NOTES FOR GUIDANCE

MIB Uninsured Agreement (2015)

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The following notes are for the guidance of anyone who submits a claim to MIB under this Agreement and their legal advisers.

Enquiries, claim forms and general correspondence in connection with this Agreement should be addressed to:-

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The purpose of this document

These Notes for Guidance are intended to present a plain English explanation of the principal parts of the Agreement. They are not a substitute for the Agreement itself and, if there is any conflict, the Agreement wording is determinative.

Introduction - MIB's role and application of the Agreement

The role of MIB under this Agreement is to provide a safety net for innocent victims of identified, uninsured drivers. MIB's funds for this purpose are obtained from levies charged upon insurers and so come from the premiums which are charged by those insurers to members of the public. In general, but subject importantly to the exceptions, limitation and preconditions to MIB's obligation set out in this Agreement, MIB operates, as far as the innocent victim is concerned, as if there was an insurer for the identified but uninsured driver. Where MIB settles a claim, it will attempt to recover its outlay from an identified driver.

If the claimant or his representative/ solicitor is not satisfied with the way in which his claim is dealt with in accordance with this Agreement, he may register a complaint with MIB. MIB's formal complaints procedure is set out in detail within the Customer Charter, which can be found on MIB's website at www.mib.org.uk. Alternatively, full details of the procedure can be requested from MIB.

MIB will aim to compensate innocent victims of negligent uninsured drivers; fairly and promptly and will be open and honest in dealing with all claimants.

MIB has entered into a series of Agreements with the Secretary of State and his predecessors in office. This Agreement applies to accidents which occur on or after 1st August 2015 – see Clause 2. Accidents occurring before this date will be dealt with under previous Uninsured Drivers' Agreements in accordance with their period of application. For example, the Uninsured Drivers' Agreement dated 13th August 1999 continues to apply in respect of accidents occurring between 1st October 1999 and the date of operation of this Agreement, namely 1st August 2015. Reference should be made to MIB's website for further details of the earlier Agreements to ascertain which one is relevant to any particular claim.

Under each Agreement, MIB is obliged to pay defined compensation in specific circumstances. There are two sets of Agreements, one relating to victims of uninsured drivers (the "Uninsured Drivers' Agreements") and the other concerned with the victims of hit and run or otherwise unidentified drivers (the "Untraced Drivers' Agreements"). These Notes for Guidance are addressed specifically to the procedures required to take advantage of the rights granted by the Uninsured Drivers' Agreements and, specifically, this Agreement.

It is not always clear whether a claim should be dealt with as an uninsured or an untraced driver's claim. By way of brief guidance, the following should be borne in mind:-

a) Where the owner or driver of a vehicle has not been identified (either because it is shown, on a balance of probabilities, that the named person does not exist or false particulars for the individual have been provided), the claim will be dealt with under the relevant Untraced Drivers' Agreement. This provides, subject to specified conditions, for the payment of compensation for personal injury and damage to property.

b) Where the available evidence establishes, on balance, that a particular person named was the driver or the owner who caused or permitted the uninsured driving, MIB will deal with the claim as an uninsured rather than an untraced claim, notwithstanding that the current whereabouts of the named person is no longer known.

In an uninsured claim, as soon as possible after an accident, the following actions should be undertaken, namely:-

a) The claimant should take reasonable (but not exhaustive) steps to establish whether there is in fact any insurance covering the use of the vehicle which caused the injury or damage. This can be done by visiting www.askMID.com which can also be accessed via a mobile device at the roadside;

b) Immediately post-accident, if possible, the claimant should exchange names, addresses, insurance particulars and vehicle registration numbers with the other party. The claimant may also be obliged to inform his own insurers and notify the police;

c) A solicitor acting for the claimant, if the vehicle registration number is known, should immediately interrogate the Motor Insurance Database at www. askMID.com;

d) If enquiries show that there is an insurer recorded against that vehicle registration number, then the claim should be pursued via that insurer;

