

# FEE PROTECTION SCHEME (GROUP) INSURANCE

## Important Notice

- This policy is issued to You based on the information You provided Us when You applied for the Insurance. You should note that You must disclose to Us fully and faithfully the facts You know or ought to know that are relevant to Your insurance application. If You had failed to disclose the relevant facts to Us, the Policy issued to You may be void and You may not receive any benefit from it.
- This Policy, inclusive of the Schedule, any Memorandum and Endorsement, is an important document. It explains the Insurance cover We provide You, the rights the Policy gives You, the conditions You are to comply with and situations where We will not pay under the Policy. Please read this Policy carefully and ensure that it meets Your requirements. If the Policy does not meet Your requirements or You find any error in the Policy, kindly return it to Us and contact Us immediately for correction.

## DEFINITIONS

Some words and phrases in this Policy have special meanings. These words and phrases have the following meanings wherever they appear in the Policy.

Act	This means the Private Education Act 2009 (No. 21 of 2009)
Authority	The SkillsFuture Singapore Agency (SSG) and/or the Committee for Private Education (CPE) established pursuant to Section 3 of the SkillFuture Singapore Agency Act 2016 (Act 24 of 2016).
Course	The course of study or training programme offered or provided by the PEI and enrolled by the Student.
Course Fee	This means the actual gross fees payable and actually paid to and received by the PEI in direct relation to a Course (in terms of its instruction or teaching) by: <ol style="list-style-type: none"> <li>1. a Student, or a person (whether within or outside Singapore) who intends to become or who has taken any steps towards becoming a Student (referred to as an intending Student); or</li> <li>2. another person who actually made payment of the money on behalf of the Student or intending Student to the PEI;</li> </ol> <p>but before any commission payable to third parties is deducted and excluding the prevailing good and services tax (GST), the application fee for the sole purpose of processing the submitted application for admission to the Course and any non-mandatory ad-hoc miscellaneous fee payable on per need basis to the PEI.</p>
EduTrust Certification	This is the certification of the PEI through its membership of any voluntary accreditation or certification scheme established or maintained by the Authority under Part IV of the Act.

Insolvency Event	This refers to the event whereby an order is made by a Singapore court against the PEI (or, if the PEI is a firm, any partner of the PEI or its sole proprietor) for the judicial management, dissolution, liquidation, winding up or bankruptcy of the PEI, any of its partners or its sole proprietor (as the case may be) and without affecting the preceding shall include the inability of the PEI to carry on and perform its business due to financial reasons whether or not in the usual course of business and any arrangement arising therefrom by which any aspects of the affairs of the PEI are run or determined other than exclusively by its management.
Judgement Sum	This is a sum awarded by a court, arbitrator, tribunal or any adjudicator of competent jurisdiction of first instance in Singapore during the Period of Indemnity in favour of the Student and to be paid by a PEI in relation to a dispute between the Student and the PEI and directly arising out of or in relation to the Course Fees paid by the Student to the PEI including an order, award, declaration or decision obtained in default.
Judgement Debt Default Event	This is a notification by a Student to the Authority in writing with supporting evidence that the relevant PEI has failed, refused and/or neglected to discharge or satisfy the whole or part of the Judgment Sum within fourteen (14) days after the time in which the PEI is obliged to discharge or satisfy the Judgment Sum and, if no time for discharge or satisfaction is stated therein, within fourteen (14) days of the date of the order, award, declaration or decision giving rise to the Judgment Sum.
Limit of Indemnity	This is the maximum amount payable under this Insurance in respect of each Student as declared to Us by You.
Maximum Insurance Limit	This represents the maximum possible aggregation of all Limits of Indemnity which We can (but are not obliged to) issue to Students at any one time. The Maximum Insurance Limit is shown in the Schedule and may be adjusted from time to time by Endorsement.
Payout Event	This means a Termination Event or a Judgement Debt Default Event.
Payout Instruction	This means a notice issued by the Authority to Us certifying the occurrence of a Payout Event.
PEI	This is a private education institution referred to in Section 2 of the Private Education Act (Cap.247A).
PEI Closure	This refers to: <ul style="list-style-type: none"> <li>i. the permanent cessation, termination or deregistration of the operations and/or the business of the PEI by order of the Authority; or</li> <li>ii. the permanent cessation or termination by a PEI of its operations and/or business including but not limited to the cessation or termination of all of substantially of its educational programmes (including courses, diplomas and distance learning programmes) offered by it to Students.</li> </ul>
Period of Indemnity	The period for which each Student may be indemnified under the Policy and shall commence from the date that the Student is issued an official receipt by You (Receipt Date) and ends when the Student completes the course, or after the intended Semester, term or instalment period for which the Course Fees were paid (Receipt Value End Date), whichever is earlier.
Period of Insurance	The period commencing from the date shown in the Schedule of this Policy.
Student	Any person registered as a Student under You who has paid any amount of Course Fees to You. (not exceeding twelve months worth of course fees within a year).
Termination Event	This refers to an Insolvency Event or PEI Closure.

