CLINICAL NEGLIGENCE SCHEME FOR TRUSTS

MEMBERSHIP RULES

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The National Health Service
(Clinical Negligence Scheme) Amendment Regulations 2013)
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MEMBERSHIP RULES

1. General Description

The Clinical Negligence Scheme for Trusts was established by the Regulations (as defined below) originally made pursuant to Section 21 of the National Health Service and Community Care Act 1990 and now under Section 71 of the National Health Service Act 2006 as amended by the Health and Social Care Act 2012.

The Scheme is administered on behalf of the Secretary of State by the National Health Service Litigation Authority (the Administrator).

Members are expected to have full knowledge of the Rules and by applying to become Members they are deemed to agree to be bound by them. Subject to the approval of the Secretary of State, these Rules may be amended from time to time by the Administrator.

2. Definitions and Interpretation

2.1 In these Rules, unless the context otherwise requires, the following expressions shall have the following meanings:

"2006 Act" means the National Health Service Act 2006 as amended;

"Administrator" means the National Health Service Litigation Authority (NHSLA) or whosoever is appointed from time to time by the Secretary of State to administer the Scheme;

"Adverse Incident" means any event arising or resulting from the clinical management of a patient which may, or does, cause harm to that patient;

"Amendment Regulations" means the National Health Service (Clinical Negligence Scheme) (Amendment) Regulations 1997 (S.I 1997 No 527), the National Health Service (Clinical Negligence Scheme) (Amendment) Regulations 2000 (S.I 2000 No 2341) the National Health Service (Clinical Negligence Scheme) Amendment
Regulations 2013 (SI 2013 No. 497) and any other regulations made from time to time amending the Principal Regulations;

"Applicant" shall have the meaning ascribed to it in Regulation 6(8);

"Application" shall have the meaning ascribed to it in Regulation 6(8);

"Board" means the board of the Administrator from time to time;

"Claim" means any demand, however made, against a Member for monetary compensation in respect of a Qualifying Liability. It will usually, but not always be a letter before action or a Claim Form.

"Claimant Costs" means the amount of the legal and associated costs awarded to the Claimant or where legal proceedings have been compromised by the Member or settled, the Member's contribution towards any legal and associated costs of the Claimant;

"Claims paid" means the basis on which benefits may be made available to Members as stated in Rule 6.4;

"Contribution" means the amount which a Member must pay into the Scheme to be eligible for benefits under the Scheme;

"CNST Claim" means any Claim which, in the Administrator’s opinion, is likely to be eligible for funding under the Scheme and/or has Significant Implications and/or may set a legal precedent or is a test case of a Serial Claim;

"Date of Settlement" means the date on which Settlement occurs;

"Defence Costs" means reasonable and necessary legal fees and disbursements;

"Eligible Body" means a body of the kind described in Regulation 3;

"Existing Liabilities Scheme" means the scheme established by the National Health Service (Existing Liabilities Scheme) Regulations 1996-(S.I 1996 No. 686) as amended by the National Health Service (Existing Liabilities Scheme)
(Amendment) Regulations 1997 (S.I 1997 No 526), and any other regulations made from time to time amending the same;

"Group Litigation Order" means an Order made on the application of either party or on the court's own initiative, where a number of claims are anticipated which share common issues of facts and law. The GLO will specify these common issues, known as 'GLO issues', and may provide for the establishment of a group register, with cut off dates for joining, which will be managed by the court or one of the solicitors for the parties. A GLO can be made before or after proceedings commence but must have the consent of the Lord Chief Justice or Vice Chancellor.

"IBNR Benefit" means a benefit which may be payable in respect of an Incurred but Not Reported Liability in accordance with Rule 6.5;

"IBNR Claim" is a Claim which arises from an IBNR Liability;

"IBNR Liability" means a liability of a Member which has arisen from an incident that occurred before the membership date and which was not known as a Claim at the membership date.

"Inquest hearing" means a statutory inquisition called by one of Her Majesty's Coroners within England and Wales, pursuant to the Coroner's Act 1988 and Coroners and Justice Act 2009. For the purposes of this Scheme, inquest hearings shall include the final inquest hearing and any Pre Inquest Review hearings at which case management decisions are made prior to the hearing.

