

Standard terms of business



AUGUST 2021

PT MITRA ISWARA &
RORIMPANDEY

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1. Introduction

This Agreement is made between you (our “Client”), and PT Mitra Iswara & Rorimpandey (“we”, “our”) to set out the basis of our professional relationship as your exclusive insurance broker and consultant and the services that we will provide in respect of insurance contracts that we arrange or have arranged on your behalf.

Unless more specific terms have been agreed, we will perform our services under the assumption that we have your informed consent to the terms of this agreement.

You should contact us immediately if there is anything in this document, which you do not understand or with which you disagree.

This agreement maybe amended only by mutual agreement between both parties.

2. About us

PT Mitra Iswara & Rorimpandey (MIR) is an independent intermediary and offers transactional and/or advisory services for your insurance requirements. We advise on all types of insurance products.

Our company is registered in Jakarta. We are licensed by the Indonesian Financial Services Authority (OJK) under nr. OJK KEP-8019/MD/1986 and are a member of The Indonesian Insurance and Reinsurance Broker Association APPARINDO (no. 005-1986).

Our head-office is located at the following address:

Wisma Slipi, 9th Floor,

Jl. S. Parman Kav.12, Slipi, Jakarta Barat 11480

We have branch offices in Surabaya, Semarang, Bandung, Denpasar, Makassar and Balikpapan.

3. Our Services

As an independent insurance intermediary, we act exclusively on your behalf and in your best interest. We are not tied to any one insurer, financially or otherwise. We always endeavour to conduct our business with due care, skill and integrity and not to put ourselves in a position where our primary duty to you is compromised.

However, in certain circumstances we may act for and owe duties of care to other parties. We will advise you when these circumstances occur, so you will be aware of any possible conflict of interest.

In the event that our interests' conflict with a duty we owe to you, we shall refrain from taking any action until we have received your informed consent to our intended course of action.

Managing your requirements

We will assign one or more Associates to take responsibility for the provision of the services which are described in this document. Such person(s) will be your primary point(s) of contact in relation to each insurance policy that we arrange or administer on your behalf and we will ensure in so far as reasonably possible, continuity of and accountability for the services which we provide. The assigned Associate(s) will be supported by other employees to assist in the provision of the services and to provide service

cover when required. Our aim is to deliver insurance solutions that satisfy your requirements effectively and efficiently.

Negotiation and placing

We will discuss with you or your representatives your insurance requirements, including the scope of cover, the limits to be sought and cost. Upon receipt of your written instructions, we will endeavor to satisfy your insurance requirements.

During the course of the placement of your insurance we will endeavor to keep you informed of the progress of our negotiations and identify any inability to obtain the coverage sought by you.

We will use reasonable endeavors to implement your insurance program, subject to available insurers, before the intended date of inception, renewal or extension of cover (whichever is appropriate).

We will provide you with information about the insurance cover recommended to enable you to decide whether to accept the insurance cover available. As your insurance intermediary we will answer any questions you may have on the proposed cover, its benefits, placement structure, restrictions, exclusions and conditions. We will advise on market structures available to meet your demands and needs and where appropriate the relative merits of a single insurer or multiple insurer placements.

We shall provide you with details of all the Insurer quotations upon your request.

Renewal of your insurance

We will approach you for renewal instruction/information and/or provide you with renewal terms when received from Insurers, approximately 4 weeks before the expiry of your existing policy. We will also advise you if renewal is not being invited and/or any alternate terms imposed by Insurers.

Provision of documentation

We will send you as soon as reasonably practical, documentation confirming the basis of coverage arranged on your behalf, including details of the insurers with whom the insurance is placed and a debit note or premium billing, where applicable.

Our debit notes (or equivalent document) will show the premium, any insurance premium tax, duty or other charge which needs to be remitted to the appropriate authorities by insurers or which is allowed by insurers to be deducted from the premium payable. If a tax, duty or other charge becomes payable

as a result of the insurance contract and is in excess of the gross premium or allowed to be deducted by you from the premium payable, it is your responsibility to ensure that it is remitted to the appropriate authority(ies), unless otherwise stated in our debit note.

