

CORPORATE SALES EXECUTIVE AGREEMENT



ROYAL INSURANCE CORPORATION OF BHUTAN LTD.
NORZIN LAM, THIMPHU, BHUTAN

Executed on© Royal Insurance Corporation of Bhutan Ltd.



CORPORATE SALES EXECUTIVE AGREEMENT

EXECUTED ON AT THIMPHU
BETWEEN
ROYAL INSURANCE CORPORATION OF BHUTAN LTD.
AND

.....
NAME OF THE COMPANY (CORPORATE SALES EXECUTIVE)

This Corporate Sales Executive Agreement (hereinafter called “the Agreement”) is made and entered into on this/...../..... at **Thimphu**, Bhutan;

BETWEEN the Royal Insurance Corporation of Bhutan Limited, an insurance company incorporated and registered under the Companies Act of Kingdom of Bhutan, having its registered office at Norzin Lam, Post Box No. 315, Corporate Office, Thimphu, Bhutan, (hereinafter called “**the Principal**”), represented by

Name:.....
Designation:.....

AND Company (Corporate Sales Executive), a Company incorporated and registered under the Companies Act of Kingdom of Bhutan, having its registered office at (Location), Bhutan (hereinafter called “**the Corporate Sales Executive**”), represented by

Name:.....
Designation:.....

WHEREAS the Principal being the premier insurance company in the country has offered to appoint the as the Corporate Sales Executive of the Principal;

WHEREAS the has accepted to act as the Corporate Sales Executive of the Principal in procuring Non-Life Insurance Business of the Principal;

AND WHEREAS the Principal and the Corporate Sales Executive (hereinafter called “the Parties”) have mutually agreed to execute this Agreement on the terms and conditions mentioned hereunder.

NOW THEREFORE, this **AGREEMENT** witnesses as follows:

1. Responsibilities of the Principal

- 1.1. The Principal shall ensure that the employees of the Corporate Sales Executive identified for procurement of insurance business for the Principal have fulfilled the minimum level of qualification requirements. With a view to enhance professional development, the Principal shall provide induction course and refresher training programs for the employees of the Corporate Sales Executive.
- 1.2. The Principal shall allot a Sales Executive Code to the Corporate Sales Executive, which empowers him/her to procure insurance products from all the business lines.
- 1.3. The Principal shall issue a hand receipt (LD Receipt) booklet to the Corporate Sales Executive, if required, for collecting the Insurance Premium. The Principal shall verify the LD Receipts when deemed necessary for meeting adequate monitoring goals.
- 1.4. The Principal shall pay the Corporate Sales Executive commission on a quarterly basis in the manner prescribed in Annexure V of this Agreement.
- 1.5. The Principal shall calculate the Corporate Sales Executive’s commission on the premium amount and not on the Sum Insured/ Assured.
- 1.6. The Corporate Sales Executive shall not be entitled to the commission for insurance business, if the coverage falls under compulsory insurance or if the insurance is a statutory requirement.

2. Duties of the Corporate Sales Executive

- 2.1 The Corporate Sales Executive shall procure relevant business proposals from firms'/individuals eligible for insurance coverage under the relevant rules and guidelines provided by the Principal.
- 2.2 The Corporate Sales Executive shall obtain all documents deemed necessary at the time of filling the proposal forms with the prospects.
- 2.3 While procuring business, the Corporate Sales Executive shall use the code provided by the Principal as under:
 - a. Non-Life Insurance Business; and
 - b. Life Insurance Business.
 - c. Financial Securities Services Business
- 2.4. The Corporate Sales Executive shall make reasonable inquiries about the prospect and report every relevant fact about the prospect which may affect the insurance underwriting, including disclosure of lifestyle habits, existing illnesses, or inconsistencies in income, which is within the Corporate Sales Executive's knowledge, in the form of a report called "Corporate Sales Executive's Confidential Report (applicable for Life)."
- 2.5. The Corporate Sales Executive shall provide services, including premium collection, deposit of premium, deliverance of the insurance documents, renewal, revival, and ensure that the status of the insurance policies is active.
- 2.6. The Corporate Sales Executive shall deposit the premium to the nearest Office of the Principal within seven (7) days from the date of receipt of premium from the proposer/policyholder.
- 2.7. The Corporate Sales Executive shall closely monitor the status of their insurance business portfolio and keep the policies in force by collecting premiums which are due.
- 2.8. The Corporate Sales Executive shall only use marketing and promotional materials provided by the Principal.
- 2.9. The Corporate Sales Executive shall stand surety for its employee(s) involved in selling insurance policies, the Corporate Sales Executive under all circumstances, will be accountable for any misappropriation of premium monies collected by their employee(s).
- 2.10. The Corporate Sales Executive shall have no authority to bind the Principal in any way, their duty being confined to procurement of

