

Fund Information Brochure
ECCU/BAICO Health Insurance Support Fund
(the “Fund”)

for persons entitled to be paid claims under certain **Health Insurance Policies** issued by
British-American Insurance Company Limited
(in Judicial Management)

Background

In 2009, various judicial managers and an administrator were appointed to the operations of British American Insurance Company Limited (“BAICO”) in The Bahamas and the Eastern Caribbean.

BAICO has not paid health insurance claims since 2009 and, as a result, many persons within the Eastern Caribbean have suffered financially.

As part of the solution being implemented to help BAICO policyholders, and mindful of the plight of persons who have not been paid for their Health Insurance Claims since mid-2009, the Governments of the Territories¹ (the “EC Governments”), have established the Fund to provide financial assistance to persons insured under **Health Insurance Policies**.

What is the Fund?

The EC Governments established the Fund under a Trust Deed (“Trust Deed”), with funding from the Liquidity Support Fund.

The Trustee is ECCU Health Insurance Support Inc, a charitable trust company incorporated to act as Trustee of the Fund. The Fund is open for applications until 31 December 2011.

¹ Being Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines.

What Policies are covered by the Fund?

The following BAICO **Health Insurance Policies** issued in the Territories are covered by the Fund:

- Mediflex Plus – Standard and Deluxe Plans
- Mediflex Silver and Gold Group Insurance
- Hospital and Surgical Plan (Adult and Juvenile)
- Personal Accident Income Replacer
- Hospital & Surgical – Cancer
- Mediflex Hospital – Instant Issue (Hospital and Surgical version *only*)
- Sickness and Accident Policy – Instant Issue
- Super Shield Cancer Coverage

These are referred to in this brochure as the “**Health Insurance Policies**”, “**Policy**” or “**Policies**”.

The Fund will not cover claims under any other BAICO Policies, including life insurance, annuities or investment policies, even if funds are required to meet medical needs.

What is the Fund’s Eligibility Criteria?

You will need to meet the Fund’s Eligibility Criteria in order to receive financial assistance from the Fund.

In general, you will be eligible if:

- You are legally entitled to be paid an amount in respect of one or more valid claims under a Health Insurance Policy (the “**Claim/s**”). You must have complied with the terms of your Policy, including submitting Claims to BAICO within the period specified under the Policy, and
- BAICO:
 - has accepted your Claim/s in accordance with its legal obligations, but
 - has not paid the Claim/s proceeds (this includes persons who received cheques to pay their Claim, but the cheque was not honoured), and
- The Claim was incurred on or before 18 June 2011.

Please note that, for Claims incurred from 19 May 2011 to 18 June 2011 inclusive, the Fund will only make a payment for eligible Applications if it has sufficient resources to do so after meeting all of its other financial obligations, including those to make payments for Claims incurred on or before 18 May 2011.

How can you seek payment from the Fund?

You will need to apply to the Fund by 31 December 2011 if you want to receive assistance. An Application is necessary because the Fund operates separately from BAICO, and has specific rules that set out who can receive financial assistance. By submitting your Application, you will be agreeing that the Fund rules apply to your Application, and also to assign to the Fund your rights in the insurance Claim.

Once you have applied, the Trustee will assess your Application and, if accepted, make a payment to you from the Fund.

How do you apply to the Fund?

Step 1: Ensure that your Insurance Claim has been approved by BAICO

If you have submitted Claims to BAICO, then your local branch staff will be able to tell you the status of those Claims.

If BAICO is waiting on further information from you to finalise your Claim, then this should be submitted as soon as possible. If you don't provide appropriate supporting documentation or information within a reasonable time, BAICO cannot approve your Claim and may decline it.

If you have a new Claim, you should submit it to BAICO in the ordinary way, including by completing a Claim Form and providing all supporting materials such as receipts and itemized bills that are required to validate your Claim.

It is your responsibility to ensure that Claims and supporting documentation are submitted to BAICO within the time frames set out in your Health Insurance Policy. In general, you will have 90 days from the date of the occurrence of your Claim to submit it to BAICO.