“Mediation” means a method of resolving disputes facilitated by an independent party whose identity is agreed in advance by those in dispute;

"Member" means an Eligible Body which is a Member of the Scheme;

"Member's Payment" means the sums payable by a Member in respect of any CNST Claim as referred to in Rules 6.2 and 8.3;

"Membership" means the state of being a Member;
"Membership Date" means the date on which Membership commences in accordance with Rule 4.4;

"Notification of any Claim" see Rule 8.1

"NHSLA" means the Special Health Authority established pursuant to the National Health Service Litigation Authority (Establishment and Constitution) Order 1995 by the Secretary of State under the title National Health Service Litigation Authority, to administer the Scheme and shall include where appropriate the Board and any committee or sub-committee of the Board and the officers of NHSLA;

“Periodical Payments Regime" means any Settlement in respect of a Claim whereby the whole or part of the damages is expressed to be paid at future dates whether absolutely or conditionally;

"Persons" includes companies, statutory bodies, partnerships, firms, individuals, government departments and other administrative organisations and any other body of persons, whether incorporated or unincorporated;

"Principal Regulations" mean the National Health Service (Clinical Negligence Scheme) Regulations 1996 (S.I 1996 No. 251);

"Qualifying Liability" means a liability of the kind described in Rule 3;

"Regulations" means the Principal Regulations as amended by the Amendment Regulations;

"Relevant Function" means the function of providing health services in England or securing the provision of services for the purposes of the National Health Service;

"Risk Management" means the management of risk with a view to minimising both the occurrence of Adverse Incidents and of Claims and the amount of financial liability arising there from;

"Rules" means the Rules herein set out as varied from time to time in accordance with Rule 1;
"Run Off Benefit" means, subject to the Administrator's absolute discretion, an entitlement to a benefit which may be purchased by Members prior to termination of membership of the scheme in respect of Claims for a Qualifying Liability related to their period of Membership but which fall to be met after the date of termination of their Membership;

"Scheme" means the Clinical Negligence Scheme for Trusts (CNST);

"Secretary of State" means the Secretary of State for Health;

"Serial Claim" means a series of Claims which in the opinion of the Administrator, arise from common causes and which have a common identity or nature;

"Settlement" means the amount of damages agreed pursuant to a legally binding agreement between a Claimant and a Member in respect of a Claim (whether with or without admission of liability) or the amount of damages awarded in respect of a Claim pursuant to an order of a court or other tribunal, whether the payment of such damages will be made by a single payment or is a Periodical Payments regime and "settled" shall be construed accordingly;

"Significant Implications" means, in relation to a Claim any Claim which is novel, contentious or repercussive;

"Total Payment" means the total payment calculated in accordance with Rule 6;

"Year" means the period from 1 April in any calendar year through until 31 March the following calendar year.

2.2 All terms defined in the Regulations which are used in these Rules shall bear the same meaning as in the Regulations unless the context requires otherwise and in the event of any conflict or inconsistency between the Regulations and the Rules, the Regulations shall prevail.

2.3 A reference to a numbered rule is a reference to the Rule which bears that number in these Rules and a reference to a numbered regulation is a reference to a regulation which bears that number in the Principal Regulations (as amended from time to time by the Amendment Regulations).
2.4 Clause headings and the index are for ease of reference only and are not to affect the interpretation of these Rules.

2.5 Words denoting the singular include the plural and vice-versa.

3. **Coverage of the Scheme**

3.1 Subject to the terms of the Regulations (as amended or varied from time to time), the liabilities to which the Scheme applies are any liabilities in tort owed by a Member to a third party in respect of or consequent upon personal injury or loss arising out of or in connection with any breach after the Membership Date (or if the Membership Date is after 1 April 1995 subject to any IBNR liability purchased by the Member) of a duty of care owed by that Member to any person in connection with the diagnosis of any illness, or the care or treatment of any patient, in consequence of any act or omission to act on the part of a person employed or engaged by a Member in connection with any Relevant Function of that Member.

4. **Membership of the Scheme**

4.1 **Eligibility for Membership**

A body is eligible to participate in the Scheme if it is a body of the kind described in Regulation 3. The Administrator shall, having regard to the information provided by the Applicant, and to such other factors regarded by the Administrator as material, determine whether or not an Applicant should be admitted as a Member.

4.2 **Application Forms**

The Administrator shall have the power to prescribe a form or forms of application to be delivered to the Administrator by Applicants and to require certain information on the Applicant's activity profile in accordance with Regulation 6(5). All Applications shall be made in accordance with Regulation 6(4).
4.3 **Entry Fee**

There shall be no entry fee.

