FORMAT AND APPROVAL OF POLICIES

The format of any Policy or renewal Policy to be issued by the Coverholder shall be as stated in the Schedule and agreed by the Underwriters prior to use.

SECTION 21

WORDINGS, CONDITIONS, CLAUSES, ENDORSEMENTS, WARRANTIES AND EXCLUSIONS APPLICABLE TO INSURANCES BOUND

- 21.1 All insurances bound shall be subject to the Wordings, conditions, clauses, Endorsements, warranties and exclusions as stated in the Schedule;
- 21.2 Each Policy must contain the full text of each Wording, condition, clause, Endorsement, warranty, exclusion and any other document(s) forming part of the individual contract of insurance. Furthermore all included Wordings, conditions, clauses, Endorsements, warranties, exclusions and other documents shall be identified and itemised in or upon the Policy;
- 21.3 Each Policy must contain a statement to the effect that all inquiries and disputes should be addressed to the Coverholder whose name and address must be clearly stated on the Policy;
- 21.4 Each Policy shall contain a Several Liability Notice as stated in the Schedule;
- 21.5 Each Policy must identify the law and jurisdiction applicable to the contract of insurance, the period of insurance, the limits of liability or sums insured, the amount of the premium and any other applicable provisions that may be required under relevant local laws and regulations.

SECTION 22

SUBSCRIPTION POLICIES

- 22.1 The Coverholder shall not bind insurances on behalf of the Underwriters under a schedule of insurers participating in a 'subscription policy' in a lead or following capacity, unless the Coverholder has been so authorised by the Underwriters as stated in the Schedule;
- 22.2 If the Coverholder is authorised to bind insurances on behalf of the Underwriters under a schedule of insurers participating in a 'subscription policy' in a lead or following capacity, any subscription policy so bound by the Coverholder shall be subject to all of the following provisions:-
 - 22.2.1 The proportion and/or amount of insurance accepted on behalf of the Underwriters is expressly stated and is shown separately from the proportion or amount of insurance accepted by other insurers on the subscription policy;
 - 22.2.2 The schedule of insurers under which the proportion or amount of risk is accepted on behalf of the Underwriters, is clearly identified as follows:-

'Lloyd's Underwriters under Agreement Number **';

*(** The Agreement Number to be inserted is specified in the Schedule)*

- 22.2.3 The insurance is accepted on a co-insurance basis;
- 22.2.4 The premium accepted on behalf of the Underwriters is at the same gross rate as other insurers on the subscription policy unless otherwise agreed by the Underwriters;
- 22.2.5 All subscription policies shall adhere to any Requirements promulgated by Lloyd's.

SECTION 23

SECURITY OF DOCUMENTS

All stocks of Policies, Endorsements and other documents and any electronic method of storing and/or producing documentation shall be kept secure at all times. If requested by the Underwriters, the Coverholder shall promptly return or destroy all unused documents relating to the Agreement and ensure that any electronic storage and/or production of such documents ceases.

SETTLEMENT OF CLAIMS FOR INSURANCES BOUND

SECTION 24

PROCEDURE FOR THE HANDLING AND SETTLEMENT OF CLAIMS

The procedure for the handling and settlement of claims shall be as stated in the Schedule.

ACCOUNTING AND COMMISSIONS

SECTION 25

BORDEREAUX, ACCOUNTS AND ACCOUNTING SETTLEMENTS

- 25.1 The procedure for bordereaux, accounts and accounting settlements shall be as stated in the Schedule and as attached hereto.

SECTION 26

COMMISSION(S)

- 26.1 The Coverholder's Commission shall be as stated in the Schedule;
- 26.2 Contingent or Profit Commission shall be as stated in the Schedule.

SECTION 27

REFUND OF UNEARNED COMMISSIONS

The Coverholder shall refund to the Underwriters commissions on all cancelled insurances and return premiums, at the same rates at which such commissions were originally allowed to the Coverholder.

