

Terms of Business Agreement (Agreement)

Paragon Brokers (Bermuda) Ltd

Authorised and regulated by the Bermuda Monetary Authority (BMA). Registered address: LOM Building, 27 Reid Street, Hamilton, HM11, Bermuda.

Please use the information in this Agreement and the attached Schedule to decide if Paragon Brokers (Bermuda) Ltd's (Paragon) services are right for you.

1. Definitions

- 1.1 'You' or 'Your' means You, the Client.
- 1.2 'We' or 'Us' or 'Our' means Paragon.

2. Who regulates us?

- 2.1 Paragon is authorised and regulated by the BMA, which is the independent body that regulates financial services in Bermuda.
- 2.2 To comply with BMA's code of conduct for insurance brokers and insurance agents Paragon has prepared this Agreement.

3. Ownership and control

- 3.1 Paragon is part of a global independent platform and is based in Bermuda.
- 3.2 Paragon uses insurance markets based in the UK, Europe, Bermuda and North America. Paragon can offer a range of insurance products from insurers based in these countries.
- 3.3 Paragon is not tied to, or acts as agent of, any insurer except in the collection of monies and the holding of documents involving certain insurers.
- 3.4 Paragon does not own any shares in any insurance company anywhere in the world or in any Lloyd's entity.

4. Limited Markets

- 4.1 In respect of Healthcare Liability for medical practitioners in Bermuda Paragon only obtains quotes from Allied World Managing Agency Limited / Lloyd's Syndicate 2232 (AWAC) and therefore is unable to obtain quotes from other insurers or give advice regarding other markets.
- 4.2 Paragon is the agent of the insured and not the insurer notwithstanding this arrangement.

5. Bribery and Corruption

- 5.1 Paragon conducts its business in an honest and ethical manner and it has adopted a zero-tolerance to bribery and corruption.





6. Paragon's Responsibilities

- 6.1 Paragon will discuss with You, or Your representative, Your insurance requirements and if appointed in writing as Your insurance broker it will approach AWAC. Paragon will keep You fully informed on a regular basis of its progress or otherwise. Unless We have agreed in writing to undertake a full review of all Your insurance requirements and existing policies, our responsibility to You will be limited to the insurance policy(ies) We procure on Your behalf.
- 6.2 Paragon will present in writing (which may be in electronic form) the terms negotiated with AWAC and will give its independent advice and recommendations when You are deciding the coverage to buy, the terms and conditions and which insurance markets to use. Paragon will highlight any conditions and/or subjectivities required by insurers and will discuss with You how best they can be addressed.
- 6.3 Paragon will issue detailed written confirmation of the terms and conditions of the insurance placements at the point of binding. When a formal policy is issued it will be in electronic format and Paragon will use its best endeavours to provide such formal policy documentation as soon as possible.
- 6.4 In respect of insurance placements arranged by Paragon, and at Your written request, Paragon will seek to negotiate with insurers any amendment to the terms of any placement and it will present and negotiate claims advices and settlements provided it is still the appointed broker.

7. Data Protection

- 7.1 Paragon strives to protect the privacy and the confidentiality of personal data that it processes in connection with the services it provides.
- 7.2 When providing services under this agreement Paragon will supply information about you, and any claims you may have had, to insurers (and they may pass such information to their agents), intermediaries and/or third parties who are acting as our agent and by agreeing to these terms you consent to both Paragon and insurers and our/their agents holding, processing and passing of your personal and business data both inside and outside of Bermuda. Please note that the holding or processing of data will always be managed in accordance with Bermudan law and any laws of the jurisdiction in which the data is located thereafter.

8. Financial Crime

- 8.1 Bermuda money laundering regulations requires Paragon to obtain information about You the Client before it can act.
- 8.2 As part of Paragon's due diligence checks and information gathering process Paragon will carry out sanctions and financial checks in line with its internal procedures.

9. Insurer Security

- 9.1 Paragon only uses insurers that have been rated A- or higher by A.M Best or have been rated A- or higher by Standard & Poor's. Paragon never acts as an insurer.
- 9.2 Paragon does not guarantee the solvency of any insurer it places business with, or the ability of an insurer to meet policyholder obligations. As a result, final decisions on insurer suitability must rest with You.





