

Premium surcharge in the event of claims

Upon settlement of the last submitted 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 is within the range[s] specified in the contract the corresponding premium rate increase [s] will be applied to the value of all the sales to which this contract applies, for the whole of the contract period, resulting in a surcharge payment which will be invoiced to you.