

TERMS OF BUSINESS FOR INTERMEDIARIES

Please read this document carefully. It sets out the terms and conditions on which we agree to act for our Medicare producer customers and contains details of our respective responsibilities. Please contact us immediately if there is anything in these terms of business which you do not understand or with which you disagree. We particularly draw your attention to the section headed "Handling of monies".

About us

Medicare International, of The Matrix, 9Aldgate High Street, London EC3N 1AH, England is a trading name of LONMAR Global Risks Limited. LONMAR Global Risks Limited are an insurance intermediary and are authorised and regulated by the Financial Services Authority (FSA).

You can check our name and address, and that we are included on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

We will treat you as our customer in spite of the fact that you will be instructing us to place insurances on behalf of your own customers and whether or not premiums are paid direct to us by your customers. Accordingly, you will be responsible to your customers generally and for meeting any applicable rules and regulations. Only you or we will be entitled to enforce the terms of any contract between us. If we place policies in which you are named as the insured, you will be provided with separate terms of business as a direct commercial customer.

References in these terms of business to "insurances" or "policies" are solely to Medicare insurance contracts or policies in respect of which you are acting for your customers. References to "you" are to the intermediary with whom we are dealing.

Our services

As an intermediary, we owe duties to you and, unless you instruct us otherwise, our services include:

- Placing insurances on your behalf with insurers, as instructed by you.
- Making amendments, at your request, to insurance policies we have placed on your behalf.
- Handling with insurers claims made on policies we have placed on your behalf (unless arrangements for direct notification to insurers have been agreed between us) for so long as we are appointed to renew your customer's insurances.
- Paying on to insurers premiums paid by your customers (unless arrangements for direct payment have been agreed between us) and collecting claims from insurers and paying them on to your customers.
- Retaining documents relating to the placement of insurances and of claims made for an appropriate period but in accordance with regulatory requirements as a minimum (following which the documents will be destroyed).

We shall assume, unless you advise us to the contrary, that:

- Because you are an insurance intermediary, it will be unnecessary for us to explain basic insurance principles to you or those terms, conditions and exclusions commonly included in insurance contracts.
- You authorise us to agree with insurers the terms and conditions of the insurances consistent with your instructions to us.

Your customers should not rely on any insurance contract you have instructed us to place until we have confirmed to you in writing that the insurances are in force.

Our product and status

The Medicare product is underwritten by only one insurer and we have not, therefore, sought alternative terms from any other insurers.

The insurer has authorised us to underwrite and settle claims on its behalf within agreed guidelines. Accordingly, in placing insurances and handling claims, we will act as agent for the insurer as well as for you.

As we are an intermediary we cannot and do not guarantee that insurers with whom we place insurances will meet claims. A liability for premium, whether in full or pro rata, may arise despite an insurer becoming insolvent.

Your customer will be provided with procedures for making claims. In certain cases, the insurer has appointed CEGA Air Ambulance Limited to fulfil the claims function described above.

Handling of monies

Premium should be settled by credit card or bank transfer direct to MediCare, or by cheque from your customer made payable to "MediCare" which you should forward to us. You should not handle any premium, premium refund or claims monies on behalf of your client.

Owing to our arrangements with the insurer, we will hold premiums, premium refunds or claims monies as agent for the insurer.

Your customer will be treated as having fulfilled its obligation to pay premium to the insurer when it has paid the premium to us. The insurer will not have fulfilled its obligation to pay claims or premium refunds until we pay those claims or premium refunds to your customer. Equally, once we have received a premium from your customer, we will be unable to refund that premium to you without the insurer's consent.

Our liability to you

Unless we have otherwise agreed with you in writing, we shall treat your instructions to us to place or renew insurances as acceptance of the limitation of our liability to you, and to any other person with an interest in the insurances, as follows.

Other than in respect of any claim:-

- resulting from our breach of the FSA's rules; or
- resulting from our fraudulent acts or any of our acts which are deliberately contrary to our agreement with you; or
- in relation to any liability for death or personal injury resulting from our negligence; or
- in relation to any liability which cannot lawfully be excluded or limited.

Our liability in contract, tort (including without limitation negligence) or otherwise will be limited to £10 million in respect of all services we provide to you over any twelve month period.