GENERAL REQUIREMENTS

SECTION 28

INTERNET TRADING

- 28.1 The Coverholder shall not offer, negotiate, accept, decline, process or otherwise transact insurances to be bound via any internet site, portal or similar system except as may be agreed by the Underwriters;
- 28.2 The Coverholder shall provide, without any restriction or limitation, the Underwriters or their representatives with any details or information pertaining to such systems which the Underwriters or their representatives may at any time request. The Coverholder shall allow the Underwriters or their representatives to inspect such systems at any time;
- 28.3 The Underwriters have the right to require the Coverholder to cease offering, negotiating, accepting, declining, processing or otherwise transacting insurances to be bound via such systems in whole or in part.

SECTION 29

FEES AND CHARGES

Policy, service and other fees and charges applied by the Coverholder must not breach any local law(s) or regulatory practice(s) which may be in force at the time. All such Policy, service and other fees and charges must be shown separately and not concealed from the insured or the Underwriters.

SECTION 30

EXPENSES

The Coverholder shall bear and pay all charges and expenses incurred by the Coverholder in the operation of the Agreement, except as agreed by the Underwriters under Section 25.

SECTION 31

TAXES, LICENCE FEES, OTHER CHARGES AND DISBURSEMENTS

- 31.1 The Underwriters agree to pay taxes, licence fees, other charges and disbursements for which they are responsible;
- 31.2 The Coverholder shall immediately notify the Underwriters if it ceases to hold all appropriate licences for the insurances to be bound under the Agreement.

SECTION 32

PREMIUM FINANCE CONTRACTS AND PREMIUM PAYMENT PLAN

- 32.1 The Coverholder shall not enter into or permit others to enter into premium finance arrangements in the name of and on behalf of the Underwriters;
- 32.2 With the approval of the Underwriters, as indicated in the Schedule and subject to any applicable Requirements, the Coverholder may arrange for premiums to be settled by instalments under the Premium Payment Plan operated by Lloyd's Canada. Such Premium Payment Plan if applicable shall apply to the class(es) of business as stated in the Schedule;
- 32.3 If the Coverholder or any other party enter into a premium finance arrangement in respect of premium(s) for insurance(s) bound or to be bound, the arrangement(s) shall be solely in the name and entirely for the account of the Coverholder or such other party and the Underwriters will not accept responsibility for any such arrangement(s).

SECTION 33

SEPARATE BANK ACCOUNTS

All monies received by the Coverholder, from or on behalf of the Underwriters, shall be received by the Coverholder in a fiduciary capacity on behalf of the Underwriters and shall be:-

- 33.1 deposited immediately into an account separate from the Coverholder's general or operating account for onwards transmission for the purposes set out in 33.3 and shall not be otherwise held or retained;
- 33.2 identified in the Coverholder's book of account, separately from other funds similarly held by the Coverholder for other insurers;
- 33.3 used solely for the purpose of settling accounts with the Underwriters or the payment of the commissions, premium refunds, claims or any other transaction authorised by the Underwriters.

SECTION 34

RECORDS AND STATISTICAL INFORMATION REQUIRED BY THE UNDERWRITERS

- 34.1 The Coverholder shall establish and maintain complete records relating to all insurances bound. Such records shall be and shall remain the property of the Underwriters;
- 34.2 The Coverholder shall prepare statistical information as stated in the Schedule at the interval(s) stated in the Schedule until every insurance bound has expired or has otherwise been cancelled or terminated. The Coverholder shall send such information to the Lloyd's Broker within the maximum number of days of the end of each interval as stated in the Schedule;
- 34.3 The Underwriters or their representatives shall have the right at any time, without any restriction or limitation, to inspect and audit any records and statistical information of the Coverholder relating to insurances bound and to the operation of the Agreement and shall have the right to make copies or extracts of any such records;
- 34.4 The Underwriters reserve the right for themselves or their representatives to access the premises of the Coverholder at any time for the purpose of carrying out any inspection or audit;
- 34.5 The Coverholder shall retain all records relating to all insurances bound for a minimum of 5 years or for such longer period as may be required by the law;
- 34.6 Notwithstanding the provisions of 34.2 the Coverholder shall provide all statistical and other information as to the insurances bound as may from time to time be required by the Attorney In Fact in Canada for Lloyd's Underwriters.