Please note that:

- Claims incurred between 19 May 2011 and 18 June 2011 inclusive will only be eligible if the Fund can pay 100% of the value of all other eligible Claims and any other expenses; and
- Claims incurred after 18 June 2011 will not be eligible for assistance from the Fund, even if they are approved by BAICO.

Please note: If BAICO declines or has not approved a Claim, you are not eligible for assistance from the Fund in respect of that Claim.

Step 2: Complete and sign your Application Form

- Complete all details and sign the Application Form. For your assistance, BAICO will be endeavouring to arrange for Application Forms to be pre-completed with your Claims information. It is important that you check this information is correct before you sign and submit it and, if necessary, correct or add to the information.
- If you instructed BAICO to pay your Healthcare Provider the proceeds of any Claim, and have since paid that Provider, please provide proof of payment with your Application. If you cannot provide proof of payment, then your Application will be delayed or declined for that Claim. Please see below under “Who must sign the Application?” for more information.
- If you have more than one Claim that qualifies for assistance from the Fund, we ask that you submit all Claims under one Application

- If you have Claims that are still being considered by BAICO, you may submit an Application for your approved Claims now, and make a separate application to the Fund in respect of Claims that later receive approval.

Step 3: Submit your completed and signed Application Form by 31 December 2011

You must submit your completed Application Form at your local BAICO branch by the Application deadline, which is 31 December 2011. This deadline allows plenty of time for you to submit your Claims to BAICO, to provide any outstanding supporting documents or information, for BAICO to assess your Claim, and for you to complete and submit your Application to the Fund.

Who must sign the Application?

The Application Form **must** be signed by the person who is **legally entitled** to be paid the proceeds of the Claim by BAICO.

Who is legally entitled to be paid the Claim amount?

In general, this is:

◦ The owner / policyholder of that Health Insurance Policy, in the case of an individual Policy, OR

◦ An insured under a Group Health Insurance Policy,

OR

◦ a Healthcare Provider who provided services to an insured that was covered under a Health Insurance Policy, where:

- the claimant asked BAICO to pay the claim proceeds to their Healthcare Provider; and
- their Healthcare Provider has not yet been paid for those services.

The above is a general description only, provided for your guidance. Your circumstances may be different, and could need to be specifically considered.

What if you asked BAICO to pay your Healthcare Provider?

In some cases, a person will have instructed BAICO to pay the proceeds of their Claim to their Healthcare Provider (eg their doctor or hospital). This usually happens at the time the Claim is made.

If so, this gives the Healthcare Provider the right to receive the proceeds of the Claim, and thus apply to the Fund. BAICO branch staff will be able to confirm whether you made such a request on your Claim form or otherwise.

What if you have since paid your Healthcare Provider?

If the above applies to your Claim, but you have since paid your Healthcare Provider some or all of the amount they would otherwise have received from BAICO under the Approved Claim, then you may still apply to the Fund. However, you must attach proof of that payment to your Application Form (e.g. a receipt clearly showing payment for the relevant service).

- If you have paid your Healthcare Provider in full, you can make the Application to the Fund, provided you supply proof of that payment;
- If you have paid your Healthcare Provider in part (not counting the deductible) then the Healthcare Provider and the individual Claimant should jointly apply to the Fund, and clearly indicate on the Application how much the original account was for, and how much is still owing to the Healthcare Provider; and
- If no payment has been made, then the Healthcare Provider has the right to apply to the Fund, and receive payment, in respect of those Claims. The Healthcare Provider should

complete the Application for Healthcare Providers and, if possible, arrange for the insured person/s to confirm they have not paid for the service using the Supplementary Declaration. If this is not completed, then the Trustee is likely to wait until all Applications have been received before it can make any payment. This is to ensure that the insured person does not submit an Application in respect of the same Claim.

- In this case, the Claimant may facilitate an application by the Healthcare Provider for payment from the Fund, although the Healthcare Provider **must** sign the Application.

