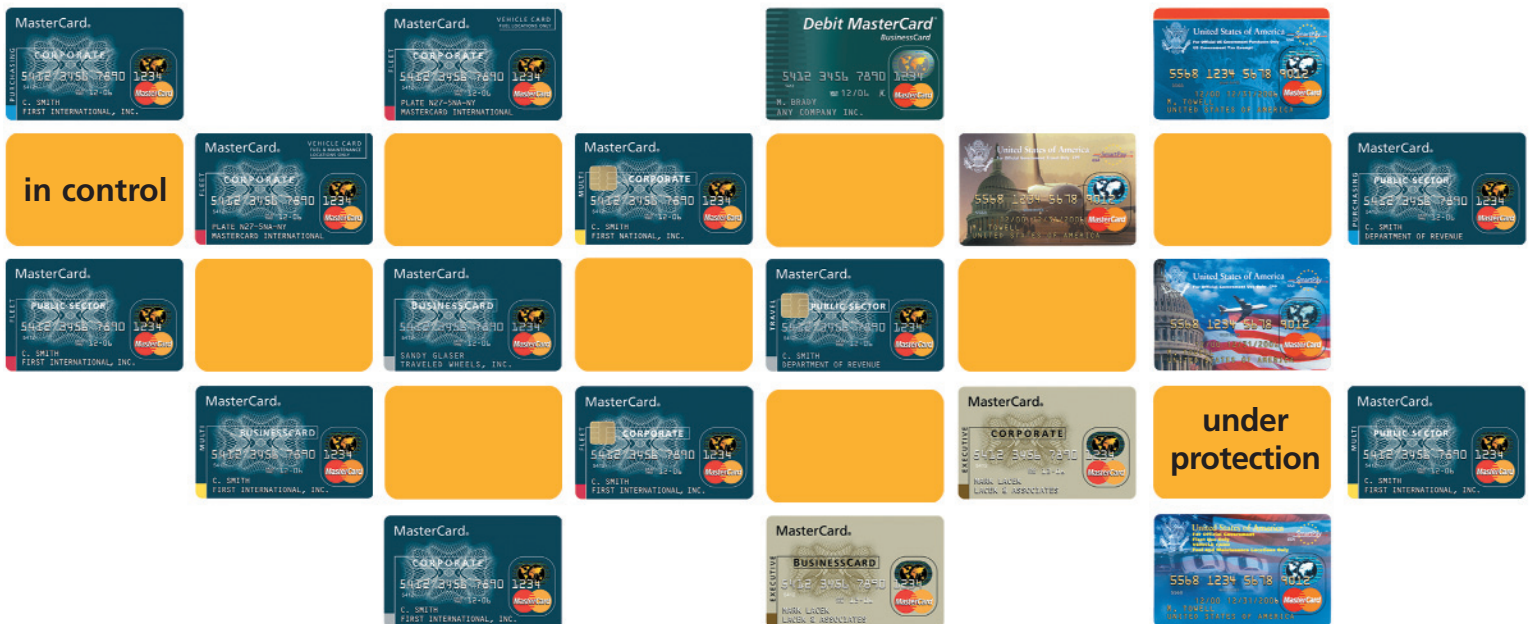




MasterCoverage

The liability protection program



Introduction

Effectively managing travel and entertainment (T&E) spending, small-dollar purchasing, and other business expenditures is increasingly important to the overall financial health of any company.

The suite of MasterCard Corporate Payment Solutions®* helps companies control and streamline all their expenses, while providing them with flexibility and security for all their business needs.

Experience indicates that employee** misuse of company credit card privileges is rare. However, to protect against these losses, if they occur, MasterCard International Incorporated established the MasterCoverage® Liability Protection Program.

The MasterCoverage Liability Protection Program is purchased by MasterCard International and is provided complimentary to financial institutions and companies covered by the program.

MasterCoverage provides protection for cards issued in the United States BINs (Bank Identification Numbers) for the full spectrum of liability agreements between a company and its card-issuing financial institution: Individual Liability, Joint & Several, or Corporate Liability.*** For information specifically pertaining to Corporate Liability Insurance outside the United States, contact the Customer Relationship Manager assigned to your financial institution.*†

This brochure describes the coverage amounts, what is and is not covered under the program, how financial institutions must manage this program in conjunction with their client companies, and the minimum collection standards for recovering outstanding eligible charges. It also contains the steps required for companies to file a claim and a glossary of terms (all glossary terms appear in bold). Lastly, there are three claim forms included.

After reading this brochure, if you have any questions about the MasterCoverage Liability Protection Program, please contact your Customer Relationship Manager assigned to your financial institution.

