

# Further Clarifications from UNITED

## **Editorial note:**

**We reproduce, with permission, UNITED's reply of 16 June 2004, in response to our letter of 20 May 2004 seeking clarification. For your convenience and easy reference, the relevant sections of our letter are inserted within brackets.**

16 June 2004

## **RE: ENTITLEMENTS OF FORMER SINGAPORE MEMBERS**

Thank you for your letter dated 20 May 2004.

In relation to the clarification you sought, I advise as follows:

### **1. Paragraph 3**

#### **1.1**

(SMA: Paragraph 3 states that "Singapore members will be entitled to apply for assistance for incidents occurring during the financial membership of UNITED up to and including 3 May 2002." Could we interpret it to mean that these Singapore members will be entitled to full membership privileges as per before the Provisional Liquidation?)

UNITED: Your interpretation is correct.

#### **1.2**

(SMA: Paragraph 3 also states that "application will be considered on a case by case basis" and "where members are otherwise indemnified by way of employer indemnity, other insurance or membership, assistance is unlikely to be provided, but each case will be considered individually."

We believe that these are the usual standard provisions for all members, even before the Provisional Liquidation, and will, therefore, not in any way diminish the membership privileges of former Singapore UNITED members.)

UNITED: Your interpretation is correct.

#### **1.3**

(SMA: Given your first two sentences, do we take it that Singapore members would be entitled to the usual and full membership privileges, as per before the Provisional Liquidation, for incidents occurring during financial membership of UNITED up to and including 3 May 2002?)

UNITED: Former Singapore members are entitled to the usual membership privileges as prior to Provisional Liquidation for incidents occurring during financial membership up to and including 3 May 2002.

#### **1.4**

(SMA: We note what was stated to be UNITED's usual practice in the last sentence of Paragraph 3. However, in relation to the part "other insurance or membership", we trust that you would agree to exclude this part from UNITED's usual practice as Singapore members were compelled to purchase other membership or insurance at the relevant time in view of the uncertainty caused by the UNITED Provisional Liquidation.)

UNITED: It has always been UNITED's practice to take into account other insurance or membership, and it will continue to do so. The UNITED Board, in considering any request, will take any such insurance or membership into account. The Board will not exclude that factor.

### **2. Paragraphs 4 and 5**

(SMA: While we note from paragraph 4 that UNITED intends to provide a refund of subscriptions (calculated pro-rata) from 3 May 2002, could we seek UNITED's consideration to continue providing assistance to those Singapore members who did not purchase nose or tail cover, because they were confident of UNITED's ability to recover from Provisional Liquidation?)

As you may be aware, nose or tail cover is no longer available for purchase. These members will require assistance if any case that occurred during the period of their financial membership with UNITED should surface within the next few years. We request that UNITED gives Singapore members the option whether to seek the refund or not.)

UNITED: It is surprising that nose or tail cover is no longer available. Most insurers provide a retro-cover and therefore it should be available from the former member's existing insurer. It is suggested that the former members should negotiate with their current insurer.

### **3. Paragraph 6**

(SMA: Could we seek clarification if Singapore members are eligible to claim under the Australian Government's IBNR Fund? If they are eligible, please advise the amount that would be deducted to reflect that Singapore Members are not required to make the levy payment. We would also be grateful if you could let us know the levy payment applicable for Australian doctors.)

UNITED: The extent of the levy payment applicable to Australian doctors depends on a variety of factors, but generally it is no more than \$5,000 per annum for six years. No member is eligible to claim on the IBNR Fund. It is for UNITED to make a claim on the IBNR Fund, not the member. Singapore claims are eligible for consideration under the IBNR Fund, but that assistance is provided to UNITED, not to the member directly.

**4. Paragraph 9**

(SMA: Could we seek UNITED's consideration to undertake providing assistance for Singapore members whose cases had been notified to UNITED, or through the SMA to UNITED, from the beginning of their UNITED membership to June 2002 as the nose cover they had purchased would specifically have excluded such reported cases?)

UNITED: If a Singapore member received a claim or notification of a claim in June 2002 and that claim is not covered by the nose cover purchased, then the member can make an application to UNITED for assistance, and the UNITED Board will give it due consideration. The UNITED Board would consider each case individually.

**5. Refund of all Subscriptions in Return for a Full Release**

(SMA: In addition to the above, there is a further query which we wish to raise. There are some Singapore members (e.g. obstetricians, paediatricians and neonatologists) who are prepared to release and discharge UNITED from all liability for occurrences for the entire period of their financial membership with UNITED provided that UNITED gives them a refund of all their membership subscriptions previously paid to UNITED. Is UNITED prepared to consider this, as this will make it a clean break for those Singapore members given that UNITED no longer wants to provide cover for Singapore after 3 May 2002?)

UNITED: UNITED is not prepared to negotiate a full release in return for a refundable paid subscription.

Yours sincerely

**Michael McLeod**  
**Chief Executive Officer ■**