

**BEST DOCTORS INSURANCE LIMITED**

**Consolidated Financial Statements**  
(With Independent Auditor's Report Thereon)

March 31, 2024, and March 31, 2023

Best Doctors Insurance Limited

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**INDEPENDENT AUDITOR'S REPORT****To the Board of Directors of Best Doctors Insurance Limited****Opinion**

We have audited the consolidated financial statements of Best Doctors Insurance Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, and the related consolidated statements of income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

**Basis for opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Required supplementary information**

U.S. generally accepted accounting principles require that certain disclosures related to short-duration contracts in note 8 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*KPMG Audit Limited*

Chartered Professional Accountants  
Hamilton, Bermuda  
July 26, 2024

**BEST DOCTORS INSURANCE LIMITED**

## Consolidated Balance Sheets


As of March 31, 2024, and March 31, 2023  
(Expressed in United States Dollars)

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Cash and cash equivalents (Note 3)	\$ 86,336,073	\$ 71,367,911
Term deposit (Note 5)	-	492,598
Investment at fair value (Note 6)	11,452,467	11,067,216
Insurance balances receivable (Note 4)	56,711,182	42,045,783
Accounts receivable	1,938,285	2,124,625
Reinsurance balances receivable (Note 13)	254,371,014	224,702,059
Unpaid losses recoverable from reinsurers (Notes 8, 13)	32,533,461	31,329,138
Due from a related company (Note 7a, 7b)	3,716,860	-
Due from ultimate parent (Note 7c)	34,082,359	42,089,948
Unearned premium ceded (Note 13)	125,767,494	107,608,767
Deferred acquisition costs	38,975,104	31,592,025
Other assets	-	44,536
Prepaid expenses	1,154,930	298,819
Total assets	<u>\$ 647,039,229</u>	<u>\$ 564,763,425</u>
<b>Liabilities</b>		
Reserve for outstanding losses and loss expenses (Note 8)	\$ 37,806,328	\$ 37,132,643
Unearned premium reserve	133,887,494	114,007,498
Insurance balances payable	8,909,255	7,217,600
Commission payable	9,903,764	9,087,047
Reinsurance balances payable (Note 13)	359,363,273	312,679,066
Unearned ceding commission	55,258,920	48,629,803
Due to a related company (Note 7a, 7b)	-	1,021,634
Accounts payable and accrued expenses	2,632,350	2,153,941
Total liabilities	<u>607,761,384</u>	<u>531,929,232</u>
<b>Shareholder's equity</b>		
Share capital (Note 12)	120,000	120,000
Additional paid in capital (Note 12)	37,200,000	37,200,000
Retained earnings/(deficit)	1,957,845	(4,485,807)
Total shareholder's equity	<u>39,277,845</u>	<u>32,834,193</u>
Total liabilities and shareholder's equity	<u>\$ 647,039,229</u>	<u>\$ 564,763,425</u>

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Board.

DocuSigned by:  
  
 Chief Financial Officer

DocuSigned by:  
  
 Director

**BEST DOCTORS INSURANCE LIMITED**

## Consolidated Statements of Income

Years ended March 31, 2024, and March 31, 2023  
*(Expressed in United States Dollars)*

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Underwriting income</b>		
Gross premiums written	\$ 273,164,169	\$ 244,439,193
Reinsurance premium ceded	(257,175,651)	(230,838,352)
Net premiums written	15,988,518	13,600,841
Movement in net unearned premiums	(1,721,269)	(246,915)
Net premiums earned	14,267,249	13,353,926
Transaction fee income	1,647,268	1,715,775
Ceding commission	100,753,877	102,703,274
Total underwriting income	116,668,394	117,772,975
<b>Underwriting expenses</b>		
Losses and loss expenses incurred (Note 8)	13,854,230	13,752,707
Commission fees	69,765,637	65,572,711
Total underwriting expenses	83,619,867	79,325,418
Net underwriting income	33,048,527	38,447,557
<b>Other income (expenses)</b>		
Management support fees (Note 7a)	(24,397,557)	(26,839,967)
General and administrative expenses	(2,735,612)	(3,463,153)
Bank fees	(4,397,061)	(3,873,373)
Net investment income (Note 9)	4,925,355	2,080,166
Net income	<u><u>\$ 6,443,652</u></u>	<u><u>\$ 6,351,230</u></u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**BEST DOCTORS INSURANCE LIMITED**

Consolidated Statements of Changes in Shareholder's Equity

Years ended March 31, 2024, and March 31, 2023  
(Expressed in United States Dollars)

	Share Capital	Additional Paid in Capital	Retained Earnings/ (Deficit)	Shareholder's Equity
Balance March 31, 2022	\$ 120,000	\$ 32,200,000	\$ (10,837,037)	\$ 21,482,963
Net income	-	-	6,351,230	6,351,230
Additional Paid in Capital (Note 12)	-	5,000,000	-	5,000,000
Balance March 31, 2023	120,000	37,200,000	(4,485,807)	32,834,193
Net income	-	-	6,443,652	6,443,652
Balance March 31, 2024	<u>\$ 120,000</u>	<u>\$ 37,200,000</u>	<u>\$ 1,957,845</u>	<u>\$ 39,277,845</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**BEST DOCTORS INSURANCE LIMITED**

## Consolidated Statements of Cash Flows

Years ended March 31, 2024, and March 31, 2023  
*(Expressed in United States Dollars)*