e) If enquiries disclose that there is no insurance covering the use of the vehicle concerned, or if the insurer cannot be identified or the insurer asserts that it is under no obligation to handle the claim or if for any reason it is clear that the insurer will not satisfy a judgment, the claim should be directed to MIB in accordance with the terms of this Agreement as soon as is reasonably practicable;

f) By submitting the relevant MIB or MoJ claim form, the claimant authorises MIB to make a request for insurance and other particulars to the offending motorist under Section 154(1) of the Road Traffic Act 1988;

g) If the claimant is claiming for vehicle damage and has comprehensive insurance on this vehicle, a claim must be made on that motor policy as MIB will not be able to pay for this damage under the Agreement.

The following provides further comment on each Clause of the Agreement

Interpretation and Definitions

Clause 1 (2)

MIB can deal with solicitors appointed by or on behalf of the claimant rather than having to deal with the claimant direct.

Clause 1 (3)

MIB may perform all or part of its obligations through agents appointed on its behalf.

Clause 1 (4)

The definitions under Clause 1(4) are technical and relate to the compulsory insurance requirements of the Road Traffic Act 1988.

It is an offence under Section 143 of the 1988 Act to use a motor vehicle on a road or other public place without insurance.

Where there is insurance covering the vehicle, whether or not the user was covered by that insurance, the relevant insurer will usually deal with any claim. Where there is no such insurer or where the relevant insurer's policy is ineffective or the insurer has no obligation to meet the claim under the 1988 Act, MIB provides a safety net for the innocent victim of an uninsured driver.

In these circumstances, MIB will effectively take the place of the insurer subject to the terms of this Agreement. MIB will consider each claim fairly and reasonably, but can only act within the framework provided by this Agreement.

"Claimant" - The person making the claim is "the claimant" (even if he is, as a child or a person lacking mental capacity, represented by someone else) and he will be the person who has suffered injury and/or loss. The only exception is where a person dies as a result of the accident in which event the claimant will be the person who is entitled in law to represent the estate of the deceased and/or to pursue a claim for financial dependency (see Clauses 7(2) and 8(4) of this Agreement).

"Relevant liability" - MIB is obliged to meet a "relevant liability". This means a claim for death, personal injury and/or property damage (and losses flowing from such death, injury and/or property damage) which arises from the use of a motor vehicle on a road or other public place. For the definition of "motor vehicle" and "road or other public place" see Sections 185 and 192 of the 1988 Act.

The definition of "relevant liability" includes a requirement that MIB will be liable to meet claims, where negligence is established, which arise out of the use of an uncoupled trailer on a road or other public place in England, Scotland or Wales. However, for MIB to be potentially liable, the claim must arise from the use of the trailer as a trailer as such and not from uses unrelated to its primary function as a trailer. If the trailer becomes detached as a result of the motion of a motor vehicle pulling it (e.g. the coupling mechanism is faulty), then any resultant injury, damage and loss claims will typically be the responsibility of the insurer of the motor vehicle (or MIB if that motor vehicle is not insured). If, however, the claim arises from the use as a trailer (1) of a stationary, uncoupled trailer or (2) of a moving, uncoupled trailer (but where the motion is not brought about by a motor vehicle), MIB will meet any unsatisfied judgment obtained regardless of whether or not there is a specific insurer covering the trailer in either of these circumstances. If there is a specific insurer, MIB will then look to recover its outlay from any such insurer.

The purpose behind excluding claims which do not arise from the primary use of an uncoupled trailer as a trailer is to deal with cases where the trailer is being used for other specific functions. For example, the trailer may be used to sell food and/or drink or as a fairground attraction or is occupied as a caravan. If the claim arises from any such function, then it is not a claim which is required to be met by a motor insurer or MIB pursuant to the 1988 Act. Rather, it is a public liability or employer's liability claim and would typically fall to be dealt with by specific insurance covering such risks. If however, a stationary, uncoupled trailer, not otherwise being used, starts to move down an incline on a road, because it has not been adequately secured, and a passer-by is injured in the process, this would have arisen from the use of a trailer as a trailer.