SECTION 35

ADVERTISING

- 35.1 The Coverholder may only refer (or permit any other party to refer) to Lloyd's in any publicity, letterheads, directories or advertising material, whether in print, electronic or any other form or media, in accordance with the rules and guidelines issued by Lloyd's and with the agreement of the Underwriters and subject to applicable laws and regulations. Details of the current rules and guidelines are available to the Coverholder from the Lloyd's Broker or from Lloyd's;
- 35.2 The Coverholder must agree with the Underwriters any specific marketing material to be used in relation to the insurances to be bound.

SECTION 36

INDEMNITY INSURANCE

- 36.1 The Coverholder shall maintain, for the duration of the Agreement, indemnity insurance acceptable to the Underwriters providing coverage in connection with the operation of the Agreement for any liability arising out of negligent acts, errors or omissions by the Coverholder including any past or present director, officer, partner or employee of the Coverholder;

- 36.2 The Coverholder shall provide the Underwriters or their representatives with evidence acceptable to the Underwriters confirming such insurance if requested;
- 36.3 The Coverholder shall inform the Underwriters of any changes to the indemnity insurances providing coverage in connection with the operation of the Agreement.

JURISDICTION AND DISPUTES

SECTION 37

COMPLIANCE WITH THE LAW

Without prejudice to any of the rights or obligations otherwise specified in the Agreement, the Coverholder shall comply with all applicable laws for the legal and proper handling of all insurances bound or intended to be bound, and shall use its best endeavours to ensure that any other parties with whom it deals in carrying out its duties under the Agreement comply with such laws where applicable.

SECTION 38

COMPLAINTS OR PROCEEDINGS

- 38.1 The Coverholder shall notify the Underwriters immediately upon becoming aware of any matter arising out of the operation of or in connection with the Agreement which has resulted or could result in litigation or proceedings against the Underwriters, the Coverholder or the Lloyd's Broker;
- 38.2 The Coverholder shall notify the Underwriters and the Attorney In Fact in Canada for Lloyd's Underwriters immediately upon becoming aware of any matter arising out of the operation of or in connection with the Agreement which has resulted or could result in a complaint to any Regulator or gives rise to regulatory action against the Underwriters, the Coverholder or the Lloyd's Broker.

SECTION 39

JURISDICTION AND GOVERNING LAW

The Agreement is subject to English law and practice and to the exclusive jurisdiction of the English courts.

SECTION 40

ENFORCEABILITY

In the event any portion of the Agreement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

SECTION 41

SEVERAL LIABILITY

The liability of the Underwriters is several and not joint and is limited solely to the extent of their individual proportions as shown in the attached table. The Underwriters are not responsible for the subscription of any co-subscribing underwriter or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

SECTION 42

GENERAL INTERPRETATION

In the Agreement, words importing the singular shall include the plural and vice versa. Headings are included for ease of reference and convenience only and shall not affect the interpretation of the Agreement. References to "law" include references to any applicable, common, or customary law and any treaty, constitution, statute, legislation, decree, rule, regulation, judgement, order, writ, injunction,

determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has the force of law or compliance with which is in accordance with the general practice of such jurisdiction.

SECTION 43

LAWS OF THE PROVINCE OR TERRITORY

Nothing in the Agreement shall modify the intention of the parties hereto, namely that all insurances bound hereunder shall be in accordance with the laws of the province or territory applicable to the insurance bound.

LMA3020

20/07/2006

SCHEDULE

This Schedule forms part of and incorporates by reference LMA3020 (the "Agreement"), which Agreement is identified by the Agreement Number and Unique Market Reference Number stated below. For the purposes of interpretation, the contents of this Schedule shall have meaning only as provided for in the Agreement.