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Net income	\$ 6,443,652	\$ 6,351,230
Adjustments to reconcile net income to net cash		
Provided by operating activities:		
Unrealized gain/(loss) on investment	(385,251)	110,748
Changes in non-cash working capital:		-
Insurance balances receivable	(14,665,399)	(1,530,426)
Accounts receivable	186,340	(673,061)
Reinsurance balances receivable	(29,668,955)	(30,292,921)
Losses recoverable from reinsurers	(1,204,323)	(1,171,222)
Due from related company	(3,716,860)	670,799
Unearned ceded premium	(18,158,727)	(7,549,395)
Due from Parent Company	8,007,589	(464,323)
Deferred acquisition costs	(7,383,079)	(350,824)
Other assets	44,536	40,724
Prepaid expenses	(856,111)	835,236
Reserve for outstanding losses (Note 8)	673,685	1,152,599
Unearned premium reserve	19,879,996	1,679,201
Insurance balances payable	1,691,655	1,377,952
Reinsurance balances payable	46,684,207	26,186,971
Unearned ceding commission	6,629,117	10,676,712
Commission payable	816,717	293,605
Due to related companies	(1,021,634)	1,021,634
Accounts payable and accrued expenses	478,409	(3,483,320)
Total cash flows provided by operating activities	14,475,564	4,881,919
<b>Cash flows from investing activities</b>		
Proceeds from disposal of investments	492,598	-
Total cash flows provided by investing activities	492,598	-
<b>Cash flows from financing activities</b>		
Additional paid in capital	-	5,000,000
Total cash flows provided by financing activities	-	5,000,000
Net increase in cash and cash equivalents	14,968,162	9,881,919
Cash and cash equivalents at beginning of year	71,367,911	61,485,992
Cash and cash equivalents at end of year	<u>\$ 86,336,073</u>	<u>\$ 71,367,911</u>

*The accompanying notes are an integral part of these consolidated financial statements.*



**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**1. General**

Best Doctors Insurance Limited (the “Company”) was incorporated under the laws of Bermuda on August 25, 2008. The Company commenced writing business on March 1, 2009. The Company is registered as a Class 3B insurer under the Insurance Act 1978 of Bermuda and related regulations to write general business as directed by the Bermuda Monetary Authority (“BMA”) who regulates insurance companies in Bermuda. The Company insures the yearly healthcare risks of individuals and corporations worldwide (except for the United States of America) on occurrence basis. Most of the Company insureds are in Latin America and the Caribbean Region.

The Company is a wholly owned subsidiary of Best Doctors Insurance Holdings Limited (“BDIHL”) - (previously known as Tamsin Holdings Limited), a Bermuda domiciled holding company. BDIHL is a wholly owned subsidiary of Primary Group Limited (“PGL”); a Bermuda based investments holding company for a group of predominantly small to medium size businesses engaged in insurance and other financial distribution activities and is the Company’s ultimate parent.

The Company incorporated a 100% owned subsidiary in Aruba, Best Doctors Insurance VBA (“BDIVBA”) on November 29, 2013. BDIVBA started to insure similar healthcare risks as the Company in Aruba in March 2014. After evaluation of the results of BDIVBA for the year ended March 31, 2018, and taking into consideration the lack of significant commercial opportunities that could provide an increase in the subsidiary’s business volume, the Company made the decision to discontinue operations once approved by the Central Bank of Aruba (“CBA”) as requested by the Company on April 5, 2019. The liquidation process of BDIVBA was completed as of March 31, 2024. As a result, the Company recognized a loss on investment of \$7,839 which is included in net investment income. Refer to Note 2(d) for deconsolidation accounting policies adopted and Note 10(b) for tax disclosures relevant to BDIVBA.

**2. Summary of significant accounting policies**

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and include the accounts of Best Doctors Insurance Limited and its subsidiary, BDIVBA.

*(a) Use of estimates*

The preparation of the consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported and disclosed amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates. The Company’s most significant estimate relates to the reserve for outstanding losses and loss expenses.

*(b) Going concern*

These financial statements have been prepared assuming the Company will continue as a going concern for the foreseeable future. The Company has enough net assets to satisfy policyholder obligations and meet its minimum solvency margin and enhanced capital requirement (“ECR”) as of March 31, 2024. An aspect of going concern assumption is that the Company can satisfy all the conditions of its insurance license with the BMA.

**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**2. Summary of significant accounting policies (continued)***(b) Going concern (continued)*

As described in Note 11 (a), the BMA used its powers and issued directions to the Company because the Company did not meet certain conditions of its license in fiscal year 2018. These directions include, but are not limited to, the requirement for the Company to obtain formal approval from the BMA before writing any new business and or amending any insurance or reinsurance contracts, making any payment over a certain threshold, amendments to any banking/investment mandates and entering into any related party transaction including making any capital distribution. Management, directed by the Board, developed a plan to rectify the issues that prevented the Company to meet certain conditions of its license including operational, governance, filing, and reporting requirements. The Company will exit the directive when it is able to successfully demonstrate to the BMA that it has remediated all matters of noncompliance and can comply with the conditions of its insurance license in the future. The Company may also be subject to a penalty from the BMA due to its non-compliance which will be determined when the Company exits regulatory direction (Refer to Note 11(a)).

