

June 30, 2010

TTC June Newsletter

Dear member,

No Claims Bonus Improvement:

I am happy to announce that we will soon be making improvements to our No Claims Bonus structure. As you may be aware all our long-term members currently have the opportunity to save up to 35% off our standard premium by building up their No Claims Bonus. Under the new structure you will be able to save up to 50% off our standard premium.

It will also now take less time to build up your NCB, previously the discount increased by 5% a year with a 10% increase in the first year. Under the new structure the discount will increase by 10% a year. This means that from the second year onwards there will be a significant improvement over the old structure.

	Old	New	Improvement
Year 0	0%	0%	0%
Year 1	10%	10%	0%
Year 2	15%	20%	33.3%
Year 3	20%	30%	50%
Year 4	25%	40%	60%
Year 5	30%	50%	66.7%
Year 6+	35%	50%	42.9%

As before a reimbursed claim of from US\$0.01 to US\$15,000 will result in a loss of 2 years worth of NCB, however, the NCB will never go below 0% causing you to pay more than our standard premium.

Members who currently have an NCB of 15%, 25% or 35% will go up to an NCB of 20%, 30% or 40% respectively. In the event that claims of US\$15,000 or less are made the subsequent year's NCB will be 0%, 10% or 20% respectively.

In all situations, if you have claims totaling over US\$15,000 in a policy year, your NCB will revert to 0%.

The new structure will come into effect for all renewals from July 1st 2010 onwards. At this point members will be able to build towards a higher NCB at their following renewal. This structure will come into effect next renewal as it would be unfair to impose this new NCB structure on those who have already made a claim this year, as the drop in NCB would be more than under the current structure.

Should you for any reason not wish the NCB to apply to your policy please let us know and we will not apply it to your policy.

These details will be updated on our website shortly. Should you have any questions about any of these changes please do not hesitate to contact me.

Thank you for all your support and good stewardship of our programs.

Blessings, Nathan

TTC... serving alongside

Continuation...

Note 1: A member who currently has an NCB of 10% who has no claims this insured year, and is renewing on August 1st 2010 will renew with a 15% NCB as per the old structure. If they have another insured year with no claims their following year's NCB will go up to 20%. If they have another subsequent year with no claims their NCB will then go up to 30%.

Note 2: A member who currently has an NCB of 15% who has no claims this insured year, and is renewing on August 1st 2010 will renew with a 20% NCB as per the old structure. If they have another insured year of no claims their following year's NCB will go up to 30%. If they have another subsequent year with no claims their NCB will then go up to 40%.

Note 3: How can TTc afford to give an NCB? TTc can apply a No Claims Bonus as a result of the high cost of processing even small claims. Even a small claim of only a few dollars can cost from US\$50 up to several hundred dollars to process depending on the complexity of the case. By giving the incentive for small claims not to be submitted (*through the NCB*), this saves lots of money and enables us to pass this back to our members. Your good stewardship helps everyone to save money.