The MasterCoverage Liability Protection Program...it's another important benefit that makes MasterCard Corporate Payment Solutions a smart choice for all your corporate payment needs.

*MasterCard Corporate Payment Solutions include MasterCard BusinessCard® Card, MasterCard Executive BusinessCard Card®, Debit MasterCard BusinessCard® Card, MasterCard Small Business Multi Card™, MasterCard Corporate Card®, MasterCard Corporate Executive Card®, MasterCard Corporate Purchasing Card®, MasterCard Corporate Fleet Card® (driver-assigned cards only), MasterCard Corporate Multi Card®, MasterCard Public Sector Travel Card®, MasterCard Public Sector Purchasing Card®, MasterCard Public Sector Fleet Card®, MasterCard Public Sector Multi Card®, MasterCard Government Travel Card®, MasterCard Government Purchasing Card®, MasterCard Government Fleet Card®, and MasterCard Government Integrated Card®.

**Employees are persons working for the company, including independent contractors.

***The MasterCoverage Liability Protection Program is provided subject to the terms and conditions set forth in the master policies described in this brochure.

† There is a small fee for coverage for employees based outside the United States. Please contact your Customer Relationship Manager assigned to your financial institution.

Description of Coverage

The MasterCoverage Liability Protection Program protects financial institutions and companies from employee misuse of charge privileges for any of the MasterCard Corporate Payment Solutions cards including:

- | | |
|---|--|
| • MasterCard BusinessCard Card | • MasterCard Corporate Multi Card |
| • MasterCard Executive BusinessCard Card | • MasterCard Public Sector Travel Card |
| • Debit MasterCard BusinessCard Card | • MasterCard Public Sector Purchasing Card |
| • MasterCard Small Business Multi Card | • MasterCard Public Sector Fleet Card |
| • MasterCard Corporate Card | • MasterCard Public Sector Multi Card |
| • MasterCard Corporate Executive Card | • MasterCard Government Travel Card |
| • MasterCard Corporate Purchasing Card | • MasterCard Government Purchasing Card |
| • MasterCard Corporate Fleet Card
(driver-assigned cards only) | • MasterCard Government Fleet Card |
| | • MasterCard Government Integrated Card |

The MasterCoverage Liability Protection Program provides protection in the following instances:

- Up to a maximum limit of USD 25,000 per cardholder for companies that have two to four cards, or
- Up to a maximum limit of USD 100,000 per cardholder for companies that have five or more cards provided that all program conditions, as outlined in this brochure, are met.***
- Cash advances of USD 300 per day, up to a maximum of USD 1,000 per claim.

The MasterCoverage Liability Protection Program provides protection based on the type of liability agreement that exists between a financial institution and their client company:

- **Individual Liability** defined as “The MasterCard Corporate Payment Solutions cardholder will be solely liable for all charges on the issued card.”
- **Joint & Several Liability** defined as “The company and the individual MasterCard Corporate Payment Solutions cardholder are both liable for all the charges on the MasterCard Corporate Payment Solutions card account.”
- **Corporate Liability** defined as “The company is solely liable for all charges on the MasterCard Corporate Payment Solutions card account.”

The MasterCoverage program will reimburse financial institutions up to the limits defined above for charges that fall within the protection period outlined in **Table A** and meet the following criteria (herein referred to as eligible charges):

A. Individual Liability Accounts:

- Charges on cards that were reimbursed to the employee, which were not remitted by the employee to the financial institution
- Charges on cards that were reimbursed to the employee that did not directly or indirectly benefit the company
- Charges on cards that were reimbursed directly to the financial institution by the company on behalf of the cardholder but were later discovered not to have directly or indirectly benefited the company

B. Joint & Several Liability Accounts:

- Charges on cards that were either reimbursed to the employee, which were not remitted by the employee to the financial institution
- Charges on cards that did not directly or indirectly benefit the company
- Charges on cards that were reimbursed directly to the financial institution by the company on behalf of the cardholder but were later discovered not to have directly or indirectly benefited the company

C. Corporate Liability Accounts:

- Charges on cards that did not directly or indirectly benefit the company

Employee termination is a requirement of the MasterCoverage claim process. The card cancellation date and employee termination date establish the protection period for eligible charges set forth in **Table A**.

The card cancellation date is an important date that establishes the protection period for eligible charges. **Table A** illustrates how a company must request card cancellation immediately upon employee termination.

