

Premium rate adjustment

Upon settlement of the last claim attaching to the contract period, we will calculate the total contract payment and the claims ratio as follows:

- a) The total contract payment is calculated by taking the *Minimum premium payment*, and adding any balancing adjustments for the contract period.
- b) The claims ratio, expressed as a percentage, is calculated by taking the total amount paid in respect of the claims relating to **debts** arising from risks in the contract period and dividing it by the total contract payment.

If the resulting claims ratio falls within the ranges specified in the contract the corresponding premium rate increase or reduction will be applied to the value of all the sales to which this contract applies, for the whole of the contract period, resulting in either a:

- (i) refund on your request, provided that ;
 - a. by applying the low claims bonus the total amount payable by you to us in respect of the *contract period* is not less than the *Minimum payment* and we will not pay any refund which would have that effect; and
 - b. you renew the contract at the end of the contract period; and
 - c. you waive your rights to payment of any subsequent claims relating to the contract period.

or

- (ii) surcharge payment which will be invoiced to you.