The dates that the money is due together with any penalties for late payment will be clearly stated to you.

Maintenance of records

We will make, maintain and keep records of material particulars related to this agreement and administration of the insurance, in accordance with applicable legal and regulatory requirements. Such records may be kept in paper based, electronic or any other medium we consider appropriate, provided that they are either in legible form or capable of being reproduced in legible form.

Claim handling

Unless we agree otherwise with you, or if market practice determines otherwise, we will provide our claims handling services during the period of our appointment for the policies placed by us. These services can be continued beyond our appointment by mutual agreement, and may be subject to a separate fee.

Our claims handling services include, but are not limited to, notification of the claim or circumstances that may lead to a claim to Insurers; representing you in the resolution of the claim and arranging the expedient collection and/or settlement of the claim in accordance with market practice and your policy terms and conditions. Where claims are dealt by you with insurers directly we will provide advice and support as requested.

Claim payments will be made by insurers directly to your bank account. We are under no obligation to pay or advance any claim funds to you.

Further, our claims handling services will cease where we are satisfied that you have instructed another entity to assume the claims servicing obligations for your insurance.

Additional services

If requested, available and appropriate we may agree to provide you with a number of additional services, which fall outside our core service provision. Such services may be subject to the agreement of additional remuneration.

Outsourcing of services

Where we consider it appropriate and in your best interest, we may engage the services of another intermediary or service provider to act as our agent or assist us in the provision of our services to you, for which we will seek your prior approval, which you will not reasonably withhold.

Market Security

We assess the financial soundness of the proposed insurers and markets we recommend using public information including that produced by recognized rating agencies. However, we will not in any circumstances act as an insurer nor will we guarantee or otherwise warrant the solvency of any insurer or market used for your insurance placements. As a consequence, the decision regarding the suitability of any insurer or market rests with you. If you have any concerns regarding any insurer chosen for your insurance requirements you must advise us as soon as possible and we will discuss them with you.

In the circumstance where you request us to place a cover with an Insurer that we do not recommend, we will request you to sign a disclaimer to this effect. Additionally, you should note that your liability to pay the premium under any insurance policy you instruct us to arrange, whether full or pro rata, remains even under policies where the Insurer becomes insolvent.

4. Your responsibilities

Provisions of instructions, information and completion of any required form

To enable us to fulfil your instructions you must provide us with the information necessary regarding your insurance contract so that we can understand your requirements. Certain classes of insurance require the completion of a proposal form, questionnaire or equivalent document. You must complete

such documents accurately. Whilst we may give guidance regarding the completion of these documents, we cannot sign these documents for you.

We can only agree to bind an insurance contract on your behalf upon receipt of formal written instructions from you.

Accuracy of sum insured or limit of liability

It is your responsibility to determine the sum insured or limit of liability.

Many insurance policies are subject to the Condition of Average. That means, that if the sum insured is less than it should be (you are “underinsured”), then the Condition of Average will reduce the net amount you will receive from any valid claim in direct proportion to the amount of underinsurance.

You should therefore ensure that the amount stated in the policy is the full value at risk, in accordance with the basis of indemnity as described in the policy.

Duty of disclosure

You are under a duty to make full disclosure of all material facts and fully and frankly respond to any requests for information made by insurers. Failure to make full disclosure of material facts may allow insurers to avoid liability for a particular claim or to void the contract. Please note that insurers do not have an obligation to make enquiries with you.

This duty of disclosure applies equally at renewal of the contracts and on taking out new insurance contracts. We will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information, or any misrepresentation made by you (or your employees or your representatives).

Information is considered material to the coverage requirements if it might influence insurers in deciding to accept your business, finalizing the terms to apply and/or the cost of cover.

You should contact us immediately if you have any doubts about what is material or have any concerns that we may not have material information, or have any doubt about what the applicable duty of disclosure is.