Table A

	If card cancellation date occurs <u>before</u> employee termination date then Protection Period is:	If card cancellation date occurs 0–2 business days <u>after</u> employee termination date, then Protection Period is:	If card cancellation date occurs 3+ business days <u>after</u> employee termination date, then Protection Period is:
Protection Period for eligible charges <u>before</u> card cancellation date or employee termination date is:	75 calendar days prior to employee termination date	75 calendar days prior to employee termination date	75 calendar days prior to card cancellation date; any charges between employee termination date and card cancellation date are not eligible for coverage
Protection Period for eligible charges <u>after</u> card cancellation date or employee termination date is:	14 calendar days after employee termination date	14 calendar days after employee termination date	No coverage

Note: Companies with one card are not covered under the program. Vehicle-assigned cards are not eligible for coverage under the program.

Exclusions

The following are *not* considered eligible charges under the MasterCoverage program:

- Charges transacted on, or anytime after, the employee termination date if the card is not cancelled within two business days of the employee termination date
- Interest or fees (including, but not limited to, ATM service charges) imposed by the financial institution
- Cash advances on, or anytime after, the employee termination date if the card is not cancelled within two business days of employee termination date
- Personal charges on Individual Liability Accounts for which the company did not reimburse the employee
- Charges made by someone who is not an employee of the company
- Charges resulting from bankruptcy/insolvency of the company
- Charges made on cards or accounts issued to multiple employees rather than an individual, which cannot be traced back to the employee who incurred the charge
- Charges made on vehicle-assigned cards
- Charges resulting from a lost or stolen card
- Any amount unpaid on an Individual Liability Account as a result of an employee's bad check if at least one bad check has been written by the employee within the prior 12 months (a "bad check" is defined as a check written against an account with insufficient funds)
- Charges for goods or services that would regularly be used by the company and that would benefit the company, or were purchased by the employee for someone else according to the company's instructions, or were agreed to by the company in advance
- Charges made by partners, owners, volunteers, or elected directors
- Charges made by shareholders owning more than 5% of a company's outstanding shares
- Charges in excess of USD 25,000 per card if the company has two to four MasterCard Corporate Payment Solutions cards
- Charges in excess of USD 100,000 per card if the company has two to four or more cards
- Cash advances exceeding the limit of USD 300 per day or a maximum limit of USD 1,000 per claim
- Charges made by a company that has been issued only one card
- Charges resulting from the use of convenience checks
- Any amount unpaid due to an employee death where there is no indication of misuse/abuse

How Financial Institutions Manage the MasterCoverage Program

The financial institution is responsible for managing the MasterCoverage program. This means that the financial institution should designate a program manager, probably in the MasterCard Corporate Payment Solutions account management area, to perform or manage the following duties:

- Act as a central resource for information about the MasterCoverage program for the financial institution's client companies who use MasterCard Corporate Payment Solutions. This means responding to questions from companies and ensuring that they are aware of how the MasterCoverage program works, the criteria for eligible charges, and their obligations as outlined in this brochure.
- Distribute the MasterCoverage brochure to the key contact who is responsible for managing the card program at each client company.
- It is critical that the financial institution provides the MasterCoverage brochure to describe what needs to take place when the company needs to file a claim (Joint & Several or Corporate Liability), or provide the financial institution with information about the former employee and their eligible charges (Individual Liability). Companies need to be knowledgeable about how the MasterCoverage program works.
- Provide the financial institution's client companies who use MasterCard Corporate Payment Solutions cards with blank claim forms to have on hand at their company. There are three blank claim forms at the back of this brochure, and these forms can be copied as needed. (For more forms, contact your Customer Relationship Manager assigned to your institution.)
- MasterCard recommends the financial institution includes the MasterCoverage brochure and a supply of blank claim forms to all new client companies with their new account set-up material.
- Maintain organized files for the financial institution to track when the card cancellation confirmation letter, claim form, and all supporting documentation are received from a company as well as a record of all collection efforts made by the financial institution.
- Make diligent efforts for the financial institution to collect eligible charges from the former employee for 60 days, beginning upon receipt of the claim form from the company, according to the collection standards set forth by the MasterCoverage program administrator in *Appendix C*, as permitted by local, state, and federal regulations. At a minimum, the financial institution must verbally contact the former employee once and send three written notices requesting payment for eligible charges within the 60-day period.
- File a MasterCoverage claim with the MasterCoverage program administrator within 180 days of the card cancellation date. With this action, the financial institution assigns any uncollected charges to the MasterCoverage program administrator. For inquiries about claims, please contact:

MasterCoverage Program Administrator

P.O. Box 94852

Cleveland, OH 44101-9813

Tel: 1-440-914-2214

It is critical that the designated MasterCoverage program manager understands all aspects of the program. If there are any questions, please contact your Customer Relationship Manager for assistance.

How to File a Claim

By following the steps below, a company with two or more MasterCard Corporate Payment Solutions cards can be protected from eligible charges made by a former employee.

