

MIEC IS A DIRECT WRITER. If a policyholder wants to use a broker, we are more than happy to honor that desire and cooperate fully with them and their chosen broker. We will not do anything to undermine that relationship and only ask that MIEC's product and services be presented in the best possible light. In that context we have found that it is important to articulate how we will conduct ourselves so that there are no misunderstandings.

- **WE NEED TO HAVE A COPY OF A BROKER OF LETTER RECORD.** Most elements should be straightforward but we will want to review this carefully with respect to claims handling and reporting.
- **OUR PRICING MODEL IS ON FILE WITH THE DEPARTMENT OF INSURANCE AND IT DOES NOT PROVIDE FOR ANY COMMISSION ARRANGEMENTS.** That is between the broker and the policyholder. We are a not-for-profit entity (owned by our policyholders) and our mission is to minimize the cost of insurance for all our customers. When we provide a quote, it will be our best estimate of what it will cost to break even over the long term.
- **INFORMATION.** We cannot give either good service or the best price if we have incomplete information. Specifically this means at a minimum, a completed and signed MIEC application and up-to-date and complete loss information. We may be able to give a "pricing indication" with something less than this but if we are to bind a policy we will need a complete underwriting file.
- **PREMIUM.** We cannot issue a policy without payment of premium – either the first installment or the annual premium. We do not extend credit or "float" to our policyholders and the premiums are due to us on the dates we specify.
- **COMMUNICATIONS.** We are a service driven company and if we receive a call or communication from a doctors office we will respond to it. Depending on the circumstances, we will provide information to them directly (such as a telephone call) and in other instances we will direct them to the broker – particularly relating to material we have already provided to the broker. In both instances we will absolutely ensure that the broker is copied on the exchange of information or informed of the conversation within 24 hours.
- **DAY-TO-DAY ADMINISTRATION.** We have found with our other customers who use a broker that, over time, everyone becomes more comfortable if routine day-to-day tasks are handled directly between MIEC and the insured. All correspondence, forms, meaningful conversations can be copied to the broker within 24 hours so that the broker maintain a complete file and familiarity with what is going on with the account. If there is ever a question or concern that is not routine, then the broker involvement will no doubt be requested either by ourselves or by the insured.

We have found it helpful if our mutual customer understands and agrees with whatever working relationship is established and in that context we would encourage the broker to share this information with the policyholder. A formal letter will need to be completed and signed by the administrator providing written instructions on how, and to (whom) they want us to handle certain normal practices in our providing insurance services and documentation.