In short, if the trailer has another function, apart from acting as a trailer, and is performing that function at the time of the accident, then MIB will not be liable.

"Relevant sum" – MIB is liable for damages, costs and interest relating to the relevant liability. Where the claim includes elements which MIB is not liable for under the Agreement, the costs and interest will be dealt with on a strict pro-rata basis. For example, if the claim for which MIB is liable amounts to the same value as the claim for which it is not liable, MIB will be liable for 50% of the costs and interest.

"Unsatisfied judgment" – MIB's obligation is strictly only to satisfy a judgment obtained by the claimant in respect of a "relevant liability" which is not met by the offending driver within 7 days. However, where it is appropriate to avoid unnecessary expense and delay, MIB will often seek to settle the claim before a formal judgment is obtained and ask the claimant to assign his rights to pursue the driver so that MIB may attempt to recover its outlay.

Duration of Agreement

Clause 2

See the Introduction to these notes for the date of operation of this Agreement.

MIB's obligation to satisfy claims

Clause 3

MIB's basic obligation is only to satisfy judgments which fall within the terms of the Agreement and which have not been paid. This may arise because the Defendant cannot or is not willing to pay and he is either not insured or is or may be insured (but any insurer has not been identified or the identified insurer has not satisfied the judgment for whatever reason).
Nevertheless, this obligation is not absolute, because;

(1) there are exceptions where MIB has no liability (see Clauses 4 to 10)

(2) there is a limitation to MIB's liability (see Clause 11), and

(3) there are pre-conditions to MIB's liability (Clauses 12 to 15) which the claimant must first comply with.

Where an insurer becomes insolvent, any ongoing claim will typically be dealt with under the provisions of the Financial Services Compensation Scheme but, if, for whatever reason, a judgment is not satisfied under that Scheme, MIB will meet the judgment and then look to recover its outlay from the Scheme. MIB will, however, expect that every reasonable effort must first be made to pursue the claim through the Scheme, this reflecting MIB's status as a safety net. The claimant's requirement to seek other sources of redress before seeking payment from MIB is emphasised by Clause 6 (see below).

Exceptions to MIB's obligation

Clauses 4 to 10

These clauses set out what is excluded from MIB's liability. Where only part of the claim is excluded, the remainder will be considered by MIB.

Clause 4

Crown vehicles do not require compulsory insurance – the Crown will be expected to meet the claim. Where, however, there is insurance, MIB's obligation applies if the insurer does not satisfy the judgment.

Where it can be proven that someone other than the Crown took on the responsibility of insuring the vehicle, but failed to do so, MIB will again be liable to satisfy any judgment obtained.

Clause 5

Local authorities, the National Health Service, the police and the Ministry of Defence are examples of public bodies that will meet claims arising from the use of

vehicles in their ownership or possession and do not need to have insurance cover (Section 144 of the 1988 Act). As such, MIB is not liable for any judgment arising out of the use of such vehicles. However, if it can be shown that the vehicle in question is in fact covered by insurance; MIB's obligation arises if the insurer does not satisfy the judgment.

Clause 6

This clause covers various situations. It seeks to reflect MIB's status as the guarantee body which operates as a safety net for victims who have suffered loss or damage which cannot be recovered elsewhere. It is effectively a final port of call save that, where the Criminal Injuries Compensation Authority or its successor (the "CICA") would pay compensation to the victim of a criminal act in circumstances which constitute a relevant liability for the purposes of this Agreement, MIB would be liable in priority to the CICA.