Company	Step 1: Company notifies Financial Institution of employee termination date immediately.	Step 2: Company requests card cancellation and sends written confirmation to Financial Institution immediately after employee termination date, but no later than two business days.	Step 4: Company notifies former employee of card cancellation immediately after card cancellation date, but no later than 30 days after card cancellation date.	Step 5: Company calculates eligible charges.
	MasterCard strongly urges companies to perform Steps 1 and 2 at this time.			
Financial Institution		Step 3: Financial Institution cancels card immediately after Company notification.		
Program Administrator				
Company	Step 6: Company submits claim form to Financial Institution immediately after card cancellation date, but no later than 90 days after card cancellation date.			
Financial Institution	Step 7: Financial Institution verifies eligible charges.	Step 8: Financial Institution begins collection efforts immediately after receipt of claim form from the company, for a minimum of 60 days.	Step 9: Financial Institution files a MasterCard claim immediately after collection effort period has ended, but no later than 180 days after card cancellation date.	
Program Administrator			Step 10: Program Administrator reimburses Financial Institution. Usually 30 days after receipt of a completed claim.	Step 11: Program Administrator may perform subrogation efforts.

Step 1: Company Notifies Financial Institution of Employee Termination Date

Timetable: Notification must occur immediately.

The company must notify the financial institution immediately of the employee termination date. Notification can be performed by phone, fax, e-mail or via Web site online tool. Phone notification must be followed by written confirmation and received by the financial institution within 30 days.

Step 2: Company Requests Card Cancellation

Timetable: Card must be cancelled immediately (must be cancelled within two business days of the employee termination date to receive maximum coverage).

The company must request that the card be cancelled within two business days of the employee termination date or in accordance with the issuing financial institution's policy, whichever is less. The company must also provide the following cardholder account information to the financial institution:

- Employee name
- Card account number
- Employee termination date
- Last-known home address
- Last-known home phone number
- Last-known business address
- Whether the card was retrieved or not

The company's request to cancel the card can be performed by phone, fax, e-mail, or via Web site online tool. Phone notification must be followed by written confirmation and received by the financial institution within 30 days of the card cancellation date. (See sample letter in Appendix A.)

MasterCard strongly urges companies to perform Steps 1 and 2 at the same time, immediately after an employee leaves the company (either voluntarily or involuntarily, or notifies the company that s/he will be terminating employment. Any charges transacted between the employee termination date and the card cancellation date will not be covered by the MasterCard program unless the card is cancelled within two business days of the employee termination date.

Step 3: Financial Institution Cancels the Card

Timetable: Financial Institution must cancel card immediately after notification from Company in Step 2.

When the company requests card cancellation, the financial institution must immediately cancel the card. The date the card is cancelled is the card cancellation date.

The card cancellation date and the employee termination date establish the protection period for eligible charges.

Step 4: Company or Financial Institution Notifies Former Employee of Card Cancellation

Timetable: Must be done immediately after card cancellation date, not to exceed 30 days from card cancellation date.

The company or the financial institution must send a card cancellation notice within 30 days of the card cancellation date to the former employee with the following instructions:

- Immediately discontinue use of the MasterCard Corporate Payment Solutions card
- Return the card to the company or the financial institution
- Pay any outstanding balance

This step must be completed for any cardholder that leaves the company, whether voluntarily or not. A sample cancellation notice is provided in *Appendix B*.

Step 5: Company Calculates Eligible Charges

Using the criteria outlined in the *"Description of Coverage"* section, the company must calculate which of the former employee's unauthorized charges qualify for protection and may be eligible for payment under the MasterCoverage program.

Individual Liability Accounts:

- For claims on reimbursed charges that were not remitted by the employee to the financial institution, review billing statements, copies of expense reports, and reimbursement checks, and refer to **Table A** in the *"Description of Coverage"* section to determine charges that may be eligible for payment under the MasterCoverage program.
- For claims on reimbursed charges that did not directly or indirectly benefit the company, company must provide supporting documentation such as billing statements, copies of expense reports, reimbursement checks, detailed job description, travel schedule, copies of previous expense reports, and shipping invoices related to the charges in question. Refer to **Table A** in the *"Description of Coverage"* section to determine charges that may be eligible for payment under the MasterCoverage program.
- The company will be asked to provide a copy of either the employer/employee agreement or the company's travel and entertainment (T&E) policy to support unauthorized charges made by the employee.