Check documentation and acceptance of coverage

Whilst we will endeavor to ensure the accuracy and completeness of the insurance coverage you desire, it is your responsibility to check the documentation we send you in relation to each insurance contract and satisfy yourself that it is entirely in accordance with your understanding and instructions.

You should advise us promptly of any incorrect points or changes required. Otherwise, we will assume that the documentation and insurance contract satisfy your requirements.

Claims may be made against certain policies long after they have expired. It is important therefore, that you keep your policy documents in a secure place.

Provision of information

All information and documentation provided by us under the terms and conditions of this agreement is for your exclusive and sole use. You agree not to permit access by any third party to this information without our express written permission.

Payment of premium

You must settle the premium to us with cleared funds in accordance with the premium payment terms based on industry guidelines and regulations by the payment date(s) specified in our debit note or other relevant payment documentation. Failure to meet the payment date may lead to insurers declining a claim or cancelling your policy, without the obligation to notify you, particularly where payment is a condition or warranty of a contract. We are under no obligation to pay premium by the payment date to insurers on your behalf until we have received cleared funds from you.

Claims notification

You are responsible for notifying claims or potential circumstances that may give rise to a claim in accordance with the stipulations of your insurance contract. To ensure full protection under your policy or similar documentation you should familiarize yourself immediately with the coverage conditions or other procedures relating to claims and to the notification of those claims. Failure to adhere to the

notification requirements particularly timing, may entitle insurers to deny your claim. In presenting a claim it is your responsibility to disclose all facts which are material to the claim.

You should not admit liability or agree to any course of action, other than emergency measures carried out to minimize the loss, or in the interests of health and safety, until you have obtained agreement from your insurer.

Changes in circumstances

You will advise us as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by us or the cover provided under your insurance policy.

Any amendments to an insurance contract must be requested in writing and will only be effective after being confirmed by us in writing.

Third Party

You may authorize a third party to instruct us with regard to the purchase of your insurance. The third party is acting as your agent and we may wish to satisfy ourselves at the outset that they are authorized to act in this capacity but we are under no obligation to do so. We will act on all instructions received from your agent as if we were dealing with you directly and will continue doing so until you notify us in writing to the contrary. It is your responsibility to ensure that any instructions given to us by your agent are correct and to notify us of any limitations in respect of your agent's authority.

We will not be responsible for:

- checking that your agent has accurately passed on your instructions;
- any exposure arising from inaccurate information submitted by your agent to either us or an insurer; and
- checking that your agent has your continuing authority to instruct us on your behalf.

5. Electronic communications

We may communicate by electronic mail with each other and with other parties with whom we need to communicate in order to provide our services to you, sometimes attaching further electronic data. By engaging in this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such

communications and the risks of viruses or other harmful devices). Notwithstanding that we have reasonable virus checking procedures on our system, you will be responsible for virus checking all electronic communications sent to you. You will also be responsible for checking that messages received are complete. In the event of a dispute, neither of us will challenge the legal evidential standing of an electronic document and our system shall be deemed the definitive record of electronic communications and documentation.

6. Notices

All notices with regard to this agreement shall be writing and shall be deemed duly given when delivered, if personally delivered, or three days after the date mailed if send by registered mail, return receipt requested and postage prepaid and addressed to the party at its last known address.

7. Complaints

We take complaints against us very seriously and deal with them promptly and fairly. Should you have any cause for complaint about our services, please raise the matter in the first instance with the Associate assigned to your account. If you are unable to come to a satisfactory resolution of your complaint, you may direct your complaint to our Board of Directors at the address set out in the beginning of this agreement.

We will acknowledge receipt of your complaint in writing within 5 working days and give you our response to your complaint at this time if we can. If our investigation takes longer, we will usually provide you with a full written response within 20 working days of the acknowledgement.

8. Conflicts of Interest

Circumstances may arise where we may find we have a conflict of interest or otherwise have a material interest in or related to a matter in respect of which we are acting. For example, we may find that the interests of two of the clients for whom we act conflict.