insurance business and assisting the insurance policyholders in renewal of the policies and maintaining the policies in force. Any statement or representation made by the Corporate Sales Executive beyond the guidelines, regulations, and other literature issued by the Principal or statement in writing made by the Corporate Sales Executive shall be regarded as unauthorized and unwarranted.

- 2.11. The Corporate Sales Executive shall be responsible for proper maintenance of insurance business proposals including LD receipt (Money Receipt) booklets issued, if any. If the money receipt is lost/stolen, the Corporate Sales Executive should immediately notify the Principal in writing failing which the Corporate Sales Executive may be held liable for any loss arising out of or in connection to such incident.
- 2.12. The Corporate Sales Executive shall not deduct the commission from the premium amount collected by Corporate Sales Executive at the source.
- 2.13. The Corporate Sales Executive shall not act as Corporate Sales Executive for another insurance company.

3. Commencement Date and Term

- 3.1. This Agreement shall be effective from the date of signing.
- 3.2. This Agreement shall continue to be in force unless terminated earlier or amended.

4. Termination of the Agency

- 4.1. The Agency shall be terminated without notice if at any time during the term of this Agency, the Corporate Sales Executive becomes subject to any of the disqualification enumerated below:
 - a) If it is found that the Corporate Sales Executive had knowingly participated in any fraudulent, corrupt or dishonest act, or misrepresentation against the insured or the Principal;
 - b) If the Corporate Sales Executive commits any act intended to damage the image of the Principal or the Corporate Sales Executive's action tantamount to breach of the rules and regulations or any other instructions given by the Principal or is deemed to be prejudicial to the interest of the Principal;

- c) If the Corporate Sales Executive colludes with the employees of the Principal to gain benefit and credits direct business to their agency code;
- d) If the Corporate Sales Executive does not procure any business for twelve (12) consecutive months in any line of business;
- e) If the Corporate Sales Executive misuses client's insurance premium or any other monetary deposits to be made to the Principal;
- f) If the Corporate Sales Executive commits a breach of or fails to observe or perform any of the terms, conditions or provisions of this Agreement;
- g) If a winding-up order, judicial management order or order for the appointment of a receiver is made by the court against the Corporate Sales Executive; or
- h) Any other disqualification laid down under relevant laws in force from time to time.

4.2. Once the Corporate Sales Executive Agreement has been terminated, the Corporate Sales Executive shall no longer be regarded as a representative or Sales Executive of the Principal, irrespective of whether notice has been provided or not.

4.3. On termination of Corporate Sales Executive, whatever accrued commission till the date of termination shall be payable, and the future commission shall be forfeited irrespective of the quantum of business procured for the Principal. All the business of the Corporate Sales Executive, after termination, shall be converted to direct business.

4.4. The Corporate Sales Executive may voluntarily terminate/cancel this Corporate Sales Executive Agreement by giving one month's prior notice in writing to the Principal and surrender all the documents issued during the appointment to the Principal. In such cases, the accrued commission during the voluntary termination/cancellation, if any, shall be payable and the future commission shall be forfeited.

5. Notices

5.1. Any notice given pursuant to or in connection with this Agreement shall be in writing.

5.2. Any notice given by one party to the other party shall be deemed sufficiently served if sent to the address provided in this Agreement or the last known place of business of the other party or its facsimile number, as the case may be by personal delivery or registered post; or facsimile or electronic mail or by any other appropriate and convenient means.