10. Your Responsibilities

- 10.1 You are responsible for producing, in writing, complete and accurate disclosure of all material facts of the risks to be insured.
 - 10.1.1 Material facts are those that influence a reasonable insurer when deciding to provide insurance or not, and if so, the terms and conditions of such insurance.
 - 10.1.2 The use of an application or proposal form supplied by insurers or Paragon does not relieve or reduce your responsibility to disclose all material information in a clear and accurate manner.
 - 10.1.3 If you do not supply such material information insurers may be able to avoid all coverage and not necessarily restricted to the subject of non-disclosure.
- 10.2 You are responsible for checking that all documentation received by You from the insurers clearly reflects the insurance coverage You require. Particular attention should be made to the limits, terms & conditions, any warranties and when and how to advise claims or potential claims to insurers. Also, attention should be given to any condition that requires You to undertake specified actions by a date.
- 10.3 You are responsible for paying the correct amount of premium and any tax by the due date especially if there is a warranty and Paragon will not be responsible for any consequence of such a failure. Paragon will not be able to pay the market unless it receives the correct amount.
- 10.4 You must ensure that payments are made to the bank account as advised by Paragon.
- 10.5 All sums will be held by Paragon on trust in a client bank account until payment is due to insurers, or clients if return of premium or claims monies, and any interest earned from monies held on account will be payable to Paragon.
- 10.6 Paragon may drawdown its commission before paying the premium to insurers.
- 10.7 Paragon acts as the agent of certain insurers, including Lloyd's syndicates, in the collection and holding of insurance premiums, certain claims monies and the holding of documents.
- 10.8 If You have any doubt about Your responsibilities under any insurance arranged by Paragon please immediately contact their Compliance Officer who will be pleased to assist.

11. Paragon's Remuneration

- 11.1 Paragon's remuneration will be either by commission payable by insurers or an agreed fee payable by You.
- 11.2 You are entitled to know details of the commission paid to Paragon which is applicable to Your premium.
- 11.3 Paragon will service all aspects of Your insurance programme, including claims, when it accepts business on a commission basis.
 - 11.3.1 However, if another Bermuda based broker is subsequently appointed it is a condition of this Agreement that such an appointed broker must then take full responsibility for all servicing of Your insurance programme, including claims, from the date of their appointment with no return of commission from Paragon.
 - 11.3.2 If Paragon's appointment is terminated and no Bermuda based broker is appointed in its place and You request Paragon to continue to manage and negotiate existing claims then Paragon reserves its right to charge a fee for such work.





11.4 Paragon's commission is fully earned as at the inception date of insurance placements.

11.5 If Paragon accepts Your business for an agreed fee, the terms of which are to be agreed prior to the inception of any insurance coverage, the fee will be for an agreed period of time (usually the period of the policy) and this includes the negotiation and management of claims.

11.6 Paragon's fee is fully earned at inception of the policy or fee agreement whichever is first.

12. Payments to Paragon

12.1 Paragon never accepts payments for premium or its services in cash, or by private/personal credit cards or private/personal cheques. Paragon will only accept transfers of monies from, or cheques with accounts with, reputable and internationally known banks.

12.2 If You use a premium finance company to pay Your premium this must be advised to Paragon as it is not able to accept payment other than from You unless previously agreed and documented by You and Paragon.

13. Complaints

13.1 Paragon aims to provide the highest standard of service to all their clients. If at any time You wish to make a complaint, either in writing or verbally, in connection with any matter concerning the services received, or not, from Paragon, or regarding any other business matter involving Paragon, You should address such matters to Paragon's Compliance Officer:

- Email: complaints@paragonbrokers.com
- Post: Compliance Officer, LOM Building, 27 Reid Street, Hamilton, HM11, Bermuda
- Tel: +441 296 4485

He/she will acknowledge the complaint and will immediately undertake an independent review and will write to You accordingly. Your complaint will be handled in a fair, timely and appropriate manner.

13.2 You have the right to refer complaints directly to Lloyd's, Lloyd's aim to resolve complaints within 8 weeks which is in accordance with the rules of the Financial Conduct Authority. To make a complaint to Lloyd's please write to:

- Email: complaints@lloyds.com
- Post: Fidentia House, Walter Burke Way, Chatham Maritime, Chatham, Kent, ME44RN
- Tel: +44(0) 20 7327 5693

13.3 Paragon's complaints procedure is compliant with the requirements of the BMA's code of conduct for insurance brokers and insurance agents.

14. Liability

14.1 To the maximum extent permitted by applicable law, Paragon's liability arising under or in connection with this Agreement in respect of any loss and/or damage shall never exceed \$5,000,000.00 in any twelve month period. Such twelve-month period will start to run from the date that You sign and date this Agreement.

15. Entire Agreement

15.1 This document, along with any addendums attached hereto, is the entire agreement between Paragon and You.





15.2 Any changes, amendments or additions are only valid when attached hereto and signed by the respective signatories hereon.