We have conflict management procedures and we seek to avoid conflicts of interest but where a conflict is unavoidable we will explain the position fully and manage the situation in such a way as to avoid prejudice to any party.

The insurance market is complex and there could be other relationships not described here which might create conflicts of interest. Whatever the circumstances, we will act in your best interests; and, if a conflict arises for which there is no practicable solution, we will withdraw unless you wish us to continue to act for you and provide us with your written consent to that effect

9. Limitation of Liability

Our aggregate liability for breach of contract, breach of warranty, negligence, strict liability, misrepresentation or other torts, breach of statutory duty or other claim arising out of or in connection with this Agreement or the services provided hereunder, including any liability for the acts or omissions of our employees, agents and sub-contractors) shall be limited to the amount of compensation actually received by MIR for the services to which the claim relates.

We will have no liability in any circumstances in respect of the following losses: loss of revenue; loss of opportunity; loss of reputation; loss of profits; loss of anticipated savings; punitive damages; increased costs of doing business; or any other indirect or consequential loss.

Your direction to bind coverage and/or your payment related to your insurance placement will be deemed your signed, written agreement to be bound by the provisions of this section.

10. Confidentiality and Data Protection

We will at all times treat all confidential information that we hold about you as private and confidential with due observance of the applicable data protection laws.

We will not disclose any confidential information we hold about you to others without your prior consent except:

- (i) to the extent we are required to do so by law or a regulator;
- (ii) to insurers, surveyors, loss adjustors, and other like persons to the extent necessary to provide our services to you in a timely manner;
- (iii) to loss assessors, lawyers, and other like persons to the extent necessary to enable such third party to provide information or services you have requested;
- (iv) to premium finance companies to the extent necessary to enable them to provide you with greater choice in making premium payments, and

(v) to other companies appointed by MIR to the extent necessary to provide our services to you or to ensure the effective management, administration, and operation of our business.

You agree that we may use any information you provide to us to create anonymized industry or sector-wide statistics which may be shared with third parties, on the condition that unless we have obtained your consent, information specific to you will not be revealed other than on an anonymized basis and as part of an industry or sector-wide comparison.

You will ensure that all necessary consent for the information and including personal sensitive data disclosed to us has been obtained. Please note that you would have deemed to provide consent to us when you provide your information to us in the normal course of negotiating, maintaining or renewing of insurance, or for handling of claims.

11. Client Money

We are required to segregate client money from our own money and hold it in separate accounts with a duly licensed bank. These cash amounts can include premiums and claim amounts due to insurers and/or clients.

We may earn interest on cash amounts held and may benefit from foreign exchange differentials and returns on segregated designated investments. Any such interest or investment returns before the agreed credit period with insurers shall belong to us and we shall not be required to account for it to you.

12. Your Liability for Tax

MIR is not a tax adviser and consequently makes no representation to you as to your liability or otherwise for tax on any sums that may be paid to you under a contract of insurance. Any information or calculations that MIR provides about insurance, regulatory or tax issues are based on publicly available information and MIR's experience derived from involvement in similar matters for other clients. In all instances, MIR recommends that you seek your own advice on such matters from professional legal and tax advisers. It is your obligation to make declarations in respect of, and to account to any relevant revenue authority for, all insurance proceeds.

13. Remuneration

Our remuneration for the services we provide to you will be brokerage, which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom your insurance contract is placed.

Commissions for bringing about or arranging insurance are considered fully earned when the insurance incepts, irrespective of when the premium for this insurance is payable to Insurers and are not refundable in the event of termination of our appointment, cancellation or early termination of the insurance for any reason.

14. Termination of this agreement

Our services may be terminated either by us or you at any time by giving at least 30 days' written notice to the other.

Termination of our appointment does not affect the rights, obligations or liabilities of either you or us in relation to the insurance, which have accrued prior to the termination date, but following the termination we will owe you no further obligations to provide any services in relation to your insurance. Upon termination of appointment, all relevant files and claim files for the run-off will be transferred to the new broker appointed by you according to your instructions. In the event you wish us to handle run off claims on your behalf and we agree to do so, we reserve the right to charge a reasonable fee for those services.