As described in Note 7(c), the Company entered into a loan agreement with PGL on July 1st, 2021 and as at March 31, 2024, PGL is in compliance with the repayment terms having received two payments during the year. The first repayment of \$4,007,589 plus interest was made on September 30, 2023. The second scheduled repayment of \$4,000,000 plus interest was made on March 26, 2024. At March 31, 2024, the intercompany loan had reduced from \$42,089,948 to \$34,082,359. As PGL is a private equity investment manager, funding to pay its loan obligations are subject to the availability of funds, the performance of other investments within its portfolio and its ability to raise capital. If PGL is unable to meet future repayment obligations the net assets of the Company may be materially impacted and could result in noncompliance with minimum capital and solvency requirements. Further, if PGL does not comply with the terms of the loan agreement in the future it could result in further action taken by the BMA including, but not limited to, restricting the ability of the Company to underwrite business in the future. The Company has not recorded impairment on the outstanding loan as of March 31, 2024, as management has concluded that the balance is fully recoverable.

Accordingly, these financial statements do not reflect any adjustments to the carrying value or classification of the Company's assets and liabilities, to the reported revenues and expenses or to the balance sheet classifications that would be necessary if the going concern assumptions were not appropriate. Such adjustments would be material to these financial statements.

*(c) Foreign currency*

The reporting currency of the Company and its subsidiaries is the U.S. dollar, which is the functional currency of the Company. Gains and losses arising from transactions denominated in a foreign currency are included in net income for the year. All transactions are predominantly in U.S. dollars. Foreign currency accounts are valued at the date of the balance sheet and any gain / (loss) is recorded in the consolidated statements of income. Loss on currency exchange for the year ended March 31, 2024, amounted to \$20,917 (2023 – loss \$345,205).

*(d) Basis of consolidation*

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary for the comparative period.

During the current year, the Company liquidated its subsidiary, BDIVBA. As a result, the current year's financial statements include the financial performance of the subsidiary up to March 31, 2024 which is the date of liquidation.

**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**2. Summary of significant accounting policies (continued)***(e) Impairment*

Assets subject to potential impairment include insurance balances receivable, reinsurance balances receivable, and unpaid losses recoverable. The impairment is in accordance with ASC 326-20 and is a valuation account that is deducted from, or added to, the amortized cost basis of the financial assets to present the net amount expected to be collected. At each reporting date, the Company records an allowance for credit losses on financial assets within the scope of ASC 326-20. The Company reports in net income (as a credit loss expense) the amount necessary to adjust the allowance for credit losses for the current estimate of expected credit losses on financial assets. The Company determines impairment on financial assets measured at amortized cost including insurance related receivables except for loans and receivables from related entities. Refer to note 2(f) for impairment of insurance balances receivable.

*(f) Insurance balances receivable*

Insurance balances receivable is recorded for gross written premiums due from insurance contracts, less an allowance to present the net amount expected to be collected. The estimate of expected credit losses includes expected recoveries of amounts previously written off as well as amounts expected to be written off. The estimate of expected credit losses is based on the Company's historical loss experience, adjusted for current, reasonable and supportable forecasts of economic conditions. Subsequent changes (favorable and unfavorable) in expected credit losses for each period are recognized immediately in the income statement. A significant portion of amounts included in insurance balances receivable is the result of the terms of the underlying contracts. Refer to note 4. Provision for the year ended March 31, 2024, amounted to \$8,453,814 (2023 - \$7,616,428).

*(g) Premiums written, reinsurance premium ceded, and net premium earned*

Premiums written are recorded on an accrual basis and are recognized as income on a pro-rata basis over the terms of the underlying contracts with the unearned portion deferred in the balance sheet. Reinsurance premiums ceded are accounted for on a basis consistent with those used in accounting for the original policies issued and the term of the reinsurance contracts with the unearned ceded reinsurance premium deferred on the balance sheet.

*(h) Commission fees and deferred acquisition costs*

Commissions relate to brokerage fees paid to sales agents and agencies once the contract is effective and premium paid. The commission payment is entered as deferred acquisition costs. Deferred acquisition costs are reclassified to commission expense as the revenue from the underlying insurance contract is earned.

*(i) Transaction fee income*

Transaction fee income represents administrative fees which are charged to each policyholder and recognized at a fixed amount at inception of the policy.

**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**2. Summary of significant accounting policies** (continued)*(j) Reserve for outstanding losses and loss adjustment expenses*

The reserve for outstanding losses and loss adjustment expenses is provided based on current estimates made by claims personnel, the Company's actuary, and the independent Loss Reserve Specialist. The Company believes that the reserve for outstanding losses and loss adjustment expenses will be adequate to cover the ultimate net cost of losses incurred to the balance sheet date. This reserve is an estimate, and actual losses may be significantly greater or less than the amount recorded. It is reasonably possible that the Company will need to revise this estimate significantly as new information arises. Any subsequent differences arising are recorded in the year in which they are determined. The reserve for outstanding losses and loss adjustment expenses is not discounted.

*(k) Investments, Term Deposit, and investment income*

Investments consist of an investment in a fund which is carried at fair value. The units of account that are valued by the Company is its interest in the fund and not the underlying holdings of such fund. Thus, the inputs used by the Company to value its investment in the fund may differ from the inputs used to value the underlying holdings of such funds. This fund is stated at fair value, which ordinarily will be the most recently reported net asset value ("NAV") as reported by their investment managers or third-party administrators. The use of net asset value as an estimate of the fair value for investments in certain entities that calculate the net asset value is a permitted practical expedient. The change in the fair value is included in the Statement of Income. As of March 31, 2024, the Company does not have any unfunded commitments related to these investments.