4.4 **Date of Commencement of Membership**

Membership shall commence in accordance with the provisions of Regulations 6(1), 6(2) and 6(3).

4.5 **Period of Membership**

A Member may only cease to participate in the Scheme in accordance with the provisions of Regulation 7.

5. **Provision of Information**

5.1 **General**

Members will be required to provide such information to the Administrator on their activities as may be determined from time to time by the Administrator which information shall include, without limitation, the information referred to in these Rules and in Regulations 6(5) and 10. Members acknowledge and agree that any and all information and data (howsoever held) provided by them to the Administrator may be disclosed without restriction or conditions by the Administrator, the Secretary of State and/or their respective officers, agents, employees and sub-contractors. For the avoidance of doubt, any such information provided by Members shall be and remain the property of the Administrator.

5.2 **Information Contained in Application Forms**

If there is any material change to the financial position, structure, ownership, activity levels and/or the nature and type of NHS care commissioned or provided by the Member or any other material change which could impact on the Member or other Members of the Scheme, Members are required to notify the Administrator immediately and the Administrator reserves the right, in its
absolute discretion, to amend the amount of the contributions from Members and/or withhold any benefits which the Administrator might otherwise have provided.

5.3 Confidentiality of Statistical Data

The Administrator shall ask Members to provide certain statistical information that will enable it to develop the contribution setting process, to identify trends in clinical negligence litigation and enable learning from claims. Whilst this information will be disseminated on a regular basis to all Members to assist in their Risk Management processes and learn lessons, statistical information on individual Members will only be available to that Member and the Administrator, and the Administrator shall use reasonable endeavours not to disclose such information to third parties without the prior consent of that Member or unless such information is required to be disclosed by law or requested by the Secretary of State or by any regulatory authority or in accordance with such policies and procedures which require the Administrator to share and disseminate information to the National Health Service or otherwise.

5.4 Claim Reports

Members will be required to meet the reporting frequency and information requirements as defined and published from time to time by the Administrator.¹

5.5 Data Protection

Members are required to ensure that their organisation complies with the Data Protection Act 1998 (DPA) and all applicable laws and regulations relating to the processing of personal data and confidentiality. Members should ensure that both they and their sub-contractors have robust policies in place to protect patient information. So far as is practical, Members must act in accordance with the Administrator’s Data Protection Policy, as updated from time to time. Members must further have regard to any code of practice on the processing of patient information issued by the National Health Service Commissioning Board under

¹ In general, it is intended that no significant extra burden will be placed on Members and that the information collected should be no more than that which a Member conforming to good practice would have readily available.
section 13S of the National Health Service Act 2006 and by the Health and Social Care Information Centre under section 263 of the Health and Social Care Act 2012.

6. **Benefits Provided by the Scheme**

6.1 **Discretion of the Administrator**

All benefits available to Members under the Scheme shall be given in the sole and absolute discretion of the Administrator on behalf of the Secretary of State whose decision in these matters shall be final and binding. These Rules shall not, under any circumstances, be construed to imply that any contract of insurance exists between the Member and the Administrator or that the benefits available under the Scheme are not discretionary. Subject to the total funds available to the Scheme and to the discretion of the Administrator, there shall be no limit to the financial benefits available under the Scheme in any Year.

6.2 **Benefits**

The Administrator may, subject to Rule 6.1, provide funds to make payments permitted under Regulation 9 in a sum not exceeding a Total Payment in respect of any CNST Claim.

If it is considered appropriate the Administrator may, from time to time, introduce a system of interim reimbursement. Such payments will only be available against actual expenditure incurred by the Member and decisions regarding funding availability, access to funds and amounts made available to individual Members will be at the discretion of the Administrator.

6.3 **Limit to Benefits**

The Administrator may refuse to provide financial benefits to any Member in accordance with the provisions of Regulation 9(2). In the event that the Administrator refuses to provide benefits in these circumstances, the Member shall have the right of appeal to the Secretary of State within 30 days of the decision of the Administrator for a review of the Administrator’s decision, but in all circumstances the decision of the Secretary of State shall be final and binding.
6.4 **Claims Paid Basis**

Subject to Rule 6.1, benefits will be provided under the Scheme on a claims paid basis. This means that in order to receive benefits in respect of a Claim, the Member must have maintained continuous Membership between the following dates (inclusive):

(i) the date of occurrence of the Adverse Incident which subsequently gives rise to the Claim; and

(ii) the date of Settlement

unless the Member is eligible for the IBNR Benefit and/or Run Off Benefit in which case the conditions specified in Rules 6.5 and 6.6 shall apply.