In summary, the clause is intended to —

• prevent insurers, who have met some or all of the claimant's losses, from recovering their outlays from MIB;

• divert those parts of the claimant's losses to the insurers who have taken a premium for the risk;

• avoid a claimant electing to claim from

MIB when there is an insurer who could deal with some or all of the claim MIB does not pay subrogated claims from insurers (in short, claims brought in the name of the claimant by another person, typically an insurer, to recover that person's losses) who have already paid the claimant for the loss. In the vast majority of cases, these claims for recovery will be from the same motor insurers who pay levies to fund MIB, levies which are ultimately paid for by premium paying motorists. As an insurer who has received a premium for risk, the burden should fall on that insurer, rather than all premium paying motorists through MIB.

If the claimant has been paid for the repairs to or write off value of his damaged vehicle by his insurer under a comprehensive motor policy, that insurer may not seek to recover its outlay from MIB in the claimant's name. The same applies, for example, to the claimant's private medical insurer where it seeks to recover its outlay.

This clause is not intended to leave a claimant out of pocket. Insurers will, in general, not prejudice a non-fault customer in terms of his No Claim Discount (NCD) just because the insurer is unable to recover its outlay from MIB. However, should that not be the case, MIB will consider a claim for loss of NCD as part of the claim.

For cases where there is an insurer to cover the loss in place of MIB, then that insurer should deal with the claim leaving MIB to satisfy any uninsured losses. For example, if the claimant has a comprehensive motor policy, he cannot elect to ignore that policy by having his repairs carried out on a credit basis or

otherwise by a repairer and then seek to claim for such repairs from MIB. If the claimant has such repairs carried out without notifying his insurer and then later claims from his insurer, he cannot claim the repair costs from MIB where the insurer refuses an indemnity because of late notification or because it was not, in accordance with the policy provisions, given the chance to have the repairs carried out by its own nominated repairer.

Moreover, if, for example, the claimant obtains a hire vehicle on credit, MIB will only be liable for any credit hire charges reasonably incurred if he did not have the benefit of a separate credit protection policy covering him for such charges. The same applies to credit repair costs where, regardless of whether the claimant's motor insurance policy was a comprehensive one or covered only third party risks, he did have a separate credit protection policy available which meant he would not suffer a loss in respect of such costs. Again, the claimant cannot claim from MIB where he does not claim from the protection policy or claims either too late or in circumstances where he fails to comply with the policy provisions.

So, this clause applies to motor insurers, private medical insurers, insurers who back a claimant's employers (in respect of payments made in respect of a period or periods off work), indeed any other insurance backed part of the claim or where some other person pays the claimant and seeks to recover in the claimant's name. This includes where a where a service is provided to the claimant which is insured.

However, clause 6(2) provides that MIB will remain liable in respect of claims for:

(1) the reimbursement of employers' payments to cover a claimant's absence from work unless the employer is insured for that loss, and

(2) legal costs where the claimant is backed by legal expenses insurance.

It is important to note that the operation of this clause is not intended to reduce the total compensation received by the claimant. It merely ensures that the part of the loss covered by a policy (for which an insurer has received a premium) is paid by that insurer leaving MIB to deal with uninsured losses such as a policy excess or hire charges not otherwise insured. It also prevents MIB from reimbursing insurers who have already paid part of the claimant's losses.

This clause is not intended to be used to enable MIB to deduct proceeds received or receivable from a personal accident or life policy taken out by the claimant prior to the accident to provide benefits in the event of injury or death occurring. That type of policy is designed to provide the claimant with an additional benefit, and MIB will not take it into account when paying compensation following an accident.

Clause 7

Clause 7 excludes a claim in respect of damage to the claimant's motor vehicle (and losses flowing from such damage) where the claimant knew or had reason to believe that there was no or no effective insurance in place covering the use at the time of the accident.

Clause 7(2)(a) provides that, if the vehicle owner dies and his estate claims for the damage to the motor vehicle (and ancillary loss), the fact that the personal representative of the estate as the claimant had no knowledge of the lack of insurance under Clause 7(1)(b) is irrelevant. What is relevant is the knowledge of the deceased.

Clause 7(2)(b) makes it clear that the claimant cannot say that his lack of knowledge was due to the self-induced effects of drink or drugs.