Agreement Number:	
Unique Market Reference Number:	
The Coverholder: Address:	
The Lloyd's Broker: Address:	

AGREEMENT SECTION NUMBER	NARRATIVE
Section 2	PERIOD: From: <i>{Inception Date}</i> To: <i>{Expiry Date}</i> Both days inclusive, any time zone
Sub-section 3.1	THE PERSON(S) RESPONSIBLE FOR THE OVERALL OPERATION AND CONTROL:
Sub-section 3.2	THE PERSON(S) AUTHORISED TO BIND INSURANCES:
Sub-section 3.3	THE PERSON(S) WITH OVERALL RESPONSIBILITY FOR THE ISSUANCE OF DOCUMENTS EVIDENCING INSURANCES BOUND:

Sub-section 3.4	THE PERSON(S) AUTHORISED TO EXERCISE ANY CLAIMS AUTHORITY:
Section 6	AUTHORISED CLASS(ES) OF BUSINESS AND COVERAGE(S): (subject to the terms, conditions, exclusions and limitations of the Agreement)
Sub-section 7.5	OTHER EXCLUDED CLASS(ES) OF BUSINESS OR COVERAGE(S):
Sub-section 8.1	PERIOD OF INSURANCES BOUND: { } months MAXIMUM PERIOD OF INSURANCES BOUND: { } months including odd time
Sub-section 8.3	MAXIMUM ADVANCE PERIOD FOR INCEPTION DATES: { } days
Section 9	MAXIMUM LIMITS OF LIABILITY/SUMS INSURED:
Sub-section 10.1	GROSS PREMIUM INCOME LIMIT:
Sub-section 10.2	NOTIFIABLE PERCENTAGE OF THE LIMIT NOT TO EXCEED:
Sub-section 11.1	RISKS LOCATED IN:
Sub-section 11.2	INSUREDS DOMICILED IN:
Sub-section 11.3	TERRITORIAL LIMITS:
Sub-section 12.1	BASIS OF MONITORING AGGREGATE EXPOSURES:
Sub-section 12.2	REPORTING INTERVALS:
Sub-section 12.3	MAXIMUM TOTAL AGGREGATE LIMIT(S):

Sub-section 13.1	BASIS FOR THE CALCULATION OF GROSS PREMIUMS:
Sub-section 13.2	DEDUCTIBLES AND/OR EXCESSES:
Sub-section 14.1	OTHER CONDITIONS AND/OR REQUIREMENTS RELATING TO THE OPERATION OF THE AGREEMENT:
Sub-section 14.2	AMENDMENTS:
Sub-section 16.1.1	NUMBER OF DAYS NOTICE OF CANCELLATION: { } days
Section 18	APPLICATIONS OR PROPOSAL FORMS:
Sub-section 19.6	VARIATIONS TO THE STATED PROCEDURE IN RELATION TO COPY DOCUMENTS:
Section 20	FORMAT OF POLICIES:
Sub-section 21.1	WORDINGS, CONDITIONS, CLAUSES, ENDORSEMENTS, WARRANTIES AND EXCLUSIONS APPLICABLE TO INSURANCES BOUND:
Sub-section 21.4	SEVERAL LIABILITY NOTICE:
Sub-section 22.1	CAN THE COVERHOLDER BIND INSURANCES ON BEHALF OF THE UNDERWRITERS UNDER A 'SUBSCRIPTION POLICY' IN A LEAD OR FOLLOWING CAPACITY: *No / Yes <i>(*Delete as applicable)</i>
Section 24	PROCEDURE FOR HANDLING AND SETTLEMENT OF CLAIMS:

Sub-section 25.1	<p>THE PROCEDURE FOR BORDEREAUX, ACCOUNTS AND ACCOUNTING SETTLEMENTS WHICH SHALL APPLY TO THE AGREEMENT IS:</p> <p>BORDEREAUX, ACCOUNTS AND ACCOUNTING SETTLEMENTS (SCHEME CANADA - PORTAL DATA ENTERED BY COVERHOLDER) LMA5029: *Applicable and attached hereto / Not applicable</p> <p>BORDEREAUX, ACCOUNTS AND ACCOUNTING SETTLEMENTS (SCHEME CANADA - PORTAL DATA ENTERED BY LLOYD'S CANADA) LMA5030: *Applicable and attached hereto / Not applicable</p> <p>BORDEREAUX, ACCOUNTS AND ACCOUNTING SETTLEMENTS (NON SCHEME CANADA) LMA5031: *Applicable and attached hereto / Not applicable</p> <p><i>(*Delete "Applicable and attached hereto" or "Not applicable" as necessary, so one clause is selected and attach such applicable clause to the Agreement.)</i></p> <p><i>(Dependent upon the clause selected above, insert appropriate text within one area below.)</i></p>

