

INSURANCE PREMIUM FINANCE AGREEMENT



RESOLUTION
CREDIT

The insurance premium finance agreement (“This agreement”) is made on the day of (month)

Between:

The Borrower: being the person(s) named in the schedule hereto and includes the borrower’s successor(s) (as the case may be) and assigns of other first part;

The Lender: Resolution Credit Limited whose address is care of P.O. Box 4469-00100 Nairobi in the said Republic and includes it’s successors and assigns of the second part; and

The Insurer: Resolution Insurance Limited who assigns of the third part.

Premium amount: Kshs [.....]

The Policy: being the policy or policies set out in the schedule

The Schedule: [.....]

The Borrower: [.....]

The Borrower

Name of Borrower (As per I/D or certificate of incorporation or certificate of registration)

[.....]

Address: P. O. Box [.....] Postal code [.....] Town [.....]

Phone no: Mobile [.....] Office [.....]

Email: [.....]

Name and Designation of Contact Person: [.....]

Phone no: [.....]

Directors (for partnerships and corporate borrowers)

1 [.....]

2 [.....]

The Insurer

Name of Insurer: [.....]

P. O. Box [.....] Phone no: [.....]

Physical Address [.....] Phone no: [.....]

Name and Designation of Contact Person: [.....]

Phone no: [.....]

Name of Insurance Broker: [.....] Phone no: [.....]

Physical Address: [.....] Phone no: [.....]

Name and Designation of Contact Person: [.....]

Phone no: [.....]

REPAYMENT DETAILS

Premium Amount	Interest Rate	Interest Amount	Premium add Interest	Monthly Instalment	Number of instalments
Ksh	%	Ksh	Ksh	Ksh	
Mode of Repayment		PD Cheques	<input type="checkbox"/>	Bank standing transfer	<input type="checkbox"/>
Name of Bank					
Bank Account					

1. Witnesseth

In consideration of the lender paying premium amount to the insurer (as defined in the schedule hereto) on behalf of the borrower to the insurer under the policy (as defined in the schedule hereto):

- a) Covenants to pay to the lender punctually and without any prior demand or set off whatsoever the consecutive monthly instalments specified in the schedule hereto and in the manner therein and herein set out A deposit equivalent to one-month instalment shall be paid on the signing of this agreement.
- b) Warrants to the lender that the policy is valid and the borrower covenants to the lender that the policy shall remain valid throughout the course of the borrowers indebtedness with the lender and to give effect thereto the borrower undertakes not to cancel the policy without the lender's consent or do any act or commit any default whereby the policy may become void or voidable or whereby an increased premium or charge may become payable (unless the borrower promptly pays the additional charge or premium to the insurer) provided that in case of default by the borrower on any of the borrower's obligations here in it will be lawful but not obligatory for the lender to do whatever it may deem necessary to make good such default and any money expended by the lender in that behalf with interest as provided above shall be paid to the lender.
- c) Confirms and acknowledges that the outstanding balance shall immediately become due and payable on demand by the lender with interest accruing thereon at the rate specified above from the date of demand if the borrower makes default on any of the borrower's obligations hereunder or under the policy or if a winding up petition of bankruptcy is filed against the borrower's or if it becomes illegal for the lender or the borrower to continue with the present arrangement or if there are circumstances which in the sole opinion of the lender may have a material adverse effect on the ability of the borrower to perform the borrower's obligation here under or under the policy and the borrower confirms that the lender shall be at liberty upon making formal demand as aforesaid to terminate the policy forthwith and receive refundable premium if any in the account, interest and charges from the borrower by summary procedures as liquidated debt.
- d) Authorizes and instructs the insurer through the signing of this agreement to register the lender's interest in the policy as a financier as well as the lender's right to terminate the policy as a financier as well as the lender's right to terminate the policy and to receive a refund on the premium amount and the borrower further covenants with the lender that the borrower shall produce that the insurer complies with the aforesaid authorization and in any event the borrower confirms that the borrower shall hold any monies paid to the borrower under the policy by the insurer in trust for the lender and shall immediately upon receipt surrender such monies to the lender to be credit to the account. This obligation shall subsist until the lender confirms in writing that the account has been redeemed in full.
- e) Undertakes to pay all stamp duties and other duties and taxes (if any) to which this agreement or any other document executed pursuant to this agreement may be subject to and the borrower further undertakes to reimburse the lender on demand all expenses including legal expenses incurred by the lender in suing for or recovering any sum due to the lender under this agreement.
- f) Appoints the lender to be the attorney to the borrower and in the name and on behalf of the borrower to execute and do any assurances acts things which the borrower ought to execute and do under the policy including without limitation the power to terminate the policy and to give good receipt and discharge thereof received by the borrower on such termination or for any supplement paid under the policy and the borrower hereby ratifies all acts or deeds done by the lender in exercise of the power herein conferred and absolves from blame any and call parties giving effect to such power and the borrower further confirms and agrees that any premium or part premium refunded as aforesaid or any settlement paid to the lender will first be applied towards redeeming the account and the balance (if any) released to the borrower.
- g) Undertakes that if the lender shall so request, the borrower shall so execute in favour of the lender by way of security legal assignment or mortgage over the policy to the lender and the borrower undertakes to meet all costs and expenses, including the legal fees payable as a result.
- h) Confirms that no failure or delay by the lender in exercising any power or privilege, under this agreement, shall impair the same or operate as a waiver for the same nor will any single or partial exercise of any other right power or privilege preclude any further exercise of the same or exercise of any other right power or privilege.