Term Deposits are carried at cost and have an original maturity greater than 1 year. Interest income is accrued to the balance sheet date.

*(l) Reinsurance*

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policies. If the Company determines that adjustments to earlier estimates are appropriate, such adjustments are recorded in the period in which they are determined. The Company evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. Estimations for incurred, but not paid claims, for the Excess of Loss (XOL) reinsurance are based on an expected loss ratio methodology. The initial loss ratio is determined by reviewing experience from previous years forwarded to the experience period. The expected loss ratio is reviewed and updated based on the developing experience of the treaty year.

*(m) Taxation*

Under current Bermuda law, the Company is not subject to any taxes in Bermuda on either income or capital gains. The Company's subsidiary was subject to taxes in FY 2023 on its jurisdiction, in which case the subsidiary recorded its liability and expense for income taxes under the requirements of Accounting Standard Codification (ASC) 740, applying the corresponding enacted tax law applicable.

**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**2. Summary of significant accounting policies** (continued)*(n) Ceding commissions on reinsurance contracts*

Ceding commissions on reinsurance transactions are commissions the Company receives from ceding gross written premiums to third party reinsurers. The amount the Company receives from the reinsurer is based on a contractual formula contained in the individual reinsurance agreement. Commission from reinsurer follows the same recognition basis as the premiums ceded with the unearned portion deferred on the balance sheet.

*(o) Cash and cash equivalents*

Cash equivalents include highly liquid instruments such as available funds in operating bank accounts, money market funds and other time deposits with commercial banks and financial institutions, which have maturities of less than three months from the date of purchase. See Note 3 in relation to concentrations of credit risk.

*(p) Fair value measurements*

Fair value measurements are established in accordance with the framework provided by FASB 820, Fair Value Measurements and Disclosures ("FASB ASC 820"). FASB ASC 820 establishes a fair value hierarchy with the highest priority given to quoted prices in active markets and the lowest priority given to unobservable inputs. There are no assets or liabilities that are measured at fair value on a recurring basis except for certain cash equivalents and investments. The following methods and assumptions were used by the Company in estimating fair value disclosures for other financial instruments.

Cash and cash equivalents: The carrying amounts reported on the balance sheet for these instruments approximate their fair values. Money market instruments are carried at fair value and valued using level 1 inputs.

*(q) Recently adopted accounting standards*ASU 2016 -13, Financial Instruments – Credit Losses; Topic 326-20

On June 2016, the FASB issued ASU 2016-13, which represents an important change in the Allowance for Credit Losses (ACL) requiring the immediate recognition of management's estimates of current expected credit losses (CECL) as opposed to the previous methodology of losses being recognized as these were incurred.

Effective April 1, 2023, the Company adopted the ASC 326 - Financial Instruments – Credit Losses, which provides for the recognition and measurement of all current expected credit losses ("CECL") for financial assets that are not recorded under the fair value option method of accounting. All Company's investments are recorded using the fair value option accounting. The Company's financial assets within the scope of this standard include cash and cash equivalents, insurance balances receivable, reinsurance balances receivable, reinsurance recoverable on unpaid losses and some other assets. CECL requires a company to apply the modified retrospective approach, where any adjustments would be recorded in opening retained earnings of the first reporting period. The adoption of this guidance did not have a material impact on the Company's consolidated financial position, results of operations or cash flows as of and for the year ended March 31, 2024. Refer to note 2(d) and 2(f).

## BEST DOCTORS INSURANCE LIMITED

### Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

#### 3. Concentrations of credit risk

As of March 31, 2024, cash and cash equivalents comprised of \$86,336,073 (2023 - \$71,093,703), are held by banks domiciled in Bermuda and \$nil (2023 - \$274,208) were held by banks in Aruba. \$80,020,829 is held in a Money Market Fund with a well-diversified set of instruments. The principal objective of the fund is to seek as high an overall rate of return as is consistent with maintaining liquidity and security of principal. The investment advisor is Butterfield Asset Management Limited (the "Investment Advisor"). The custodian is The Bank of N. T. Butterfield & Son Limited (the "Custodian"). The administrator is MUFG Funds Services (Bermuda) Limited (the "Administrator"). The assets of the Fund are held by the Custodian or other agents on behalf of the Custodian. The Fund must adhere at all times to Standard & Poors' rules for AAA rated Principal Stability Funds. Additionally, the Directors of the Money Market Fund have set further guidelines: All issuers must additionally be rated P-1 by Moodys or F-1+/F-1 by Fitch or be guaranteed by an entity that carries such ratings. At a minimum, all issuers must be rated A-1 short-term or higher by S&P, except in certain circumstances where the Fund has recourse to a segregated pool of assets in the event of default (secured deposits).

The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. As of March 31, 2024, RGA, which assumes the quota share agreement, is rated as A+ by AM Best. A further description of the reinsurance counterparties is provided in Note 13. The Company has also entered into Excess of Loss (XOL) reinsurance agreements for the years ended March 31, 2024, and March 31, 2023. The agreements are with a panel of reinsurers who are all rated A or higher by AM Best.