Clause 8

This clause deals with the position where the claimant is a passenger in a vehicle, the driver of which he claims was responsible for the accident and he seeks to claim against that driver or anyone else who might be responsible for that driver's use of the vehicle.

It excludes a claim where such a passenger knew or had reason to believe that the vehicle had been stolen or unlawfully taken or that there was no or no effective insurance permitting the particular use at the time of the accident.

If the claimant passenger was forced into a vehicle against his will and had no reasonable opportunity to alight prior to the accident, then MIB will not reject the claim on the basis of either of the limbs of knowledge set out in Clause 8(1).

The words "had reason to believe" replace "ought to have known" from the previous agreements. Since the judgment of the House of Lords in White v White [2001] this clause has been interpreted in a restrictive way.

Passengers who "ought to know" that the driver is uninsured will not fall within the exception if they have been careless or negligent in not establishing the facts about the lack of insurance.
On the other hand, those who had some information pointing to a lack of insurance but deliberately did not ask further questions for fear of confirming the point will be excluded along with those who had actual direct knowledge of the situation.

The new words "had reason to believe" better reflect this position and will be interpreted according to the judgment in White v White.

MIB will typically bear the burden of having to prove the knowledge referred to in Clause 8, but the responsibility will rest with the claimant to disprove he had the requisite knowledge of the lack of insurance or effective insurance under Clause 8(1)(b) if MIB can prove any of the circumstances set out in Clause 8(3).

Clause 8(4) provides that, if the passenger dies and his dependants claim in their own right and/or on behalf of his estate, the fact that they had no knowledge that the vehicle had been stolen or unlawfully taken or used without insurance as set out in Clause 8(1) is irrelevant. What is relevant is the knowledge of the deceased.

Clause 8(5)(b) makes it clear that the claimant cannot say that his lack of knowledge was due to the self-induced effects of drink or drugs.

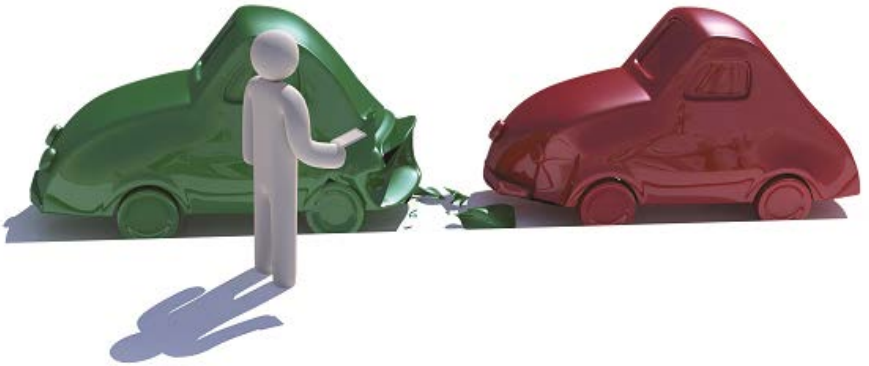
Clause 9

This clause excludes a claim which arises in any way as a result of an act of terrorism. The rationale is that any such claim is not to be viewed as falling within the ambit of the compulsory insurance requirements of the 1988 Act and there are alternative routes of redress for a claimant affected by any such terrorist act.

Clause 10

Section 151(8) of the 1988 Act allows an insurer to recover its outlay from any person (including its policyholder) who has caused or permitted the uninsured use of the vehicle at the time the accident occurred. However, if the claimant is a passenger in his own vehicle at the time and is injured, his claim cannot be refused save to the extent of his assessed blameworthiness. Any judgement would have to be met by the insurer, subject to such blameworthiness

The purpose of Clause 10 is to ensure that, under no circumstances in such a case, can MIB be liable.



