



Ultimate Net Loss

1. The term “Ultimate Net Loss” shall mean the claim for indemnity including loss adjustment expense paid or payable by the Company on its net retained liability after making deductions for all recoveries, salvages, subrogations and all claims on inuring reinsurance, whether collectable or not.
2. The term “loss adjustment expense” shall mean the actual expenses incurred that can be directly attributed to a specific claim for indemnity, other than office expenses of the Company and salaries of its regular employees. Upon request the Company agrees to furnish the Reinsurer with information relating to loss adjustment expenses including but not limited to the following:
 - Investigation, adjustment, expert and legal expenses,
 - Court costs, pre and post judgment interest,
 - Communication charges,
 - Temporary housing and office space,
 - Travel and meals.
3. Notwithstanding the above, adjustment expenses shall include:
 - (a) when adjustment of a claim is entrusted to employees of the Company employed as experts, or loss adjusters, an appropriate part of such experts’ or loss adjusters’ salaries and expenses;
 - (b) when adjustment of a claim is entrusted to independent adjusters, such adjusters’ expenses.
4. The claim for loss adjustment expense is to be reported as a separate amount from the claim for indemnity.
5. Nothing herein shall be construed to mean that losses under this Agreement are not recoverable until the Company’s ultimate net loss has been ascertained.

Notes to accompany bulletin

Among the minor changes to this clause, the definition of “expert” has been deleted.