Remuneration

Unless we have agreed with you otherwise, payment for our services will be by way of commission which is deducted from the premiums your customers pay to the insurer.

Our remuneration (in whatever form) in respect of any policy will be due on the date of inception or date of renewal of that policy. We will be entitled to retain all commission or agreed fees in respect of the full policy period including where those policies are cancelled after inception.

The insurer may make additional payments to us reflecting the aggregate income and/or profitability of its account with us and/or in respect of work we undertake on its behalf. We will provide you with written details of any payments of the type described, or of the basis on which any such payments may be made, if you ask us to do so.

We will advise you in writing of the rate of commission applicable to the insurances from time to time. We reserve the right to amend the rate of commission on giving at least thirty days' written notice. Commission will be payable to you subject to your customer effecting an insurance contract with the insurer and to the receipt by us of the relevant premium in full. Both you and we will refund commissions at such rate as may be required by the insurer on payment of any return premium by insurers.

We reserve the right to cease paying commission, including renewal commission, other than on premiums already received by us in the event that you cease to transact business with us or in the event that you or your customer notify us that you are no longer that customer's agent.

You will be responsible for complying with regulatory, fiduciary and legal requirements relevant to disclosure to your customer of all forms of remuneration in relation to the insurances.

Your responsibilities

We will treat your instructions to place insurances as confirmation that you meet and will continue to comply with any licensing or other applicable regulations relevant to your activities in any relevant jurisdiction. You must inform us immediately if that is not the case or if you cease to meet any licensing or other applicable regulations.

You will be responsible for advising your customer:

- When instructing you to place or to renew insurances on its behalf, to disclose any material facts; that is, any facts known to it (or which ought to be known to it) in the ordinary course of its business likely to influence an insurer's decision whether or not to accept the risk and on what terms and at what premium to accept the risk and you will be responsible for communicating any such material facts to us.
- To disclose any material facts arising whilst the insurances are in force, whenever your customer wishes to renew its policy, to effect any mid-term changes to its policy or to make a claim and you will be responsible for communicating any such material facts to us.
- To seek your advice if it is in any doubt as to whether any facts might be material.
- That all answers or statements given on a proposal form, claim form or other document relevant to the insurances will be its responsibility and that it should always check the accuracy of the information provided to the insurer on its behalf.

- That failure to disclose, or misrepresentation of, material facts may entitle the insurer to decline claims and may lead to your customer's policy being completely invalidated.
- That failure to pay premiums by the date specified in a debit note may lead to cancellation of the policies by the insurer or by us.
- To act as if uninsured and to take all prudent and reasonable steps both to prevent injury or damage of the type covered by the insurances and also to take all such actions after the event as are sensible to minimise its loss.
- To advise you without delay and in accordance with the terms of the insurance contract of any claim or circumstances likely to give rise to a claim under your insurances and you will be responsible for communicating any such advice to us.
- That delay in notifying a claim may also entitle the insurer to decline a claim.
- To comply with the terms of the insurances including any subjectivities or express or implied warranties and to advise it that failure to comply will entitle insurers to cancel the insurances.
- That it should retain any insurance policies in a safe place as for some types of insurance policy it is possible that a claim may be made long after the expiry date.

You will also be responsible for:

- Seeking renewal instructions from your customer.
- Unless your customer pays premium directly to us, collecting a cheque for any premiums due from your customer and forwarding such cheque to us in time to provide us with cleared funds within the period stated in the debit notes we send you.
Unless otherwise agreed, no deductions (such as commission due to you or claims or return premiums due to your customers) are to be made from the gross premium due to insurers.
- Reviewing any policies or other confirmation of cover that we send and advising us immediately if you consider that it does not reflect your instructions to us.
- Advising us immediately if the insurer with whom the insurances have been placed does not meet with your approval.

We accept no liability to pay premiums to insurers unless and until we have received cleared funds.

We reserve the right to retain any policies until all payments due under those policies have been made and any cheques cleared through our bank account.

You shall be solely responsible for any opinion you give to your customer regarding the acceptability or otherwise to MediCare or to the insurer of its applications for insurance or claims.

You are not authorised to use MediCare's name or logo except as specifically stated in these terms of business.

We recommend that you give us your instructions in writing and that where you instruct us orally, you confirm those instructions in writing.