16. Force Majeure

16.1 Neither Party will be liable for any delay or non-performance of its obligations under this Agreement caused by a Force Majeure Event provided that the Party affected gives prompt notice in writing to the other Party of such Force Majeure Event and uses all reasonable endeavours to continue to perform its obligations under this Agreement.

17. Governing Law and Jurisdiction

17.1 This Agreement shall be construed according to the laws of Bermuda and any disputes arising under it shall be determined in the courts of Bermuda.

For and on behalf of Paragon:

Name:	
Title:	
Date:	
Signature:	

For and on behalf of the Client:

Entity:	
Name:	
Title:	
Date:	
Signature:	

Paragon Brokers (Bermuda) Ltd

27 Reid Street
Hamilton
HM11 Bermuda
Tel: +441 296 4485

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Schedule

Healthcare Liability

Insurer: Allied World Managing Agency Limited / Lloyd's Syndicate 2232

Address: 19th Floor, 20 Fenchurch Street, London EC3M 3BY, United Kingdom

Allied World Managing Agency Limited is authorised by Lloyd's and the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority of the United Kingdom. Lloyd's Syndicate 2232 is rated A+ by Standard & Poor's and AA- by Fitch.

Product: Healthcare Liability Package Policy

This Schedule is designed to help You have a basic understanding of Your insurance policy by setting out the significant features, benefits, limitations and exclusions of the cover provided by the Healthcare Liability Package Policy.

We have identified Lloyd's Syndicate 2232 which is managed by Allied World Managing Agency Limited as being a suitable insurer and their Healthcare Liability Package Policy as being compatible with Your requirements.

This Schedule is not part of the Healthcare Liability Package Policy wording. Furthermore, it does not describe all the terms and conditions of your policy such as limits of indemnity or the excess(es) applicable, so please take time to read the quote and any accompanying documents to ensure that You understand the cover it provides.

SIGNIFICANT FEATURES AND BENEFITS

The Healthcare Liability Package Policy is underwritten on a 'claims made and notified basis' to provide coverage for damages or defence costs arising in respect of Healthcare liability and Professional liability. The policy is extended to include cover for costs relating to Abuse Defence, Court Attendance, Fraud/Dishonesty Defence, Public Relations and Lost Documents. Sub-limits apply to the aforementioned extensions.


A 'claims made and notified' basis means that the policy will only respond to a claim first made during the policy period, and notified during the policy period. In short, for a claim to be covered Your policy must have been in place at the time the allegation was made against You, and when the claim is lodged.

SIGNIFICANT LIMITATIONS AND EXCLUSIONS

Significant and unusual exclusions or limitations include:

- Abuse
Abuse means the actual or threatened sexual abuse, sexual molestation, sexual assault, sexual victimisation, physical abuse, physical assault, verbal abuse, bullying, any resulting mental or emotional injury, or any coercion to engage in sexual or abusive activities.



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- **Territorial and jurisdictional limits**
Liability arising in connection with any legal proceedings (including any criminal proceedings, inquest or inquiry) commenced, and from or in connection with any activities, outside of Bermuda.
 - **Contractual Liability**
Liability arising from any oral or written contract or agreement, does not apply to the extent You would have been liable in the absence of such contract or agreement.
 - **Prior acts/knowledge**
Liability arising from claims and circumstances which are known, and acts, errors and omissions which have taken place, and incidents, wrongful acts, injuries, claims and circumstances notified, prior to inception.

SIGNIFICANT CONDITIONS

The following significant Conditions regulate the manner in which the policy operates:

- **Cancellation and premium**
The policy may be cancelled by giving written notice of cancellation to AWAC, the policy will then terminate at the time specified in such notice provided there are no backdating issues. In the event of cancellation by You, AWAC will retain the greater of: (i) its proportionate share of the premium, by reference to the proportion of the Policy Period for which the Insurer was on risk; or (ii) thirty five percent (35%) of the premium as specified in the policy schedule. However, in the event that AWAC has indemnified or agreed to indemnify You in respect of any claim or established a reserve in respect of any claim, no premium will be returned.
- **Notice of claim**
You must give notice to the insurer as soon as reasonably practicable of any claim or circumstance by email or by recorded post to DAC Beachcroft LLP:

Post: Attn Neil Rowe, Wellbar Central, 36 Gallowgate, Newcastle upon Tyne, NE1 4TD, UK.
Email: uk.healthcareclaims@awac.com

Such notice must contain sufficient information, see the Notice and Conduct of Claims Conditions clause in Your policy.