Important: If you still owe payments to your Healthcare Provider, it's likely that you will remain responsible to ensure that provider is paid.

How much will you receive from the Fund?

The Trustee has worked closely with the Judicial Managers and British American Insurance in Trinidad (“BAT”) in order to understand the amount of Claims that is likely to be paid by the Fund. The Fund has access to funding that should be sufficient to meet the costs of the Claims, and of operating the Fund.

If your Application is accepted by the Trustee, then it is expected that you will receive the same amount from the Fund that you are owed by BAICO for all Claims that meet the Eligibility Criteria and that are incurred up to and including 18 May 2011.

If your Claim was incurred between 19 May 2011 and 18 June 2011 inclusive, you will only receive an amount once all other Applicants who meet the Eligibility Criteria have been paid, and you may not receive the full amount of the value of your Claim.

If the Trustee pays you less than the full value that BAICO owed to you, you will still be assigning your full Claim to the Fund. For example, this might happen because your Claim

was incurred between 19 May and 18 June inclusive, and there is not enough money left to pay you in full. If the amount is very low, you will be given the opportunity to withdraw your Application before being paid.

You will have 6 months from the date of your cheque from the Fund to present it to your bank. If a cheque is not cashed within 6 months, it will be stale. In this case, you will not receive a replacement cheque and your Application will be void. If this happens, you will retain your rights against BAICO in relation to those corresponding Claims as if you had not made an Application to the Fund for those Claims.

What is the effect of signing the Application Form?

The Application Form contains a number of declarations, which you should consider carefully before you sign it. One important aspect of the Application is the requirement for you to assign to the Fund all of your interest in your Claim.

Importantly, the assignment **only takes effect for a Claim once the Applicant has received a payment from the Fund in respect of that Claim**. This will occur when the Fund sends a cheque to the BAICO branch indicated on your Application Form, provided you present that cheque within the time period indicated above.

This assignment means that the Trustee or the Fund will be able to exercise all of your rights in relation to your Claim, including claiming as a creditor under your Health Insurance Policy in any liquidation of BAICO.

It does not mean that the Fund will perform any of your obligations under any Health Insurance Policy, nor will the Fund assume any of your liabilities, such as your responsibility to pay your Healthcare Provider/s.

What happens after your Application is submitted?

Once your Application is submitted, the Trustee will assess your eligibility under the Fund's rules and, if you qualify for assistance, pay you the relevant amount.

It is possible that, if you include a number of Claims in your Application, only some may meet the Eligibility Criteria at the time the Trustee assesses your Application. If this is the case, you will be paid in respect of those eligible Claims. If you later meet the Eligibility Criteria for the other Claims, you will have to re-apply.

Any errors, missing information, or lack of clear responses in your Application may mean the Fund takes longer to assess it, or it may be declined. For this reason, if you appear to have made errors in your Application, then it may be returned to the Branch so you can revise it before it is sent on to the Trustee.

How long will Applications take to process?

The Fund has set resources, and must rely on assistance from both BAICO branch staff, and BAT, to submit and assess Applications. Since Applications must go through an assessment process, the Trustee will be able to process only a limited number of Applications at any time. The amount of time that it will take between when you submit your fully completed and signed Application (including any supporting documentation required) will depend on how many Applications are waiting to be processed, and the completeness and quality of Applications being assessed, including yours.

Provided your application is properly completed and signed, please allow up to 90 days for a cheque to be issued in respect of Eligible Claims. Applications from Healthcare Providers, and Applications for Approved Claims incurred between 19 May and 18 June 2011 inclusive, are likely to take longer as outlined above, and may not be finalised until early 2012.

The Government of Trinidad and Tobago has announced that it is restructuring the business of BAT. This restructuring, or other events, could affect BAT's ability to provide the necessary support to the Fund.

The Fund is also reliant on the Branches of BAICO to, among other things, assist Applicants with completing their Applications.