- i) Warrants to the lender that the borrower has the power to enter into the transaction contemplated by this agreement, and that neither the execution hereof nor the performer or observance of the borrower's obligations hereunder will conflict with or result in any breach of any law regulation mortgage agreement or other instrument whatsoever.
- j) The lender may at any time and without notice the borrower's combine or consolidate all or any of the borrower's accounts in or towards satisfaction of any monies obligations or liabilities of the borrower to the lender whether those liabilities be present, future, actual, contingent, primary, joint or several and the borrowers expressly waive off any rights to set off that he may have, so far as is permitted by law, in respect of any claim which he may now or anytime have against the lender.

2. The insurer

- a) Covenants with the lender that the policy is valid existing and the details set out in the schedule regarding the policy are correct.
- b) Hereby unconditionally guarantee and undertake as primary obligor and covenants that upon cancellation or termination of the policy by the lender or borrower, the insurer shall forthwith and on first demand per the lender and not later than seven days from the date of first demand of the prorated refund (the refundable premiums) of the amount due to the lender, without any deductions or set off whatsoever. The refundable premium amount will be computed on a prorated basis.
- c) Upon cancellation of the policy hereunder the insurer shall comply with all statutory and other common law obligations resulting from such cancellations and including without limitation the provision of notice to any third party of such a cancellation where required.
- d) The right of the lender to the refundable premium and its interest as financier or assignee shall be noted on the policy or by way of an endorsement to be issued in the respect thereof following the execution of this agreement and insurer shall provide the lender written compliance with sub-clause upon demand.

3. This Guarantee

- Shall not be affected, discharged, or diminished by any act or omission which would but for this provision have exonerated a guarantor but would not have affected or discharged our liability had we been a principal debtor.
- Shall continue in force until all the amount due to the lender has been paid when all liability hereunder shall cease save to the lender shall previously have called upon us in writing to pay specified moneys payable then remain outstanding.
- Does not extend to liabilities incurred after the date of receipt by you of notice of termination from us and provide cash cover in respect of any contingent liabilities guaranteed.
- Shall be governed interpreted in all respects in accordance with the laws of Kenya and the party hereto irrevocably submit to the non-exclusive jurisdiction of the High Court of Kenya.

4. Consent Clause

The undertakings contained in this guarantee shall override any other undertakings given by us in any documents. *In connection with this application and/or maintaining a credit facility with the Lender, We authorize the Lender to carry out credit checks with or obtain our credit information from, a credit reference bureau. In the event of the account going into default, we consent to my name, transaction and default details being forwarded to a credit reference bureau for listing. We acknowledge that this information may be used by banking institutions and other credit guarantors in assessing applications for credit by me, associated companies, and supplementary account holders and for occasional debt tracing and fraud prevention purposes.*

Disclosure of information:

- i. ***We agree that the Lender may disclose details relating to our credit facility account to any third party including credit reference bureaus, if in the Lender's opinion such disclosure is necessary for the purposes of evaluating my creditworthiness or any transaction with or credit application made to the Lender or such third party, maintaining my Account with the Lender or for any other lawful purpose.***
- ii. ***We agree that the Lender may disclose details relating to our credit facility account including details of our default in servicing financial obligations on our credit facility account to any third party including credit reference bureaus for the purpose of evaluating our credit worthiness or for any other lawful purpose.***

AND IT IS HEREBY AGREED THAT any notice or demand shall be deemed to have been properly served on any part hereto if delivered by hand or sent by registered post, telex or facsimile at the address shown in the schedule hereto or at the registered office or the physical address shown on the schedule hereto an in the absence of evidence of earlier receipt of any notice, or demand shall be deemed to have received if delivered by hand at the time of delivery or if sent by registered past three (3) days after the date of posting notwithstanding that if delivered or returned undelivered or if sent by telex or facsimile on the completion of transmission AND IT IS ALSO AGREED THAT this agreement shall not take effect and shall not be binding on the lender unless and until it is signed by the lender and other parties hereto AND IT IS AGREED THAT if the borrower is more than one person then all obligations on the part of the borrower shall be joint and several AND IT IS FURTHER AGREED THAT any dispute or difference arising between the parties to this agreement for or in connection accordance with the provisions of the Arbitration Act number 4 of 1995 or any amendments or replacements thereof whose decision in relation to any such dispute or difference shall be final and bind on the parties hereto.

Acceptance by the Borrower

I/we are pleased to accept the offer for the facilities on the terms and conditions contained in this Facility Letter dated and the attached General Terms and Conditions and I/we acknowledge that the conditions form an integral part of and are not divisible from this Facility Letter. We further confirm that we have obtained independent legal advice in understanding the Facilities and the implications of the terms of this Facility Letter including the General Terms and Conditions.

IN WITNESS WHEREOF the borrower, the insurer and the lender have executed this agreement the day and year first herein above written.

Signed by: (As authorized officials of the borrower)

Witnessed By:

1. Name: [.....]

Name: [.....]

Signature: [.....]

Signature: [.....]

2. Name: [.....]

Signature: [.....]

Signed by: (As authorized officials of the Insurer)

Witnessed By:

3. Name: [.....]

Name: [.....]

4. Signature: [.....]

Signature: [.....]

FOR OFFICIAL USE ONLY

Appraising officer:

1st Officer's Name: [.....]

Signature: [.....]

Title: [.....]

Date: [.....]

2nd Officer's Name [.....]

Signature: [.....]

Title: [.....]

Date: [.....]

Operations Manager:

Name: [.....]

Signature [.....]

Date: [.....]



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