Joint & Several Liability Accounts:

- For claims on reimbursed charges that were not remitted by the employee to the financial institution, review billing statements, copies of expense reports and reimbursement checks, and refer to **Table A** in the *"Description of Coverage"* section to determine charges that may be eligible for payment under the MasterCoverage program.
- For claims that did not directly or indirectly benefit the company, the company must perform an analysis to determine the amount of charges that did not benefit the company, and refer to **Table A**, in the *"Description of Coverage"* section, to determine charges that may be eligible for payment under the MasterCoverage program. This analysis may include examining any or all of the following supporting documentation: detailed job description, travel schedule, copies of previous expense reports, and shipping invoices related to the charges in question.
- The company will be asked to provide a copy of either the employer/employee agreement or the company's travel and entertainment (T&E) policy to support unauthorized charges made by the employee.

Corporate Liability Accounts:

- The company must perform an analysis to determine the amount of charges that did not benefit the company, and refer to **Table A**, in the *"Description of Coverage"* section, to determine charges that may be eligible for payment under the MasterCoverage program. This analysis may include examining any or all of the following supporting documentation: detailed job description, travel schedule, copies of previous expense reports, and shipping invoices related to the charges in question.
- The company will be asked to provide a copy of either the employer/employee agreement or the company's travel and entertainment (T&E) policy to support unauthorized charges made by the employee.

Step 6: Company Submits Claim Form to Financial Institution

Timetable: Must be done immediately after card cancellation date, not to exceed 90 days from card cancellation date.

The company must complete Sections 1–4 of the claim form and submit the claim form to the financial institution within 90 days of the card cancellation date. Please note that the claim form must be accompanied by the following supporting documentation depending upon the liability agreement as outlined in the MasterCoverage Claim Form:

- Copy of card cancellation confirmation letter or printout of card cancellation screen
- Copy of employee notification letter to cardholder, if not completed by the financial institution
- Copies or screen printouts of cardholder billing statements with eligible charges highlighted
- Copies of any written correspondence to the cardholder requesting payment of the cardholder's account balance
- Copies of expense reports or substitute equivalent documentation

(Substitute documentation may include, but is not limited to, shipping invoices, which include shipment to a location other than employee's work location, or explanation of how the purchase is unrelated to employee's job function.)

- Evidence of reimbursement documentation, if applicable
- Copy of analysis and all supporting documentation used to determine the amount of charges, which did not benefit the company
- Copy of company employer/employee agreement or travel and entertainment (T&E) policy to substantiate unauthorized charges

If the company does not return the claim form to the financial institution within 90 days of the card cancellation date, the claim will not be eligible for coverage.

Step 7: Financial Institution Reviews Documentation Submitted by Company

Upon receipt of the claim form and supporting documentation, the financial institution must review all documentation submitted by the company to verify charges the company has submitted for payment. The financial institution must thoroughly review all documentation submitted by the company to insure that only eligible charges are submitted to the program administrator.

Step 8: Financial Institution Begins Collection Efforts

Timetable: Must be done immediately after receipt and review of claim form in Step 7, for a minimum of 60 days.

The financial institution must begin 60 days of collection efforts as allowed by the card account agreement and, as permitted by local, state, and federal regulations, upon receipt of the claim form from the company. Appendix C contains the “MasterCard Minimum Collection Standards” set forth by the MasterCoverage program administrator for this step. At a minimum, the financial institution must verbally contact the former employee once, and send three written notices requesting payment for unpaid charges, within the 60-day period.

IMPORTANT: If financial institution cannot conduct collection efforts due to restrictions listed in card account agreement, the 60 days of collection efforts as described above must be conducted by the company.

Step 9: Financial Institution Files a MasterCoverage Claim

Timetable: Must be done immediately after completing the collection efforts in Step 8, not to exceed 180 days after card cancellation date.

Following 60 days of collection efforts, the financial institution must complete Section 5 of the claim form and submit the completed form (including all required supporting documents) to the MasterCoverage program administrator.

The financial institution must file the claim within 180 days of the card cancellation date to be eligible for reimbursement. This provides for 90 days of collection efforts by the company followed by 60 days of collection efforts by the financial institution.

The following supporting documents must accompany the claim form submission:

- Copy of card cancellation confirmation letter or printout of card cancellation screen
- Copy of employee notification letter to cardholder
- Copies or screen printouts of cardholder billing statements with charges that may be eligible for coverage highlighted
- Copies of any written correspondence to the cardholder requesting payment of the cardholder’s account balance

- Copies of expense reports or substitute equivalent documentation

(Substitute documentation may include, but is not limited to, shipping invoices, which include shipment to a location other than employee's work location, or explanation of how the purchase is unrelated to employee's job function.)