Terms	This refers collectively to the terms, conditions and exclusions contained in or endorsed on this Policy.
Working day	This means Mondays to Fridays, excluding Saturdays, Sundays and gazette public holidays in Singapore
We, Us, Our	These mean Lonpac Insurance Bhd
You, Your	The PEI

## YOUR INSURANCE

In consideration of the You paying or agreeing to pay Us the premium set out in the Schedule, We agree to cover You during the Period of Insurance on the Terms subject to the following:

1. This Policy is subject to the Maximum Insurance Limit as stated in the Schedule. Upon each declaration by You to Us for inclusion of a person or persons to be covered as a Student under this Policy; the Maximum Insurance Limit shall correspondingly be reduced by the amount of course fees declared, over the Policy year.
2. We shall have the right at any time and at Our absolute discretion to review the Maximum Insurance Limit.
3. We shall have the right to accept or reject, without having to provide any reason therefor, any declaration by You for the inclusion of any person to be covered as a Student under this Policy including but not limited to rejecting such an application in the following situations:
  - a. Where the Maximum Insurance Limit stated in the Schedule has been reached or will be exceeded with the acceptance of that application.
  - b. The applicant is not eligible to apply for the cover under this Policy as set out in the *Eligibility* section of this Policy.
4. Each application by You for any person to be covered as a Student under this Policy which is accepted by Us shall be conditional upon Your or any person specified by us executing and maintaining in force a counter-indemnity in Our favour and in a form acceptable to Us indemnifying Us for an amount equivalent to the Maximum Insurance Limit during the Period of Insurance.

## SCOPE OF COVER

1. Subject to the Terms of this Policy, We will indemnify a Student up to the Limit of Indemnity for :
  - a. loss of Course Fee paid by the Student to the PEI in the event that the Student is unable to commence, continue with or complete the Course due to a Termination Event during the Period of Indemnity. The indemnity provided herein shall be limited to the portion of the paid Course Fee deemed un-utilised as at the date of the Termination Event and pro-rated to the time elapsed in respect of that part of the Course as relates to the Course Fee paid and to the extent the same is not refunded to the Student. The un-utilised Course Fee shall be calculated based on the number of calendar days left to end of period for which the course fees have been paid to the PEI); and/or
  - b. such part of a Judgement Sum remaining unpaid by the PEI as at the date of the issuance of a Payout Instruction in respect of a Judgment Debt Default Event.
2. For the avoidance of doubt, save for the indemnity expressly provided herein, this Policy does not pay for any other indirect or consequential loss, damage, pecuniary cost, liability, cost and/or expenses whatsoever suffered or incurred by the Student.

## EXCLUSIONS

This Insurance does not cover and We do not pay for loss arising from :

1. the accreditation of the qualification awarded to a Student or the authenticity of certificates issued by the PEI;
2. the termination or withdrawal of any Course for any reason other than due to a Payout Event;
3. the termination, cessation or suspension of the PEI's business for any reason other than due to a Payout Event;
4. the breach by the PEI and/or the Student of their respective obligations or undertakings under any contractual arrangement between the Student and the PEI in relation to the Course, other than by reason of a Payout Event;
5. the failure of the Student to commence, continue or complete the Course for any reason other than due to a Payout Event;
6. any dispute between or involving the PEI and the Student whether arising out of the PEI's refund policy or Course Fee upon withdrawal from or termination by the Student of the Course or in relation to the adequacy of any refund arising from any reason other than for the events described in Clause 1b of the Scope of Cover;
7. any claim of course fees which have been deemed utilised and/or have been taught out during the semester, term or for any particular portion of the course upon which the fees are paid for that period by the Student as at the date of the Termination Event.
8. war, invasion, act of foreign enemy, hostilities or warlike activities (whether war be declared or not), civil war, mutiny, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or military authorities.
9. radioactivity or from the use, existence or escape of any nuclear fuel, material or waste.

## ELIGIBILITY

The PEI and the Student applying for this Insurance must meet the eligibility criteria set out herein.

The PEI must:

1. be registered or deemed registered as a private education institution under Part III of the Act;
2. have and maintain in force an EduTrust certification; and
3. comply with such other eligibility requirements that We or the Authority may prescribe from time to time.

The Student must :

1. be a fee-paying student who has applied for enrolment in a Course and is accepted by the PEI for the *same*; and
2. comply with such other eligibility requirements that We or the Authority may prescribe from time to time.

## GENERAL CONDITIONS

### 1. Due Observance

Your due observance and fulfilment of the Terms insofar as they relate to anything to be done or complied with by You and truth of statements and declaration shall be a condition precedent to Our liability to make any payment under this Policy.

### 2. No Assignment

This Policy and any right to indemnity under this Policy shall not be transferred or assigned whether in whole or in part by the PEI and/or the Student to any other party.