Limitation on MIB's liability

Clause 11

MIB's maximum liability in respect of any one accident for property damage and losses flowing from such damage is limited to £1 million (or whatever figure is laid down by the Secretary of State in agreement with MIB from time to time). Where more than one claim for property damage arises from one accident, such claims will be dealt with on a first come, first served basis, time running from the date of submission of MIB's claim form. Once the £1 million maximum is accounted for, MIB will have no liability to meet further, later notified claims arising from the same accident.

Preconditions to MIB's obligation

Clause 12

MIB requires a fully completed claim form to be submitted so as to gain the necessary background to enable it to start processing the claim. MIB is not an insurer and has no policyholders to provide it with notice of any accident and possible claim in advance. MIB will regard the claim form as having been "fully" completed if it is completed to the best of the claimant's knowledge and provided all the requisite information known or reasonably available to him is included.

The claim form can be completed online at www.mib.org.uk, downloaded from the same website or requested direct from MIB. In certain cases, the claim form will be the Claim Notification Form (CNF) submitted under the Ministry of Justice's portal claims process.

If the claim form is submitted online, the terms and conditions flagged during the online process must be accepted.

The claim form should be submitted at the earliest practicable stage in the claim, once it appears that the offending driver may be uninsured. Typically, this will be (1) where the police advise that the motorist had no insurance cover, (2) where the motorist himself confirms that there was no insurance cover and/or (3) where a search of the Motor Insurance Database produces a negative result.

Claimants and their representatives should ensure the claim form is fully completed and correctly signed. This can include a signature by the claimant's parents or his guardian for a claimant under 18 years of age (or 16 years of age in Scotland) or the claimant's litigation friend or receiver/deputy where the claimant lacks capacity.

On receipt of a new claim, the claimant will be sent a "Conditional Assignment

Form" by MIB. This needs to be completed and signed to enable MIB to pursue recovery from the uninsured driver. MIB will be unable to settle any claim unless this form has been completed, signed and returned. See also commentary below on Clause 15 of the Agreement.

MIB may request further information and/or documentation to support the claim where it is not satisfied that the information and/or documentation supplied with the claim form is sufficient.

Any dispute as regards the reasonableness of MIB's requirements under Clause 12 is to be referred to an arbitrator in accordance with Clause 17.

Clause 13

The requirement is that MIB must be included from the outset as an additional defendant on commencement of the proceedings so that, following effective service of the proceedings, it should receive from the court the appropriate notices of procedural matters in the action. MIB should be treated in the same way as any other party, being served with the proceedings.

MIB is not a tortfeasor and its liability only crystallises upon a final judgment not being satisfied for 7 days after payment under the judgment falls due. MIB's liability is, therefore, contingent until there is a declaration that it is liable to meet an unsatisfied judgment. To reflect this status and to clarify MIB's position for the benefit of the court, the Particulars of Claim, when served, should include the following wording, namely:-

"The second defendant (or whichever numbering is appropriate), "MIB", is a company limited by guarantee under the Companies' Acts. Pursuant to an Agreement with the Secretary of State dated day of 2015 (hereinafter the Agreement), MIB provides compensation in certain circumstances to persons suffering injury or damage as a result of the negligence of the uninsured motorist.

The claimant has used all reasonable endeavours to ascertain the identity and liability of an insurer for the first defendant (or whichever numbering is appropriate) and, at the time of commencement of these proceedings, believes that the first defendant is not insured.

The claimant accepts that, only if a final judgment is obtained against the first defendant (which judgment has not been satisfied in full within seven days from the date upon which the claimant became entitled to enforce it), can MIB be required to satisfy the judgment and then only if the conditions and terms set out in the Agreement are satisfied. Until that time, any liability of MIB is only contingent. To avoid MIB having later to apply separately to join itself in this action, the claimant includes MIB from the outset, recognising fully MIB's position as reflected above and the rights of MIB fully to participate in the action to protect its position as a separate party to the action. The claimant also acknowledges that such joinder of MIB does not alter in any way the requirement for the claimant to serve the first defendant by a method permitted under the Civil Procedure Rules (or in Scotland, the Court of Session or Sheriff Court Rules as the context requires).