Medicare is a United Kingdom product and the price quoted to you does not include UK Insurance Premium Tax (IPT). This will be charged separately, as required. In the event that tax falls due in respect of the insurances in any other jurisdiction, you will be responsible for that additional tax.

Errors and omissions

Both you and we will maintain at all times professional indemnity insurance with reputable insurers and will provide each other on request a certificate in respect of such insurance.

Confidentiality and personal data

We will treat all of the information you provide us as private and confidential to us and anyone else involved in providing the insurances (including loss adjusters and CEGA Air Ambulance Limited or other claims handlers appointed by the insurer). We will not give anyone else any information about you or your customers, except:

- When you ask us to or give us permission.
- If we have to because we are regulated by the FSA.
- If we have to by law.

Unless you advise us otherwise, we shall assume that we have your permission to disclose data about you and your customers and the permission of any other individual whose personal data you disclose to us:

- Where necessary for the purposes of handling the insurances
- Where necessary for the purposes of transferring or delegating our responsibilities for the handling of your insurances to any other intermediary regulated by the FSA
- To other companies within the LONMAR Global Risks Limited group which are regulated by the FSA for the purposes of enabling them to advise you of any services which may be relevant to your requirements.

Money Laundering/Proceeds of Crime Act

We may ask for evidence of your identity at the start of our business relationship. In the absence of such evidence, we may be unable to act for you. In accordance with our obligations under the Proceeds of Crime Act 2002 and other anti-money laundering legislation, where knowledge or suspicion of money laundering arises, we may pass certain information known to, or suspected by, us to the appropriate authorities. This may result in a delay to a transaction and/or a decision that we will cease acting for you.

Claims payments will ordinarily be made to your customer or to a provider of medical services to your customer. If your customer requires a payment to be made to any other third party, then your customer must confirm the requested payee's name and details and provide a brief explanation for their request.

Complaints

If you have a complaint about our services, you should in the first instance contact the Senior Executive Director at MediCare, quoting the relevant customer's Certificate number. You may make your complaint either orally or in writing. If we are unable to resolve your complaint by close of business on the business day following receipt of your complaint, we will send you a copy of our complaints procedure. We will acknowledge your complaint in writing within 5 business days and tell you who will be dealing with your complaint and when you can expect to receive a response and will enclose a copy of our Complaints Procedure.

We will give a written response within four weeks of receiving your complaint unless your complaint is sufficiently complicated to warrant longer investigation or if it requires information outstanding from a third party. We will advise you in writing of the reasons if our response will take longer than four weeks and will let you know when a response can be expected. We will respond in writing within eight weeks of receipt of your complaint unless it is still not practicable to do so. If we are unable to respond within eight weeks, we will advise you in writing of the reasons for the further delay and explain when we expect to provide a final response.

Our final response will state whether we accept or reject your complaint. If we reject your complaint, we will give full reasons for doing so.

If you remain dissatisfied after receiving our response, or if at any time you are dissatisfied with the way in which your complaint is being handled, you should contact our compliance officer at the address shown below. Our compliance officer will review your original complaint and the response you have received and will advise you whether we will take any further action on the basis of his or her review.

Termination

Either you or we may terminate the agreement for the provision of our services by giving at least thirty days notice in writing. In the event of termination, we shall be entitled to receive in full our commission or fee in respect of any policies we have placed on your behalf before the date of termination.

The agreement will terminate immediately without notice in the event that either you or we become subject of voluntary or involuntary rehabilitation or liquidation proceedings (except for the purposes of amalgamation or solvent reorganisation) or become subject of an action in bankruptcy or make or propose any composition with our or your creditors or otherwise acknowledge our or your insolvency.

Governing law and language

The relationship between us as intermediary and you as customer is governed by English law. If there is a dispute which cannot be resolved under our complaints procedure, it will only be dealt with in the courts of England and Wales.

These terms of business are supplied only in the English language and all communications for the duration of our appointment will be in the English language unless, if you are a customer in a European Economic Area state other than the United Kingdom, you require otherwise.

Severability

If any provision of these Terms of Business is found to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Terms of Business and the remainder of the provision in question will not be affected.

Rights of Third Parties

No provision of these Terms of Business will be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person other than you or us.

*MediCare International (a trading name of LONMAR Global Risks Limited)
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