As our commission for bringing about or arranging the insurance is fully earned when the insurance incepts, any unpaid commission will become immediately due and payable to us upon termination of our appointment.

This Agreement will terminate immediately if either party:

- commits a material breach of this Agreement; or
- ceases to trade or threatens to cease to trade; or
- becomes insolvent or is subject to any administration, receivership, winding up or similar procedure.

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- has its authority or permission revoked by its regulatory authority, where such revocation materially, as a result of or in connection with, impacts upon the insurance transactions which are carried out under this agreement

We reserve the right not to continue to provide any services to you, including claims handling, after the date of termination of this Agreement in the absence of a specific written Agreement between us.

15. Prevention of Financial Crime

To comply with applicable Financial Crime laws and regulations, we are obliged to conduct reasonable due diligence to protect us and our clients against the risk of financial crime which includes bribery, corruption, money laundering and terrorism financing. At the start and throughout our relationship, we may require you to provide evidence to assist us in verifying your identity and/or legitimacy of any transactions we conduct on your behalf. We will not agree to make payments to unknown third parties where we have had no direct dealings or knowledge of any involvement on your account.

We are obliged to report evidence or suspicion of financial crime to the relevant authorities at the earliest reasonable opportunity. We may be prohibited from disclosing any such report to you.

It is clearly stated and agreed that neither party shall be involved in the offering, promising or giving of any financial or other advantage to any person in breach of any anti- bribery and anti-corruption laws or other applicable legislation.

16. Sanctions

We will comply with all applicable sanctions' regimes and legislation (whether currently existing or implemented in the future) and you are advised that where obliged by applicable sanctions legislation we may have to take certain actions, which include but may not be limited to:

- freezing the account concerned; and/ or
- refusing to handle or administer a claim which would benefit (directly or indirectly) a sanctioned entity or person, subject to exemption or obtaining a license (which we might not get); or
- refusing to administer the renewal of an existing insurance contract which would benefit (directly or indirectly) a sanctioned entity of person, subject to exemption or obtaining a license (which we might not get).

As regards the applicability of sanctions regimes, we are not able in any circumstances to give you legal or regulatory advice, nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions regimes. As a consequence, applicable sanctions remain a matter for you and you should take such legal advice as you deem appropriate in this regard. You should inform us of any insurance requirements you have which touch upon or are linked to sanctioned territories.

The applicability of Export Control legislation to certain transactions may differ on the basis of a number of complex factors and our obligations may be different from yours depending on the nature of the insurance, structure of the product and place of incorporation of the Insured or geographical cover provided. The nature of risks insured may also have a bearing on our position and the position of other parties within the market. We cannot provide you with legal advice. However, where we are required to make license applications or notifications or undertake any other activity as a matter of law, MIR will comply with applicable laws.

We cannot be held responsible for the actions of third parties (including but not limited to insurers, banks and exchange institutions) who may have their own sanctions policy restrictions and constraints.

17. Force Majeure

Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from the events, circumstances or causes beyond its reasonable control, which shall be deemed to include, but not be limited to the following: act of God; civil commotion; failure of third party suppliers; sabotage; labour dispute and industrial action; delay of Insurer(s); explosion; or fire; and in such circumstances the time for performance shall be extended for a period equivalent to the period during which performance of the obligation has been delayed or failed to have performed, provided that if the period of delay or non-performance continues for 12 weeks, either party may terminate this Agreement by giving 14 days written notice to the other party.

18. Third Party Rights

Other than where it is contemplated elsewhere in this Agreement, a person who is not a party to this Agreement shall not have any rights under or in connection with it.

19. Jurisdiction and Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of The Republic of Indonesia. We both irrevocably agree that any dispute that cannot be settled on an amicable basis will be submitted to the courts of Indonesia which shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter.

