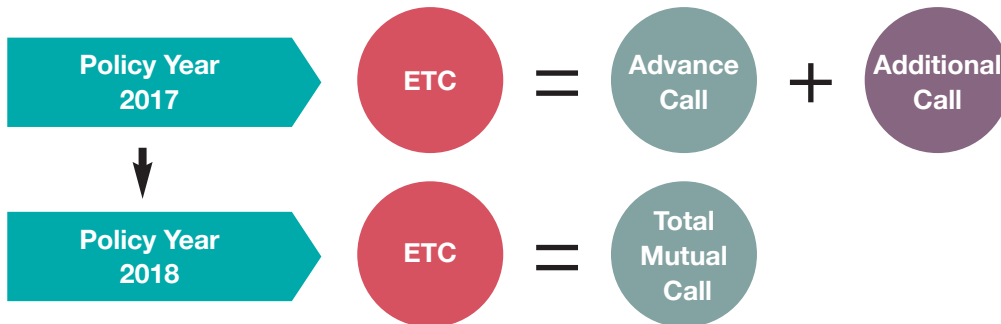


# New basis of charging calls

## What is changing for Policy Year 2018?

The Club is changing its calling basis so that rather than charging its estimated total mutual call (known as “ETC”) as an advance call plus an additional call, the ETC will be charged simply as a total mutual call.



## Why is the Club making this change?

The change has been made to simplify terminology and to make the Club’s calling method more readily understandable. **There is no change to the amounts payable.**

## How is the change being calculated?

Rates will be adjusted for policy year 2018 as normal during renewal.

Whereas previously rates represented an “advance call” (100%) plus a forecast “additional call” (35% of the advance call), the two are now being combined. Therefore, rates will reflect the 100% ETC.

To do this the Club will convert from policy year 2017’s 100% + 35% = 135% into 100% for policy year 2018. Although 135% becomes 100% there is no change to the actual total amount charged.

## Is this now a fixed premium?

No, it is still a mutual call. This can be varied until the Policy Year is formally closed by the Club’s Board.

## When do I have to pay the calls?

Unless agreed otherwise, calls are payable in five equal instalments, each being one-fifth (20%) of the ETC. Four instalments will be due during the policy year with the fifth in August the following year, due as below:

- 1<sup>st</sup> instalment: **20<sup>th</sup> March**
- 2<sup>nd</sup> instalment: **20<sup>th</sup> June**
- 3<sup>rd</sup> instalment: **20<sup>th</sup> September**
- 4<sup>th</sup> instalment: **20<sup>th</sup> December**
- 5<sup>th</sup> instalment: **20<sup>th</sup> August of following year**

However, many Members already pay the full ETC in four instalments during the policy year. This will continue.

# New basis of charging calls

## Will my mutual premium now include the cost of International Group Excess Loss reinsurance premium?

No, that will continue to be charged as a fixed element of the total premium charged.

The Club continues to believe that it is more transparent for Members to see separately what they are paying for Group reinsurance and will continue, unlike other clubs, to show this separately on your invoice.

To simplify matters, the **reinsurance charge will now be charged to you over the same five instalments as the mutual premium.**

## What will my invoice look like?

The Club has taken the opportunity to make your invoice clearer and more informative.

All five instalments will be shown on your invoice, with the relevant due dates, so that no further invoice will be sent out. Therefore, unlike previously, you will not receive a second invoice for the premium due on 20<sup>th</sup> August of the following policy year.

The Club is also updating the format of its statements. An electronic statement will continue to be sent to you monthly and be available on Westnet.

## Will I still receive an invoice in August 2018 for the additional call?

Please continue to budget for **the policy year 2017 additional call due in August 2018.** This should be the last additional call invoice under the old basis.

## Have there been any changes to releases?

Yes. Releases will now be calculated on the estimated total mutual call excluding the International Group Excess Loss reinsurance premium. The release for policy year 2018 is 15% of the ETC.

## Does the change apply to both Class 1 and Class 2?

Yes. The new charging basis applies to both Classes.

## What if I have any more questions?

Full information will continue to be available on the Club's website [www.westpandi.com](http://www.westpandi.com) and, of course, your Club underwriter or contact in the Club's credit control department will be pleased to help you.