The balance due from the Company's ultimate parent represents \$34,082,359, as of March 31, 2024. The Company evaluates the credit quality of the ultimate parent based on their historical funding (refer to Note 11) and economic conditions that may impact the recoverability of the loan. As conditions change and new information becomes available, the Company will reassess any potential impairment. There is no impairment on the loan from the Company's ultimate parent as of March 31, 2024, or 2023 (refer to Note 2(b)).

#### 4. Insurance balances receivable

	<u>As of March 31, 2024</u>	<u>As of March 31, 2023</u>
Accounts receivable	\$ 38,050,343	\$ 33,341,894
Assumed premiums receivable	1,767,612	1,890,779
Fiduciary funds	16,893,227	6,813,110
	<u>\$ 56,711,182</u>	<u>\$ 42,045,783</u>

Fiduciary funds relate to balances held by Now Health International (NHI) resulting from operating activities related to the binding underwriting and claim management authority agreement.

The insurance balances receivable above is recorded net of the allowance as disclosed below.

#### Allowance for Doubtful Accounts Roll-Forward

	<u>As of March 31, 2024</u>	<u>As of March 31, 2023</u>
Balance - beginning of year	\$ 7,616,428	\$ 3,374,497
Write-offs charged against allowance	(7,616,428)	(3,374,497)
Current period provision	<u>8,453,813</u>	<u>7,616,428</u>
Balance - end of year	<u>\$ 8,453,813</u>	<u>\$ 7,616,428</u>

**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**4. Insurance balances receivable (continued)**

The write offs charged against the allowance represent the prior period policies lapsed during the year.

**5. Term deposit**

The Company had a term deposit with Caribbean Mercantile Bank N.V. ("CMB") in the amount of \$492,598, with a maturity date of November 20, 2023, and an interest rate of 1.9%. The deposit was converted into cash as of March 31, 2024

**6. Investment at fair value**

The fair value of investment on March 31, 2024, and March 31, 2023, is as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Unrealized Holding Gain</b>
March 31, 2024, Bond Fund Limited Class C	11,452,467	11,000,000	452,467
March 31, 2023, Bond Fund Limited Class C	11,067,216	11,000,000	67,216

The Company invests in an independently managed investment fund consisting of a portfolio of fixed income securities. This fund is designed to maximize income by investing in medium to high-grade USD debt securities with a short to medium term maturity profile and diversified to give limited concentration to industry type and geographic region.

The fund has a weekly subscription and/or redemption option.

Investments measured at net asset value are not required to be disclosed within the fair value hierarchy.

**7. Related party loans, balances, and transactions**

	<b>As of March 31, 2024</b>	<b>As of March 31, 2023</b>
Due from Best Doctors Insurance Services LLC (a)	\$ 3,340,937	\$ -
Due from BDIHL(b)	375,923	-
Due from ultimate parent (c)	34,082,359	42,089,948
	<u>\$ 37,799,219</u>	<u>\$ 42,089,948</u>
	<b>As of March 31, 2024</b>	<b>As of March 31, 2023</b>
Due to Best Doctors Insurance Services LLC (a)	\$ -	\$ 555,535
Due to BDIHL (b)	-	466,099
	<u>\$ -</u>	<u>\$ 1,021,634</u>

# **BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

### **7. Related party loans, balances and transactions (continued)**

- a) Best Doctors Insurance Services LLC ("BDIS") is an affiliated company. The Company has a contract with BDIS to provide claim management and support services to the Company. In 2024, the Company incurred expenses of \$25,239,579 (2023 - \$25,997,945) in connection with this contract. The Company recognized these expenses as management support fees in the consolidated statements of income. BDIS provides shared services for the Company under a Support Services Agreement. BDIS collects premiums, adjudicates, and pays insurance claims, pays commissions and provides customer service, policy administration and fulfilment, as well as other insurance company administrative and accounting services on behalf of the Company. BDIS remits the gross premiums it receives to the Company and the Company funds commissions and insurance claims as requested. As of March 31, 2024, \$3,340,937 was due from BDIS representing premiums net of commissions, claims, and management support fees. On March 31, 2023, \$555,535 was due to BDIS representing the net unpaid portion of the support services agreement. This balance is unsecured, non-interest bearing and has no fixed terms of repayment.
- b) BDIHL is the parent company of BDIL. In prior years, BDIL purchased XOL reinsurance coverage for Now Health International Limited who produces and underwrites policies on behalf of various insurance carriers including BDIL's Global Binder. As of March 31, 2024, the balance is a receivable of \$375,923 (2023 – payable of \$466,099).
- c) During the year ended March 31, 2018, the Company entered into a novation agreement to transfer the balances then owed to the Company by BDIHL with the ultimate parent (PGL) under the same terms and conditions originally established. The total balance owed by PGL as of March 31, 2018, was \$51,828,982. The loan was subject to an interest rate of 3% per year and a repayment date no later than December 31, 2021 (the "repayment date"). Balances due from PGL were converted into a new loan agreement on July 1, 2021. The payment terms include a 3.5% interest rate, 10 years, and principal payments of \$2 million per year for the first two years, \$4 million per year for the two subsequent years and \$5 million per year for the last six years; the 10<sup>th</sup> installment includes a remaining principal balance of \$82,360. Accrued interest from original loan totals \$3,043,266 of which \$2,500,000 has been paid as of March 31, 2023. A loan payment of \$2,000,000, interest from original loan of \$543,266 and interest from restructured loan of \$1,594,569 were paid in September 2023. Loan payment due March 31, 2024 for \$4,000,000 principal plus interest of \$1,354,474 was paid in March 2024.