With the above in mind, the claimant seeks a declaration of MIB's contingent liability for damages to the claimant in this action".

If it was reasonably believed that the defendant was covered by insurance with a particular insurer when the proceedings were issued, MIB will be bound by the notice given to that insurer (provided that such notice complied with the requirements of Section 152(1) of the 1988 Act) and specifically will not, therefore, require notice to be given to itself in the event that the insurer is subsequently shown to have no involvement. Nevertheless, the claimant must:-

(1) notify MIB as soon as possible once he reasonably believes that the insurer may not in fact be involved;

(2) consent to MIB being joined as an additional defendant in the proceedings; and

(3) promptly send to MIB a copy of the proceedings and all other court documents, evidence and other documentation previously served upon the defendant and the insurer to support the claim.

Clause 14

When MIB has been given notice of a claim, it may require the claimant to bring proceedings and attempt to secure a judgment against any other person or persons whom MIB believes to be wholly or partly responsible for the loss or damage or who may be contracted to indemnify the claimant. In such a case, MIB will indemnify the claimant against the reasonable costs of such proceedings.

Subject to this, however, MIB's obligation to satisfy the judgment in the action will only arise if the claimant commences the proceedings and takes all reasonable steps to obtain a judgment. Whenever MIB asks the claimant to pursue another person, the claimant must follow MIB's reasonable instructions and MIB will have control of the precise steps to be taken in any particular case.

If the claimant can recover in full from any other person or body, who either has insurance cover or whose insurer, whilst not indemnifying him or it, nevertheless remains liable to meet the claimant's claim in full, MIB will have no liability as it is intended to act as a safety net for cases where the claimant cannot make a full recovery.

Any dispute as regards the reasonableness of MIB's requirements under Clause 14 must be referred to an arbitrator in accordance with Clause 17.

Clause 15

MIB is not obliged to satisfy a judgment unless the claimant has assigned the benefit of the judgment to MIB. Similarly, as part of any settlement with MIB, the claimant must agree to assign the benefit of the settlement to MIB.

Given that many cases do not proceed as far as a final judgment and to avoid delay on settlement, MIB requires that the Conditional Assignment Form is completed when the initial claim form is submitted. The form of conditional assignment can be downloaded via MIB's website. This form of assignment cannot,

however, be relied upon by MIB until the claim has been settled.

The purpose of the assignment, whether of a final judgment or conditional on settlement, is thereafter to enable MIB to seek to recover its outlay from the uninsured driver. The claimant agrees to cooperate with this recovery process when MIB requires his assistance.

The claimant undertakes to repay to MIB any sum paid where the judgment which led to MIB paying is subsequently set aside in whole or in part. The claimant also undertakes to repay, after a judgment or a settlement, any sum which he subsequently recovers from another source in respect of the same loss or damage.

Miscellaneous provisions

Clause 16

If the claimant requests it, MIB will provide a reasoned reply to his claim setting out its views on liability and on the amount of the claim as appropriate.

Clause 17

Any dispute as to the reasonableness of MIB's requirements under Clauses 12 or 14, which cannot be resolved by agreement, must be referred to an arbitrator appointed by the Secretary of State following a request from either MIB or the claimant.

The procedure is set out in this clause and involves MIB sending to the appointed arbitrator and to the claimant, in writing, the reasons for the referral together with its views on the dispute.

The claimant may thereafter within 28 days provide to MIB and to the arbitrator in writing any further specific observations he wishes to make in relation to the dispute. The arbitrator will then decide the dispute based solely upon the written submissions before him and his written decision will be final.

Clause 18

Where the benefit of a judgment (including interest and costs paid) is assigned to MIB and the judgment includes claims which MIB is not obliged to meet then, if MIB effects any recovery, the sum recovered will be divided between MIB and the claimant on a pro-rata basis.

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