- Evidence of reimbursement documentation, if applicable
- Copy of analysis and all supporting documentation used to determine the amount of charges that did not benefit the company
- Copy of company employer/employee agreement or travel and entertainment (T&E) policy to substantiate unauthorized charges
- Documentation of actions taken by the financial institution to collect the unpaid charges from the cardholder, including a log of phone contacts to cardholder and copies of any collection letters or screen printouts showing attempts to collect unpaid charges
- The name, addresses, and phones number of a contact at the financial institution who is responsible for collection efforts on the account
- Any other documentation requested to substantiate the claim. The financial institution must be able to identify and document a cardholder on Corporate Liability Accounts

The financial institution must mail the completed claim to:

MasterCoverage Program Administrator
P.O. Box 94852
Cleveland, OH 44101-9813
Tel: 1-440-914-2214

Note: The MasterCoverage program administrator will close a claim 180 days from the day the last documentation was received.

Step 10: Program Administrator Reimburses Financial Institution for Eligible Charges

The MasterCoverage program administrator will reimburse the financial institution for eligible charges up to the allowable maximum amount per cardholder within 30 days of submission of a completed claim form and all the required supporting documentation. Reimbursement will be made only for those charges that have been substantiated by the company. Should the program administrator be unable to validate certain charges submitted for reimbursement, payment will be made only for those charges substantiated by the company.

By accepting payment under the MasterCoverage program, the financial institution agrees to waive the company's liability for all eligible charges paid under the claim. If the company has already paid the former employee's account balance, the financial institution must credit or reimburse the company for amounts paid under the MasterCoverage program.

For inquiries about claims, the financial institution may contact:

**MasterCoverage Program Administrator
P.O. Box 94852
Cleveland, OH 44101-9813
Tel: 1-440-914-2214**

Step 11: Program Administrator May Perform Subrogation Efforts

The claim form includes a section that assigns the right to collect any unpaid charges to the MasterCoverage program administrator. Assignment of the financial institution's right to collect to the MasterCoverage program administrator is a claim requirement. The MasterCoverage program administrator may perform subrogation efforts to recover any eligible charges.

Should the financial institution or company recover any amounts from the former employee or any other source that were paid as eligible charges under the MasterCoverage program, the financial institution or company must remit any recovered amounts to the program administrator.

Glossary of Terms

Card cancellation date means the date the issuing financial institution cancels a cardholder's MasterCard Corporate Payment Solutions card.

Charges means all transactions, including cash advances, charged to the company's account with the financial institution.

Company means a corporation, partnership, sole proprietorship, government agency, non-profit institution, or any other entity, which has signed an agreement with a financial institution pursuant to which the financial institution issues a MasterCard Corporate Payment Solutions card account for use by the company's employees.

Corporate liability means the company is solely liable for all charges on the MasterCard Corporate Payment Solutions card account.

Employee means a person working for the company who is compensated by salary or wages and is solely under the direction and control of the company. Independent Contractors shall fall within the definition of employee.

Eligible charges are charges that meet the criteria for payment under the MasterCoverage program as defined in the "Description of Coverage" section beginning on page 2, not including those charges listed under **Exclusions** on page 4.

Employee termination date means the earlier of the date the employee leaves the company or the date the employee gives or receives oral or written notification of termination of employment.

Financial institution means an entity that is licensed by MasterCard International Incorporated to issue MasterCard Corporate Payment Solutions accounts and cards to a company.

Individual liability means the cardholder will be solely liable for all charges on the issued card.

Joint & several liability means the company and the individual cardholder are both liable for all the charges on the card account.

Program manager is the individual at the financial institution responsible for managing the MasterCoverage program. This individual is the central resource for the information about the program and the key contact for client companies' questions.

Program administrator is the entity responsible for processing the MasterCoverage claim.

Appendix A

Confirmation of Card Cancellation

To comply with MasterCoverage obligations, the company must follow up a request to cancel by phone or fax with written confirmation to its card-issuing financial institution within 30 days of card cancellation date. This sample letter may be used by companies to satisfy this requirement.

To be used by a company to send to its card-issuing financial institution

Your Name
Company Name
Address
City, State, Zip

Date *(must be within 30 days of card cancellation date)*

Name of Financial Institution Contact
Name of Financial Institution
Address
City, State, Zip

Dear Name of Contact:

This letter serves to confirm that our company requested by phone or fax the immediate cancellation of the MasterCard (Corporate)* Card number given below on (date).

Employee Name:

MasterCard (Corporate)* Card Account Number:

Employee Termination Date:

Employee Last-Known Home Address:

Employee Last-Known Home Phone Number:

Employee Last-Known Business Address:

This individual's employment with us ended on _____, 20____.

We have contacted the former employee in writing and advised him or her to remit payment of outstanding charges back to the appropriate parties.

We have/have not retrieved the former employee's MasterCard (Corporate)* Card.