6. Confidentiality

6.1. Neither party shall use, or disclose to any person(s), either during the pendency of the agency or after the termination of this Agency Agreement, any proprietary and confidential data, including policy numbers or client's details or any other information or materials owned or provided by the other Party, or disclose any information concerning the contents of this Agreement, except for purposes consistent with the performance of a party's obligation hereunder.

6.2. The Parties shall not at any time or in any manner, either directly or indirectly, disclose or communicate to any person, firm, Company, or other entity in any manner whatsoever, any information concerning any matters affecting or relating to the business of the other Party or any of its customers.

6.3. Each of the Parties undertake to the other that it will not disclose to any third party other than to its professional legal advisers or as required by law or as agreed between the Parties in writing, any information relating to the business affairs of the other nor any of the terms and provisions of this Agreement.

6.4. Notwithstanding the above provisions, the Parties shall be entitled to provide relevant authorities and the Board with all information relating to this Agreement.

7. Rights of Third Parties

A person who is not a party to this Corporate Sales Executive Agreement shall have no right under this Agreement to enforce any of the terms or provisions under this Agreement.

8. Indemnity

Each Party under the Agreement shall indemnify the other Party against any loss, damages or expenses incurred or suffered by the other Party

due to any unauthorized act or omission on the part of the other Party or its employees in relation to this Agreement or any breach thereof by the other Party or its employees.

9. No Employer-Employee Relationship

The Corporate Sales Executive and/or employee(s) of the Corporate Sales Executive shall not be considered as an employee of the Principal.

10. Other Terms

- 10.1. The insurance policy including renewals or endorsements shall not come into force until the premiums have been received by the Principal. The Principal shall not be held liable for the payment of claims where premiums have not been received from the Corporate Sales Executive.
- 10.2. The above terms of Agreement and the rates of commission shall be reviewed and varied by the Principal from time to time providing due intimation to that effect. And any changes to this Agreement may be affected by way of addendum.

11. Amendment

The provisions of this Agreement shall not be varied, modified or amended except by written consent from all Parties.

12. Governing Laws, Jurisdiction and Dispute Resolution

- 12.1. This Agreement and any other issues arising out of or in connection to this Agreement shall be governed by and construed in accordance with the relevant laws of the Kingdom of Bhutan.
- 12.2. Any controversy or dispute arising out of or relating to the works covered by this Agreement may be resolved by mutual agreement of the Parties through direct negotiation between the Parties.
- 12.3. In the event the dispute cannot be resolved by mutual agreement through a negotiated settlement, the dispute shall be settled by arbitration if both the Parties mutually agree to referring the dispute for arbitration in accordance with rules and procedures of the Alternate Dispute Resolution Act of Bhutan 2013.
- 12.4. If both the Parties cannot mutually agree to refer the dispute for arbitration, the dispute shall then be referred to the Royal Court of Justice for adjudication.

13. Communication

All communication between the Corporate Sales Executive and the Principal shall be addressed as follows, unless otherwise agreed between the Parties or notified in writing:

To RICBL/Principal:
General Manager
Royal Insurance Corporation of
Bhutan Limited
Corporate Office, P.O. Box No. 315
Norzin Lam, Thimphu

To (Corporate Sales Executive):
The Finance Manager
Company Name:.....
.....
Office Location:.....
.....

IN WITNESS WHEREOF, THIS AGREEMENT was executed and delivered on the date set forth herein before.

For the Principal
(Representative)
Designation:
Royal Insurance Corporation of
Bhutan Limited
Norzin Lam, P. O. Box No. 315
Thimphu

For the Corporate Sales Executive
(Representative)
Designation:
Company Name:
.....
Location:
Contact no:

WITNESSES:

Signature:.....
Name:
CID No:.....
Address:.....
Contact No:.....

Signature:.....
Name:
CID No:.....
Address:.....
Contact No:.....