	<b>As of March 31, 2024</b>	<b>As of March 31, 2023</b>
Balance due from PGL at beginning of year	\$ 42,089,948	\$ 41,625,625
Repayment	(9,492,309)	(1,000,000)
Interest accrued during year	1,484,720	1,464,323
Total balance due from PGL at end of year	\$ 34,082,359	\$ 42,089,948

- d) Now Health International ("NHI") is an affiliated company that performs distribution and third-party administration services for insurance companies in Europe, Asia, Middle East and North Africa (MENA) regions. In 2018, the Company entered into an agreement with NHI to offer the Company's products and perform the full administration of the portfolio in those markets. The tables below illustrate the results and balances related to the insurance portfolio administration services provided to the Company by NHI:



**BEST DOCTORS INSURANCE LIMITED**

Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**7. Related party loans, balances and transactions (continued)**

	<b>As of March 31, 2024</b>	<b>As of March 31, 2023</b>
Gross written premiums	\$ 48,065,778	\$ 27,084,270
Losses and loss expenses incurred	\$ 14,595,551	\$ 11,783,245
Commission fees	\$ 12,641,893	\$ 8,816,873
	<b>As of March 31, 2024</b>	<b>As of March 31, 2023</b>
Insurance balances receivable	\$ 21,457,002	\$ 12,090,162
Deferred acquisition costs	\$ 12,198,625	\$ 6,881,165
Reserve for outstanding losses and loss expenses	\$ 5,138,576	\$ 2,596,782
Unearned premium reserve	\$ 26,907,850	\$ 14,517,406

**8. Reserve for outstanding losses and loss adjustment expenses**

The summary of changes in reserve for outstanding losses and loss adjustment expenses for March 31, 2024, and 2023 is as follows:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Gross balance at beginning of year	\$ 37,132,643	\$ 35,980,044
Less reinsurance recoverable	<u>(31,329,138)</u>	<u>(30,157,916)</u>
Net balance at beginning of year	5,803,505	5,822,128
Incurred related to:		
Current year	14,662,763	14,079,739
Prior year	<u>(808,533)</u>	<u>(327,032)</u>
Total incurred	13,854,230	13,752,707
Paid related to:		
Current year	(9,988,822)	(9,626,670)
Prior year	<u>(4,396,046)</u>	<u>(4,144,660)</u>
Total paid	(14,384,868)	(13,771,330)
Net balance at end of year	5,272,867	5,803,505
Plus: losses recoverable from reinsurer	<u>32,533,461</u>	<u>31,329,138</u>
Gross balance at end of year	<u>\$ 37,806,328</u>	<u>\$ 37,132,643</u>

Changes in prior year estimates recorded in the current year resulted in net favorable development of (\$808,533) (2023 - \$327,032) because of net claims and claim expenses paid coming in lower than expected from prior years.

# **BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

### **8. Reserve for outstanding losses and loss adjustment expenses (continued)**

#### *Short duration contract disclosures*

The Company's reserve for losses and loss adjustment expenses relate to medical insurance provided to individuals which are considered short-duration contracts. Since all risks share similar characteristics, information in this note has not been disaggregated for disclosure purposes.

Reserve for outstanding losses and loss expenses include estimates of payments the Company will make on claims incurred but not yet paid as of the balance sheet date.

Such estimates are developed using actuarial principles and assumptions which consider, among other things, contractual requirements, historical utilization trends, persistency of membership, payment patterns, medical inflation, seasonality, membership, and other relevant factors. The process of estimating reserves involves a considerable degree of judgment by the Company and, as of any given date, is inherently uncertain. The Company uses analysis prepared by both in-house and third-party actuaries as part of the reserving process. Reserves for outstanding losses and loss expenses are adjusted as additional information becomes known or payments are made.

#### *Incurred and paid claims development*

The tables below present the estimated ultimate claims cost, including claims notified and incurred but not reported for each successive accident year, together with the cumulative payments to date. The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of the claims. The Company aims to maintain adequate reserves in respect of its insurance business to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, prior year reserve and ultimate losses are adjusted accordingly.

Claims development information for all periods except for the current reporting period and any information derived from it is considered Supplementary Information. The loss development table below also includes claim frequency information by accident year. The Company defines a claim as a claimant with at least one incurred paid claim. The Company settles its outstanding claims within three years; for that reason, information for accident years 2021, 2022 and 2023 has been produced.