We are in the process of verifying eligible charges and pending non-recovery of these charges. We plan to submit a MasterCoverage claim within 90 days.

Sincerely,

(Authorized Signature)

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

Appendix B

Sample Employee Card Cancellation Notice

Under the MasterCoverage program, the company or financial institution must cancel the former employee's MasterCard Corporate Payment Solutions card and notify the former employee of the card cancellation in writing within 30 days of card cancellation date. These sample letters may be used by the company or financial institution to notify an employee that his/her card has been cancelled and to satisfy this insurance claim requirement. This information can be sent by mail or fax. The company or financial institution must retain a copy, since the letter needs to be attached to the claim form to file a valid claim.

Note: When it becomes necessary to discontinue an employee's card privileges, the company must call the card issuer immediately to cancel the card. This is also an insurance claim requirement.

To be used by a company to send to a terminated employee for Individual Liability Accounts

Your Name
Company Name
Address
City, State, Zip

Date

Employee Name
Home Address
City, State, Zip

Dear Former Employee Name:

Please be advised that your MasterCard (Corporate)* Card (card number _____) has been cancelled and that your rights to use the card ended when you ceased to be an employee of (insert company name). Immediately discontinue all use of the card and return it to us if you have not already done so.

In addition, you must immediately pay to the (insert financial institution) any outstanding balance that you owe on the card. If you do not pay (insert appropriate financial institution representative) at (insert financial institution) any outstanding dollars that you owe on the card, collection efforts by a third party may occur to recover the balance you owe.

Thank you for your cooperation in this matter.

Sincerely,

(Authorized Signature)

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

To be used by a company or financial institution to send to a terminated employee for Joint & Several Liability and Corporate Liability Accounts

Your Name

Company Name

Address

City, State, Zip

Date

Employee Name

Home Address

City, State, Zip

Dear Former Employee Name:

Please be advised that your MasterCard (Corporate)* Card (card number_____) has been cancelled and that your rights to use the card ended when you ceased to be an employee of (insert company name). Immediately discontinue all use of the card and return it to us if you have not already done so.

If you, as the employee, made any charges on your account, that did not benefit the company, you are responsible to contact (insert appropriate company representative) at (insert name of company) to arrange payment to the company for those charges.

Also, if you were reimbursed for charges by the company, but did not remit those funds to (insert financial institution), you must remit those funds immediately.

Thank you for your cooperation in this matter.

Sincerely,

(Authorized Signature)

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

Appendix C

MasterCard Minimum Collection Standards

The Financial Institution must make a diligent attempt to collect eligible charges from the former employee for 60 days after receiving the claim form from the company. Outlined below are collection standards set forth by the MasterCoverage program administrator.

Within 7 days of the receipt of the claim form from the company

Telephone Contact with Cardholder

The financial institution should contact the cardholder during reasonable business hours, at the home phone number indicated on the claim form. The phone call should be brief, to the point, and the conversation should be limited to the fact that the charges were unauthorized and the cardholder is personally responsible for remittance of USD xx.xx amount of charges. ("Unauthorized Charges" are based on card liability type and are outlined on page 2 in the "Description of Coverage" section.) The objective is to make phone contact with the cardholder once within two weeks immediately following the receipt of the claim form from the company. The date/time of the call must be documented by the financial institution. At a minimum, there must be three documented attempts to reach the cardholder over the phone to complete the requirement of at least one telephone contact with the customer.

Within 14 days of the receipt of the claim form from the company

First Notice (Written)

The first written notice serves as a follow-up to the above "telephone contact" or as an initial contact if the cardholder could not be reached by phone. The notice consists of a standard form that reiterates (1) that charges were "unauthorized"; (2) the exact amount of such charges; and (3) that the cardholder is personally responsible for remittance.

Copies of all letters to the former employee must be retained on file.

A) To be used by the financial institution to send to a terminated employee for Individual Liability Accounts.

B) To be used by the financial institution to send to a terminated employee for Joint & Several and Corporate Liability Accounts.

A)

B)

1-1-05

1-1-05

Dear Employee Name:

Dear Employee Name:

Our records indicate transactions made on your MasterCard (Corporate)* Card were either (i) charges that were reimbursed to you that were not remitted to the financial institution, or (ii) charges that were reimbursed to you which did not directly or indirectly benefit the company.

Our records indicate transactions made on your MasterCard (Corporate)* Card were either (i) charges that did not directly or indirectly benefit the ABC Company or (ii) charges that were reimbursed to you that were not remitted to the financial institution.

Enclosed, is an itemized list of the unauthorized transactions for your review.

Enclosed, is an itemized list of the unauthorized transactions for your review.