### 3. Cancellation of the Policy

- a. Subject to the approval of the Authority:
  - (i) You may cancel this Insurance at any time by giving Us no less than thirty (30) days' prior written notice. In return, We will confirm in writing the effective date of cancellation of this Policy.
  - (ii) We may cancel this Insurance by giving You at least thirty (30) days' notice in writing (sent to Your last known address) and stating in the notice the effective date of cancellation.
- b. This Insurance will be automatically cancelled without further notice on the date on which the PEI's EduTrust certification expires or is withdrawn or revoked.

Notwithstanding the termination of this Insurance by cancellation as aforesaid, any un-utilised portion of the course fees paid shall remain in-force and appropriately run-off over time until the last receipt has expired.

### 4. Termination of Cover

The cover on each Student shall terminate upon the occurrence of any one of the following events:

- a. a Payout Event;
- b. the Student ceases to be a student of the PEI for any reason whatsoever.

### 5. Premium

For all covers on the Student accepted by Us and where the Policy have been issued, You are obliged to pay Us the premium(s) arising from this Policy of Insurance when they fall due. In the event that premium stated in the Policy Schedule, including any Goods and Services Tax thereon or other tax, charge or levy chargeable by law and payable by You is not received by Us within fourteen (14) days from the issue date of the Policy, We will inform the Authority of the default in premium payment and We shall have the right to immediately suspend acceptance of any further application of cover on any of Your Students and/or cancel this Insurance in accordance with the Cancellation of the Policy provision.

### 6. Claim Notification and Co-operation

- a. We will make payment to a Student within ten (10) Business Days of receipt by Us of a Payout Instruction issued by the Authority to Us.
- b. We shall be entitled to rely upon any order, judgment, decree, certification, demand, notice, or other written instrument delivered to Us (including but not limited to a Payout Instruction) without being required to determine the authenticity or the correctness of any fact (including signatures) stated or validity of the service of such a document. We shall have no responsibility for the contents of any award, order or ruling (whether in relation to a Judgment Sum or Termination Event or otherwise) and may rely without any liability upon the contents of any such award, order or ruling.
- c. We may at all times immediately make a payment in accordance with the terms of any Payout Instruction without any reference or further authority from You and/or a Student, without further investigation or inquiry and without inquiring and without requiring proof or Your concurrence that a Payout Instruction has been properly or validly issued.
- d. In the event of any disagreement between the Authority, You and/or any Student resulting in adverse claims or demands being made in connection with any payment under or pursuant to this Policy, or in the event that We in good faith are in doubt as to what action We should take under or pursuant to this Policy, We shall be entitled to retain any funds We may be required to pay to You and/or a Student until required to release it in accordance with this Policy and/or any Payout Instruction.
- e. In the event that any law, regulation, decree, order, government act, custom, procedure or practice to which We are subject, or to which a payment under or pursuant to this Policy is subject (including without limitation any written law relating to anti-money laundering or the prevention of terrorism financing), prevents or limits the performance by Us of our duties and obligations, then until such time as We are again able to perform such duties and obligations hereunder, such duties and obligations shall be suspended.

**7. Contribution**

If at the time of any claim, there be any other subsisting insurance or insurances, whether effected by You or any other person, covering the same contingency as is covered under this Policy, We shall not be liable to pay or contribute more than the rateable proportion of such claim.

**8. Arbitration**

If any difference and/or dispute shall arise as to any amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to an arbitrator to be appointed in accordance with the statutory provisions for the time being in force. Where any difference and/or dispute is by this condition to be referred to arbitration, the making of an award shall be a condition precedent to any right of action against Us. Unless any such action or suit be commenced within six months of the making of an award, We shall not be liable to make any payment in excess of the amount of the award.

**9. Legal Proceedings**

This Policy shall be construed according to and governed by Singapore law. No action at law or in equity shall be brought to recover any sum under this Policy prior to the expiration of sixty (60) days after written proof of claim has been furnished in accordance with the requirements of this Policy. The parties submit themselves to the exclusive jurisdiction of the Singapore courts for the resolution of any conflict or dispute with regards to this Policy except where the circumstances are governed by the *Arbitration* section in this Policy. No such action shall also be brought after the expiration of one (1) year after the time written proof of claim is required to be furnished.

**10. Currency**

Premiums and claims payable under this Policy shall be in Singapore dollars.

**11. Exclusions of Rights Under the Contracts (Rights of Third Parties) Act**

A person who is not a party to this Policy shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any of its terms.

**12. Disclosure of information**

You consent to the use, storage and transfer by Us (whether within or outside Singapore) and/or the exchange of any information provided by You or a Student in relation to a proposal for insurance, **or** Policy to or with all such persons as We may consider necessary including but not limited to any member of Lonpac Insurance Bhd for any and all purposes in connection with the proposal or Policy.

You are required to provide the necessary student, course fee collection and course data, including and not limited to – Amount of Course Fee received by You, the Receipt Date, Receipt Value End Date, etc; at least monthly for Us to fulfil Our obligation to the Authority for their respective audit purposes under the Fee Protection Scheme.

We reserve the right to conduct random verifications on the receipts issued by You and data You have declared to Us, for the purposes of administrating this Insurance Policy for the Fee Protection Scheme.