6.5 **Incurred But Not Reported (IBNR) Benefit**

Benefits in respect of an IBNR Claim may be available at the absolute discretion of the Administrator. This IBNR Benefit is to cover an Adverse Incident which occurred before the Membership Date but which was not reported as a Claim to the Member at the time that the relevant Member joined the Scheme. For any Claim in respect of an Adverse Incident which occurred prior to 1st April 1995, funding may be available under the Existing Liabilities Scheme.

6.6 **Run Off Benefit for Former Members**

If a Member ceases for any reason to be a Member, no benefits shall be available to that former Member in connection with Claims made in respect of a Qualifying liability which relate to a breach of duty by the body whilst it was a Member but which fall to be met after the date of the termination of the Member's participation in the Scheme unless a Run Off Benefit was purchased by the former Member. This Run Off Benefit may be made available to a Member prior to the date of termination of the Member's participation in the Scheme in accordance with Regulation 9 and under such terms and conditions as the Administrator may, in its absolute discretion, determine.
The factors that the Administrator shall consider when exercising its discretion are the relevant Member's:

(i) financial position;
(ii) length of membership;
(iii) activities undertaken;
(iv) claims record; and
(v) compliance with contractual and regulatory obligations relating to Membership;

as well as any such other factors which (in the reasonable opinion of the Administrator) may:

(i) impact upon the Member's ability to pay;
(ii) impact upon the overall level of exposure represented by the cover offered and the financial viability of the Scheme; or
(iii) have any detrimental effect upon other Members of the Scheme.

In the event that an existing Member wishes to receive an estimate of the cost of Run Off Benefit, the Administrator shall be entitled to charge for providing such estimate.

7. Contributions

7.1 Contribution Assessment

The Administrator shall determine the contribution to be paid by Members having regard to the matters referred to in Regulation 8(2) and such other matters which in the reasonable opinion of the Administrator are relevant. The Administrator may, in the light of differing and/or special needs of an individual Member or group of Members, create different categories of Member (as defined by the Administrator), subject to the Secretary of State’s duty as to reporting on and reviewing treatment of providers conferred by Section 1G of the National Health Service Act 2006. The Administrator may then, in its absolute discretion, determine different rates or different periods of contribution such determination to be final and binding on the Members.
7.2 **Anniversary Assessments**

The amount of Members’ contributions will be notified to them in accordance with Regulation 8(3).

7.3 **Payment Terms**

Members’ contributions under the Scheme will be paid to the Administrator in accordance with Regulation 8(6). Subject to the provisions of Regulation 8(6), Members shall be offered contribution payment terms on such basis as the Administrator may determine from time to time and contributions shall be paid by direct debit. No extra charges shall be levied for the payment of contributions by instalments.

7.4 **Risk Management Discounts**

The Administrator may develop Risk Management standards which, if achieved by Members, may qualify Members for contribution discounts. The standards and the rating system shall be published on the Administrator’s website.

7.5 **Excess Funds**

If, in the view of the Administrator, excess funds have been collected in a previous Year, such funds (or a proportion of those funds) shall be used to offset the Contributions to be paid by Members in a following Year. No monies shall be returned to Members or former Members.

7.6 **Non Payment of Contributions**

The provisions of Regulation 7(3) will apply where any payment which a Member is liable to pay is in arrears.

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2 i.e. Excess funds from Year 1 will be credited no earlier than Year 3. This is to allow Year 1 accounts to be audited. Members will be notified of the amount capable of being offset with the contribution assessment for Year 3.
8. **Claims Management**

8.1 **Claims Reporting Procedures**

Forthwith upon notification of any claim to a Member which appears likely to be a CNST Claim the Member shall notify the Administrator immediately and supply all appropriate and/or relevant documentation to enable the Administrator to determine, in its absolute discretion, whether the Claim is likely to be a CNST Claim. If the Claim is, in the Administrator’s opinion, unlikely to be a CNST Claim then the Member shall be responsible for handling the same subject to any protocol or guideline issued from time to time by the Administrator. If the Claim is, in the Administrator’s opinion, likely to be a CNST Claim then the Administrator shall, unless it determines otherwise in its absolute discretion in respect of any Claim or Claims, conduct the Claim as referred to in Rule 8.2.

From time to time, the Administrator shall publish protocols and guidelines for the manner of reporting Claims each of which shall be incorporated in and form part of these Rules. The nature of the information required may vary according to the expected value of the Claim.