<b>Losses and loss expense incurred, net of reinsurance</b>					<b>As of March 31, 2024</b>	
<b>Accident</b>	<b>For Years Ended March 31,</b>				<b>Total IBNR, Net of Reinsurance</b>	<b>Cumulative Claim Count</b>
<b>Year</b>	<b><u>2021*</u></b>	<b><u>2022*</u></b>	<b><u>2023*</u></b>	<b><u>2024</u></b>		
2021	23,998,141	23,411,390	23,975,714	23,950,885	-	9,345
2022	-	19,729,472	18,741,441	17,962,883	24,543	12,133
2023	-	-	14,070,860	14,065,714	574,384	9,487
2024	-	-	-	14,726,180	3,716,985	7,231
					<b><u>4,315,912</u></b>	

**\*Unaudited**

**BEST DOCTORS INSURANCE LIMITED**

Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**8. Reserve for outstanding losses and loss adjustment expenses (continued)****Paid losses and loss expenses, net of reinsurance**

Accident Year	For Years Ended March 31,			
	<u>2021*</u>	<u>2022*</u>	<u>2023*</u>	<u>2024</u>
2021	14,683,629	23,003,704	23,829,624	23,950,885
2022	-	15,339,201	17,537,095	17,938,340
2023	-	-	10,638,164	13,491,330
2024	-	-	-	11,009,195
<b>Total</b>				<b>66,389,750</b>

*\* Unaudited*

The reconciliation of the net incurred and paid claims development tables to the Company's outstanding losses and loss expenses in the consolidated statement of financial position on March 31, 2024, and March 31, 2023, is as follows:

	<u>2024</u>
Total outstanding losses and allocated loss expenses, net of reinsurance \$	4,315,912
Total loss reserves recoverable	32,533,461
Unallocated claims adjustment expenses	<u>956,955</u>
Total gross outstanding losses and loss expenses	<u>\$ 37,806,328</u>

**9. Investment income**

Details of investment income for the years ended March 31, 2024, and March 31, 2023, are shown below:

	<u>2024</u>	<u>2023</u>
Investment interest income	\$ 3,469,392	\$ 961,049
Loan interest income	1,484,720	1,464,322
Loss on investment	(7,839)	-
Currency exchange	<u>(20,918)</u>	<u>(345,205)</u>
Total	<u>\$ 4,925,355</u>	<u>\$ 2,080,166</u>

**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**10. Taxation***(a) Bermuda*

The Bermuda corporate income tax was enacted in December 2023. This tax applies to Bermuda businesses that are part of Multinational Enterprise Groups with annual revenue of 750 million euros or more. The tax will be effective January 2025. Under current Bermuda law, the Company is not required to pay any taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that in the event of any such taxes being imposed, the Company will be exempted from taxation until March 31, 2035.

*(b) Aruba*

The Company's wholly owned subsidiary, BDIVBA, was subject to corporate tax in Aruba. The corporate tax rate was 25%. Tax expense for 2024 and 2023 was \$nil as the subsidiary incurred a net loss from operations. There are no further tax obligations as a result of the company liquidation taking place on March 31, 2024.

*(c) Uncertain tax positions*

The FASB Accounting Standards Codification (ASC) 740, *Income Taxes* addresses the accounting for uncertainty in income taxes recognized in a Company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in an income tax return.

The US imposes an income tax on the effectively connected income ("ECI") of foreign corporations engaged in a US trade or business ("USTB"). Unless reduced by a treaty or the Internal Revenue Code ("IRC"), a foreign corporation engaged in a USTB is generally subject to a branch profit withholding tax ("US BPT") of 30% on the amount of net profit related to the USTB activities. As such, the uncertain tax position is whether the Company's entities have engaged in a USTB during fiscal year ended March 31, 2024. It is more likely than not that health insurance premium income earned by BDIL on policies issued to non-U.S. persons would not be treated as ECI with a USTB.

**11. Regulatory requirements***(a) Bermuda*

The Company is registered as a Class 3B insurer under the Insurance Act 1978, amendments thereto and related regulations of Bermuda (collectively, the "Insurance Act"). The Insurance Act imposes certain solvency and liquidity standards and auditing and reporting requirements and grants the BMA powers to supervise, investigate, require information, and intervene in the affairs of insurance companies. On November 23rd, 2017, the BMA used its powers and issued directions to the Company because the Company did not meet certain conditions of its license which included decreasing liquidity, filing, and reporting requirements in 2018.

The Company is required to maintain capital at a level equal to its enhanced capital requirement ("ECR") which is established by reference to the Bermuda Solvency Capital Requirement (the "BSCR") model. The BSCR is a standard mathematical model designed to give the BMA robust methods for determining an insurer's capital adequacy. The Company has sufficient net assets to satisfy policyholder obligations, meeting its minimum solvency margin and ECR as of March 31, 2024.

**BEST DOCTORS INSURANCE LIMITED**

## Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

**11. Regulatory requirements (continued)**

The Company is also required to maintain a minimum liquidity ratio whereby the value of its relevant assets as defined is not less than 75% of its relevant liabilities. Relevant assets include cash and cash equivalents,

investments, accrued income receivable, other receivables, funds withheld and insurance balances receivable. Certain categories of assets do not qualify as relevant assets under the statute, including balances due from related parties. Relevant liabilities are comprised of the reserve for outstanding loss and loss adjustment expense and other liabilities, less sundry liabilities as defined. The Company was compliant in respect of the liquidity ratio as of March 31, 2024.

Due to the Company missing the filing deadlines for the year ends March 31, 2018, 2019, 2020 and 2021, \$943,750 of late filing fees were paid in November 2022. The Company could also be subject to a penalty from the BMA due to its non-compliance, which will be determined when the Company exits regulatory direction. Although the ultimate quantum and timing of a penalty are uncertain, the Company holds an estimated provision of \$450,000 based on the BMA enforcement guide and other information available.

Given the fact that the Company is under BMA direction, dividends and other distributions are not permitted.

