



## INSURESPORT MUTUAL LIMITED

### IML Suspension – Frequently Asked Questions

**1. What difference will the decision make to me as a Member / policyholder?**

Effectively none. Cover will continue to be provided in exactly the same way until the date of your next renewal. Thereafter, whereas 50% of your cover had been provided by Royal & Sun Alliance/Zurich and 50% by Insuresport Mutual, 100% will be provided by Royal & Sun Alliance/Zurich.

**2. Is my National Association and its members still properly protected/insured?**

Yes. The Civil Liability protection offered will stay exactly the same up until the date of your next renewal. Thereafter, the Civil Liability policy as currently provided for the 50% of your risk insured by RSA will be offered, albeit in its entirety by RSA/Zurich.

**3. What will happen to any outstanding claims I might have?**

They will continue to be handled in exactly the same way. Currently once the Board of Insuresport Mutual have considered a claim and agreed to accept it, all claims are managed in their entirety by RSA/Zurich to avoid delays and additional costs. Insuresport Mutual pays them an agreed fee for their services. Where damages are subsequently awarded in a particular case, RSA/Zurich will make a request for 50% of the cost to be paid by IML. At all times funds are held in an ESCROW account, sufficient to meet any requests for payment by RSA.

**4. What will happen if I have any further claims on my cover / policy?**

As above, they will be handled in exactly the same way by RSA/Zurich and IML.

**5. Will there be enough money available in IML to pay any claims?**

It has been set up to ensure there would be sufficient funds.

Claims notifications are of course still being received in relation to Years One and Two of the Mutual – and it will literally take several years more for the full extent of all the claims to be known.

IML has been structured in a conservative way.

- The maximum (aggregate) exposure to claims in any one year for IML was £1.5 million. After that point a conventional insurance policy underwritten by the Munich Re Group takes responsibility for losses in excess of that £1.5 million.
- Within that aggregate, the maximum amount paid by IML in respect of any one claim is £145,000. Again, thereafter, the Munich Re Group insurance policy is triggered.

The maximum liability then, is relatively small.

**6. Do I need to send you any information at this stage – for example an accident record book?**

That is not necessary. Please maintain the flow of information to Perkins Slade in the normal fashion. Can we remind you that you must be advising us as soon as you are aware of an incident which may give rise to a claim. Please refer to our incident notification guidelines.

**7. What if there is a claim, arising as a consequence of an accident that occurred while the policy is in place, but is not notified until after the renewal of the policy?**

You should notify of incidents which may result in a claim as you become aware of them. The claim will be handled in the same way. The policy in force when the claim is made will be the one which responds.

**8. Is there any possibility I will be required to make an additional contribution to IML?**

IML's Rules limit the maximum additional contribution any member could be called upon for to £1. In reality this would never be requested.

**9. What will I have to do to change?**

Nothing, Perkins Slade will contact you at renewal in the usual way.

**10. Should Perkins Slade be looking for alternative Insurers?**

Perkins Slade constantly do that in any case as a matter of course.

**11. Should I take out alternative insurance cover?**

There is no need. Your existing policy will continue until your renewal date.

**12. What does "suspension" mean?**

Suspension effectively means IML will not write any new business or invite renewals, until further notice, after 30 November 2008, but will continue to write business until then. Should insurance market conditions change adversely for our clients the option of IML being reactivated remains open.

IML will continue to trade – in so far as it will continue to manage all the activities that have been initiated during the last two years. That obviously includes the handling of claims and the payment of damages, but other areas, for example the management of finances, investment and care of risk premium etc.

**13. What will happen if I want to make any changes to the policy?**

Changes can be made in the normal way. Contact Perkins Slade as usual.

**14. If I want to cancel the policy – can I have a refund?**

Any Member can choose to withdraw from membership of IML at any time. However, as shown in the Rules, the Member is not automatically entitled to a refund of their contribution. This is because in a mutual, Members contributions are used to support other Members claims directly. There is no reason to cancel the cover as you will remain protected.

Should you require a copy of the IML Rules these are available on the IML website.

**15. Is this the end of the line for IML?**

Certainly not. In any case IML will continue to run, in order to deal with any claims arising from the last two years.

Should insurance market conditions change the option of IML being reactivated remains open.

**16. I am not happy with the arrangements who can I complain to?**

Perkins Slade Ltd conforms to FSA requirements in respect of Professional Indemnity Insurance.

Insuresport Mutual Ltd falls outside the scope of the Financial Services Authority ("FSA") as it is a members' only organisation for specific clients, although we endeavour to ensure that clients received the high standards of care and competence demanded by the FSA. As IML is not regulated by the FSA, its members are not entitled to the FSA Complaints Procedures, or to the Financial Ombudsman Services (FOS), or the Financial Services Compensation (FSCS).

Perkins Slade Ltd themselves are authorised and regulated by the FSA (registration number 302886). We have kept them fully informed, both of our role with the Mutual and its subsequent suspension.