8.2 **CNST Claims**

Members shall co-operate with the Administrator and shall provide to the Administrator all such assistance and information which it may require in respect of the conduct of any CNST Claim. Without prejudice to the foregoing, the Administrator shall have the right, on behalf of the Member, to exercise any right which arises whether by virtue of a contract or otherwise in connection with a Qualifying Liability, including in particular, the right to select, instruct and de-instruct legal and other advisers and agree the terms of their retainer, and any right to raise claims or defences, and/or to bring proceedings. Such rights apply in respect of all CNST claims notified at any time and from time to time to the Administrator. In addition, and at no charge, the Member shall give the Administrator full access to all documents, records, computer databases or other property, to premises and to employees, to enable the Administrator to manage any claim effectively.
8.3 Payment in respect of CNST Claims

The Administrator shall keep records regarding the costs of individual CNST Claims which can be taken into account when determining the contribution payable by the Member towards the Settlement, Claimant’s Costs and Defence Costs and any other costs or payments in respect of the CNST Claim and the amount of the Total Payment in respect of such CNST Claim upon conclusion.

Where more than one Member is liable in respect of a CNST Claim the Administrator shall apportion the amount of such contribution in whatever manner it may decide, taking into account such factors as in the reasonable opinion of the Administrator a court may have regard to when determining apportionment. The Administrator shall also take account of sums paid as specified under Rule 8.4.

If the Administrator so decides in its absolute discretion in respect of any Claim or Claims, any payment in respect of a Qualifying Liability shall be made direct to third parties as aforesaid by the Administrator, the Member shall make the Member’s Payment to the Administrator or as it shall direct forthwith upon notification by the Administrator.

8.4 Legal Advice

As referred to in Rule 8.2, the Administrator shall appoint, on its own behalf and on behalf of any Member, legal and other advisers selected by the Administrator either generally to act in respect of CNST Claims or in relation to particular CNST Claims or categories of CNST Claims.

In the event that the Administrator shall appoint any legal adviser as referred to above then the Administrator shall be entitled to pay such legal adviser on whatever terms it considers appropriate and to allocate and apportion the amount of any sums so paid between such CNST members as it considers appropriate. Such sums so allocated will be taken into account in determining the Member’s Payment under Rule 8.3.
8.5 Funding for Inquests

In addition, the Administrator may, in its absolute discretion, agree to fund in whole or in part, the costs associated with an Inquest hearing, the extent of such costs to be determined on a case by case basis. The Administrator will exercise its discretion to provide such funding when there is a clear risk of a Claim arising out of the subject matter of the Inquest hearing. The Administrator will retain an absolute discretion not to provide or to withdraw funding for or in connection with an Inquest hearing at any point, when the provision of funding is not in the interests of the Members of the Scheme.

The Administrator shall retain the absolute right to appoint, on its own behalf and on behalf of any Member, legal and other advisors to represent the Member's interests at and in connection with the Inquest hearing. In the event that the Administrator shall appoint such a legal advisor, it will be entitled to pay to such legal advisor on whatever terms it considers appropriate.

8.6 Claim Management Dispute Procedure

If there is a dispute on the handling of a Claim between the Member and the Administrator then subject in all cases to the overriding discretion of the Administrator, the benefits available to that Member may be affected, as follows:

(i) where the Member wishes to settle but the Administrator recommends defending, no benefits will be available;

(ii) where the Member wishes to defend but the Administrator recommends that the Claim is settled by agreement:

(a) the benefits available will be no more than those accruing from the amount recommended by the Administrator to be offered to settle the Claim; and

(b) should the Member continue to pursue the defence of the Claim and succeed the Member will be eligible for reimbursement of 100% of the unrecovered Defence Costs up to the value of, but not exceeding those benefits available under Rule 8.5 (ii) (a).
8.7 **Claims Management Appeals Procedure**

In the event that a Member disagrees with the view of an employee, agent or sub-contractor of the Administrator in the management of a Claim, the Member shall have the right of appeal as follows: (a) in the first instance to the Director of Claims or Technical Claims Director of the Administrator; (b) in the event of continued disagreement to the Chief Executive of the Administrator; (c) in the event of continued disagreement the dispute shall be referred to Mediation.

8.8 **Periodical Payments**

The Administrator reserves the right to settle any claim, at its discretion, on a Periodical Payments basis.