The Trustee attempted to formalize a services and co-operation agreement with BAT and BAICO. Although the terms have not been formalized in writing, BAT and BAICO have agreed in principle to provide the necessary services. The Trustee and the EC Governments will continue to work with both BAT and BAICO to assist policyholders.

A disruption to the operations of either BAT, or to one or more of the BAICO branches in the ECCU, could create an interruption to the Fund's operations. If this occurs, we ask for your patience as the Fund implements alternative arrangements, or as the Fund's operations need to slow down to take into account available support.

What happens if you don't apply to the Fund by 31 December 2011, or your Application is declined?

Applying to the Fund in relation to a Claim is entirely your choice. You will need to make a decision about whether to apply and, if you choose to do so, submit your completed Application to the Fund, by 31 December 2011. It is expected that, once the Fund's objective is completed, the Fund will cease to exist.

If in relation to any Claim, either:

- you do not apply by the deadline, or
- the Fund declines to accept your application (for example, because you do not meet the Eligibility Criteria),

then you will keep all your rights in relation to that Claim.

It is almost certain that, if you do not make a successful Application to the Fund to be paid in respect of any particular Claims, any payment you receive from BAICO for a valid Claim will take a number of years, and you will receive significantly less than the amount that the Fund would pay you.

If your Application is declined, or declined for some Claims, you can re-apply at a later time once you meet the Eligibility Criteria. For example, if you did not at first meet the Eligibility Criteria, you may reapply once you do, provided your Application is submitted by the deadline.

If you think that you could have difficulties meeting the deadline, you should contact your local BAICO branch for assistance as soon as possible.

What is the role of British American Insurance (“BAICO”)?

Any decision to make a payment from the Fund will be made independently by the Trustee, in accordance with the rules set out in the Trust Deed.

BAICO staff and the Judicial Managers have confirmed their continuing commitment to assisting policyholders. For this reason, BAICO has agreed to make the staff within its branch offices available to assist you to help facilitate the application process, and to help you to understand how the Fund operates.

BAT is also committed to assisting the Trustee to operate the Fund by continuing to provide claims assessment services to BAICO, and also ensuring that key information is provided to the Trustee to enable it to assess whether each Application and each Claim meets the Fund’s Eligibility Criteria.

Information about this Brochure

This Brochure has been prepared to give you an overview of how the Fund works. It is not meant to be a comprehensive description of the operation or rules of the Fund.

The full description of terms of the Fund's operations appears in the Trust Deed, and any additional documents or guidelines that might be created under the terms of that Deed. The Trust Deed includes important information, including establishing the powers and obligations of the Trustee, and gives the Trustee a number of discretions, including to modify the amount payable to some or all Applicants based on the assets available in the Fund.

Who to Contact if you have questions?

Please refer questions to your local BAICO Branch:

ANGUILLA

Herberts Commercial Center,
Suite 33-34, P.O. Box 148,
The Valley
Tel: 1-264-497-2653 / 5832
Fax: 1-264-497-5933

ANTIGUA

British American Mall,
Redcliffe Street, St. John's
Tel: 1-268-481-5050
Fax: 1-268-481-5090

DOMINICA

#4 Cross Lane, Roseau
Tel: 1-767-448-2070
Fax: 1-767-448-3441

GRENADA

P.O. Box 350,
Young Street, St. George's
Tel: 1-473-444-5801-3
Fax: 1-473-440-1601

MONTSERRAT

St. Peter's
Tel: 1-664-491-2361
Fax: 1-664-491-9361

NEVIS

P.O. Box 400,
Parkville Complex, Charlestown
Tel: 1-869-469-5415
Fax: 1-869-469-1635

ST. KITTS

P.O. Box 378,
#4 Cayon Street, Basseterre
Tel: 1-869-465-2348
Fax: 1-869-465-7838

ST. LUCIA

#49 High Street, Castries
Tel: 1-758-452-2195
Fax: 1-758-453-7612

ST. VINCENT AND THE GRENADINES

Linton Lewis Building,
James Street
Tel: 1-784-456-1596
Fax: 1-784-485-6958