Sub-section 25.3	<p><u>This area of the Schedule only applies when the Bordereaux, Accounts and Accounting Settlements (Scheme Canada - Portal data entered by Coverholder) LMA5029 clause applies.</u></p> <p>FEES AND CHARGES TO BE REIMBURSED TO THE COVERHOLDER:</p>
Sub-section 25.6	<p>MAXIMUM PERIOD FOR REMITTANCE OF SETTLEMENTS:</p> <p>PREMIUM BORDEREAUX PAYABLE WITHIN: { } days of the end of the bordereaux month</p> <p>PAID CLAIMS BORDEREAUX PAYABLE WITHIN: { } days of the end of the bordereaux month</p>

Sub-section 25.3	<p><u>This area of the Schedule only applies when the Bordereaux, Accounts and Accounting Settlements (Scheme Canada - Portal data entered by Lloyd's Canada) LMA5030 clause applies.</u></p> <p>FEES AND CHARGES TO BE REIMBURSED TO THE COVERHOLDER:</p>
Sub-section 25.6	<p>MAXIMUM PERIOD FOR REMITTANCE OF SETTLEMENTS:</p> <p>PREMIUM BORDEREAUX PAYABLE WITHIN: { } days of the end of the bordereaux month</p> <p>PAID CLAIMS BORDEREAUX PAYABLE WITHIN: { } days of the end of the bordereaux month</p>

	<p><u>This area of the Schedule only applies when the Bordereaux, Accounts and Accounting Settlements (Non Scheme Canada) LMA5031 clause applies.</u></p> <p>Sub-section 25.3 PREMIUM BORDEREAUX INTERVAL: *monthly / quarterly</p> <p>Sub-section 25.4 CLAIMS BORDEREAUX (PAID AND OUTSTANDING) TO BE PRODUCED BY THE COVERHOLDER: *Yes / No</p> <p>CLAIMS BORDEREAUX INTERVAL: *monthly / quarterly <i>(*Delete as applicable)</i></p> <p>Sub-section 25.6 MAXIMUM PERIOD FOR SUBMISSION OF BORDEREAUX AND SUMMARY ACCOUNTS: { } days</p> <p>Sub-section 25.8 MAXIMUM PERIOD FOR REMITTANCE OF SETTLEMENTS: { } days</p> <p>Sub-section 25.9 FEES AND CHARGES TO BE DEDUCTED BY THE COVERHOLDER:</p>
<p>Sub-section 26.1</p> <p>Sub-section 26.2</p>	<p>THE COVERHOLDER'S COMMISSION:</p> <p>CONTINGENT OR PROFIT COMMISSION:</p>
<p>Sub-section 32.2</p>	<p>PREMIUM PAYMENT PLAN APPLICABLE: *Yes / No <i>(*Delete as applicable)</i></p> <p>IF APPLICABLE, CLASS(ES) OF BUSINESS TO WHICH THE PREMIUM PAYMENT PLAN APPLIES: <i>[List classes]</i></p>
<p>Sub-section 34.2</p>	<p>STATISTICAL INFORMATION REQUIRED BY THE UNDERWRITERS:</p> <p>REPORTING INTERVAL(S): *monthly / quarterly <i>(*Delete as applicable)</i></p> <p>MAXIMUM NUMBER OF DAYS: { } days</p>

Agreement Number:	
Unique Market Reference Number:	

SIGNATURE OF THE COVERHOLDER

In accordance with Section 1 of LMA3020, the agreement is signed on behalf of the Coverholder as acceptance of the terms and conditions of the Agreement inclusive of any attachments identified in the Schedule.

.....
Signed and accepted on behalf of the Coverholder

.....
Name and Position of Signatory

.....
Date of Signature

ACKNOWLEDGEMENT OF THE UNDERWRITERS

.....
Signed and accepted on behalf of the Underwriters

.....
Date of acknowledgement

LMA3020

20/07/2006