In the event that a Member, with one or more outstanding Periodical Payment Orders, serves notice to leave the Scheme in accordance with Regulation 7(1), or enters into insolvency or is no longer an eligible body in accordance with Regulation 7(4), it must prior to departure from the Scheme pay to the Administrator a lump sum to cover all future liability for Periodical Payments under those Orders, such lump sum to be determined by the Administrator.

8.9 **Mitigation**

Members agree to take all reasonable steps to eliminate or mitigate any cost, expense or liability in respect of any Claim. In particular, any monies recovered from any other source in respect of a Claim shall be set off against any benefits available under the Scheme, unless agreed otherwise by the Administrator beforehand.

9. **Set-Off**

The Administrator may set off any amount due from a Member or former Member against any amount due to or agreed to be paid to such Member or former Member.
10. **Exit from Membership**

10.1 **Run-off Benefit**

Where a Member has served notice to exit the Scheme in accordance with Regulations 7(1) or 7(4)(b) then:

10.1.1 during the period of notice the Member shall be entitled to any benefits under the scheme; and

10.1.2 the Member may enter into discussions about arrangements in relation to Run-Off Benefit. To the extent that the Administrator incurs costs in calculating the cost of Run-Off Benefit it shall be entitled to pass such costs onto the exiting Member.

10.2 **Right of expulsion**

Without prejudice to Regulation 7(3), upon giving not less than 28 days notice to the Member, the Administrator shall have the right to expel any Member from Membership for a breach of the Rules or Regulations or whose conduct or continued Membership is, in the opinion of the Administrator, detrimental to the efficient administration of the Scheme or to the interests of the other Members. Such expulsion shall not affect any outstanding obligations of the Member to the Scheme. The date of termination of Membership shall be the date on which the notice expires (date of exit) but during the period of such notice the Member shall not be entitled to any benefits under the Scheme.

10.3 **Right of Appeal against Expulsion**

A Member under notice of expulsion shall have the right to appeal to the Chief Executive of the Administrator within 14 days of such notice and thereafter to the Secretary of State within 14 days of the decision of the Chief Executive, against the decision to expel the Member. In all circumstances, the decision of the Secretary of State shall be final and binding.
10.4 **Outstanding Claims**

In the event of the expulsion of a Member under Regulation 7(4), Rule 10.2 or otherwise, for the avoidance of any doubt, no financial liability shall rest with the Administrator for outstanding Claims which have not been settled or potential Claims made against the Member, whether notified to the Administrator or not, or any unexpired Contributions to the Scheme unless the Administrator determines otherwise. Further the Member shall reimburse prior to termination of Membership the capitalised cost, as determined by the Administrator, of all outstanding Periodical Payment Orders.

10.5 **Evidence of alternate cover on exit**

Prior to expiry or termination of Membership the Member shall provide the Administrator with evidence that it has put into place appropriate insurance or other arrangements for the purposes of indemnifying the departing Member against any claims, arising from events during the Membership period and not indemnified by the Administrator, made both before and after the exit from Membership, for the period of:

10.5.1 21 years from termination or expiry of the Membership; or

10.5.2 (if earlier) until that liability may reasonably be considered by the Administrator to have ceased.

11. **Guidance on Specific Issues**

The Administrator shall, from time to time, publish guidance on specific issues concerning the qualification for and the extent of benefits available under the Scheme.
12. **General**

12.1 **Notices**

A notice to be served on the Administrator may be served by sending the notice by recorded delivery addressed to the Administrator at NHSLA, 2nd Floor, 151 Buckingham Palace Road, London, SW1W 9SZ or by personal delivery to that address.

A notice to be served on a Member may be served by sending the notice by recorded delivery addressed to the Member at the address last notified to the Administrator or by personal delivery to that address.

Any such notice shall be deemed to have been served, if sent by post, on the day after it was posted or if delivered personally, on the date of delivery.

12.2 **Non Disclosure and Misrepresentation**

The Administrator shall be entitled to withdraw all benefits in the event of fraudulent or reckless non-disclosure of information or misrepresentation, or where such non-disclosure or misrepresentation arises as a result of an act to mislead the Administrator intentionally.

12.3 **Liaison and Co-operation**

Members shall fully co-operate and liaise with the Administrator and take such steps as the Administrator may request in connection with, inter alia, the administration of the Scheme including, without limitation, by responding promptly to any requests for information.

13. **Governing Law**

These Rules shall be governed by and construed in accordance with English Law.