**12. Share capital and contributed surplus**

The Company's authorized share capital is 120,000 common shares of the par value of \$1 each, of which 120,000 are issued and fully paid on March 31, 2024. During 2023, BDIHL, funded by PGL paid \$5,000,000 as additional paid in capital. The additional paid in capital is \$37,200,000 as of March 31, 2024.

**13. Reinsurance**

Reinsurance contracts do not relieve the Company from its obligations to policyholders (please see Note 3). Failure of reinsurers to honor their obligations could result in losses to the Company.

Effective January 1, 2016, the Company entered into a 5-year quota share reinsurance contract with RGA Worldwide Reinsurance Company ("RGA") subsequently novated to RGA Americas in April 2017, which was renewed for a subsequent 5-years on April 1<sup>st</sup>, 2021. Under the terms of the contract, the Company ceded up to 90% of the risks exposed during the contract period up to the retention of the Excess of Loss (XOL) program. As part of the April 1<sup>st</sup>, 2021, renewal, there was a variable component added to the ceding allowance whereby the Company's ceding allowance can increase or decrease up to 4% based on deviations from the expected loss ratio agreed in the contract. Balances due under the terms of the contract, which include premiums payable to RGA, are offset by balances recoverable on paid losses and reinsurance commissions. This quota share agreement is a 12/24 contract on a funds held basis which stipulates settlement terms with net balances to be settled on a treaty year basis with payments due to or from the reinsurer twelve months after each 12-month treaty year period. The Company evaluates the financial condition of RGA on a regular basis to minimize credit risk. As of March 31, 2024, RGA is rated as A+(Superior) by AM Best.

For year 2024, the Company has an excess of loss contract that covers \$9 million in excess of \$1 million (2023: \$500 thousand in excess of \$500 thousand and \$ 9 million in excess of \$1 million) with United States Fire Insurance Company (rated A by AM Best) and RGA Americas Reinsurance Company Ltd.

**BEST DOCTORS INSURANCE LIMITED**

Notes to Consolidated Financial Statements

Years ended March 31, 2024, and March 31, 2023

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**14. Subsequent events**


The Company considers events or transactions that occur after the consolidated balance sheet date but before the consolidated financial statements are available to be issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through July 26, 2024, the date that the consolidated financial statements were available to be issued.

Certificate Of Completion

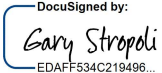
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Subject: Complete with DocuSign: #8 - BDIL FS GAAP FY24 072624 FINAL.pdf	
Source Envelope:	
Document Pages: 22	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Legal and Compliance Best Doctors Insurance
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	5201 Blue Lagoon Drive Suite 300
	nil
	Miami, FL 33126
	Legal.Compliance@bestdoctorsinsurance.com
	IP Address: 66.177.222.79

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Status: Original	Holder: Legal and Compliance Best Doctors Insurance	Location: DocuSign
July 26, 2024   00:28		
	Legal.Compliance@bestdoctorsinsurance.com	

Signer Events	Signature	Timestamp
Gail Fox	<div>DocuSigned by:  A1B8C45DD82E4CB...</div>	Sent: July 26, 2024   00:33
gfox@captivemanagers.com		Viewed: July 26, 2024   06:53
Security Level: Email, Account Authentication (None)		Signed: July 26, 2024   06:53
	Signature Adoption: Pre-selected Style	
	Using IP Address: 142.54.197.185	

Electronic Record and Signature Disclosure:  
Accepted: July 31, 2023 | 09:34  
ID: 38790487-9dfa-475d-bbef-0a7ffd3bba3b

Gary Stropoli	<div>DocuSigned by:  EDAFF534C219496...</div>	Sent: July 26, 2024   00:33
gstropoli@bestdoctorsinsurance.com		Viewed: July 26, 2024   06:41
Chief Financial Officer		Signed: July 26, 2024   06:42
Best Doctors Insurance Services	Signature Adoption: Pre-selected Style	
Security Level: Email, Account Authentication (None)	Using IP Address: 104.12.104.30	

Electronic Record and Signature Disclosure:  
Accepted: September 23, 2022 | 13:12  
ID: 69b69f4d-80c6-4b74-af31-cc7d127d75e5

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Adrienne Hintz	<div>COPIED</div>	Sent: July 26, 2024   06:53
Ahintz@iml.bm		
Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

Carbon Copy Events	Status	Timestamp
Luis Bustamante lubustamante@bestdoctorsinsurance.com Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	<div>COPIED</div>	Sent: July 26, 2024   06:53

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	July 26, 2024   00:33
Certified Delivered	Security Checked	July 26, 2024   06:41
Signing Complete	Security Checked	July 26, 2024   06:42
Completed	Security Checked	July 26, 2024   06:53

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, Best Doctors Insurance Services (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact Best Doctors Insurance Services:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [legal.compliance@bestdoctorsinsurance.com](mailto:legal.compliance@bestdoctorsinsurance.com)

### **To advise Best Doctors Insurance Services of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us

at [legal.compliance@bestdoctorsinsurance.com](mailto:legal.compliance@bestdoctorsinsurance.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from Best Doctors Insurance Services**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email

to [legal.compliance@bestdoctorsinsurance.com](mailto:legal.compliance@bestdoctorsinsurance.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with Best Doctors Insurance Services**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [legal.compliance@bestdoctorsinsurance.com](mailto:legal.compliance@bestdoctorsinsurance.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Best Doctors Insurance Services as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Best Doctors Insurance Services during the course of your relationship with Best Doctors Insurance Services.