Please remit payment immediately for all unauthorized charges to (insert appropriate financial institution representative) of (insert name of financial institution) at (insert address).

Please remit payment immediately for all unauthorized charges to (insert appropriate financial institution representative) of (insert name of financial institution) at (insert address).

If you have any questions regarding this matter, please feel free to call (insert appropriate financial institution representative and phone number) at (insert name of financial institution).

If you have any questions regarding this matter, please feel free to call (insert appropriate financial institution representative and phone number) at (insert name of financial institution).

Thank you for your cooperation in this matter.

Thank you for your cooperation in this matter.

Sincerely,

Sincerely,

(Authorized Signature)

(Authorized Signature)

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Fleet Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Fleet Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

Within 30 days of the receipt of the claim form from the company

Certified Letter to Cardholder

If the telephone contact and first notice bring less than full satisfaction of the amount outstanding, the financial institution must mail a certified letter to the former cardholder. This letter provides the former cardholder with a definite date to remit payment of the unauthorized charges. Furthermore, the letter notes that if payment is not received within 15 days, the file may be subrogated to an insurance agency. A copy of the itemized transactions that are considered to be "unauthorized" must also be enclosed. A copy of the letter must be retained on file.

A) To be used by the financial institution to send to a terminated employee for Individual Liability Accounts.

B) To be used by the financial institution to send to a terminated employee for Joint & Several and Corporate Liability Accounts.

A)

1-31-05

Home address

Dear Employee Name:

Pursuant to our letter dated 1-1-05, our records indicate charges on your MasterCard (Corporate) Card in the amount of USD _____ during the period of _____, were not authorized by ABC Company. Your former employer had indicated that you were either (i) previously reimbursed for the charges and failed to reimburse the financial institution or (ii) were previously reimbursed for charges which did not directly or indirectly benefit ABC Company.

We have enclosed a copy of the itemized, unauthorized transactions for your review.

To resolve this matter, we are requesting payment for such charges in the amount of USD _____ to (insert name and address of financial institution) within the next 15 days. Failure to remit payment may result in the transfer of the account to an insurance agency and all efforts may be taken to recover the balance you owe.

If you have any additional questions regarding this matter, please feel free to give me a call at (phone number).

Thank you in advance for your cooperation

Sincerely,

(Authorized Signature)

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

B)

1-31-05

Home address

Dear Employee Name:

Pursuant to our letter dated 1-1-05, our records indicate charges on your MasterCard (Corporate) Card in the amount of USD _____ during the period of _____, were not authorized by ABC Company. Your former employer had indicated that you either (i) made charges that did not directly or indirectly benefit the company or (ii) were reimbursed for charges and failed to reimburse the financial institution.

We have enclosed a copy of the itemized list of the unauthorized transactions for your review.

To resolve this matter, we are requesting payment for such charges in the amount of USD _____ to (insert name and address of financial institution) within the next 15 days. Failure to remit payment may result in the transfer of the account to an insurance agency and all efforts may be taken to recover the balance you owe.

If you have any additional questions regarding this matter, please feel free to give me a call at (phone number).

Thank you in advance for your cooperation.

Sincerely,

(Authorized Signature)

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

Within 30 days of the receipt of the claim form from the company

Certified Letter to Cardholder: Second Notice (Written)

The second written notice must reference the previous written contact with the former cardholder ("First Notice" and "Certified Letter") and strongly request remittance of the full amount of excess charges. A copy of the letter must be retained on file.

If payment has not been received within 90 days of the receipt of the claim form, the financial institution agrees to assign rights it has to collect from the former cardholder, directly to the MasterCoverage program administrator.

To be used by the financial institution to send to a terminated employee for Individual, Joint & Several, and Corporate Liability Accounts.

2-21-05
Home Address

Dear Employee Name:

Pursuant to our letters dated 1-1-05 and 1-31-05, we have not received payment in the amount of USD_____ for unauthorized charges to your MasterCard (Corporate)* Card. Regretfully, without remittance of payment within the next ten (10) days, the balance of your MasterCard (Corporate)* Card account will be subrogated to an insurance agency and all efforts may be taken to recover the balance you owe.

*Replace "Corporate" with the type of card the employee had: BusinessCard, Executive BusinessCard, Debit BusinessCard Card, Small Business Multi Card, Corporate Card, Corporate Executive Card, Corporate Purchasing Card, Corporate Fleet Card, Corporate Multi Card, Public Sector Travel Card, Public Sector Purchasing Card, Public Sector Fleet Card, Public Sector Multi Card, Government Travel Card, Government Purchasing Card, Government Fleet Card, Government Integrated Card.

Appendix D

General Provisions For MasterCoverage Liability Protection

This Guide is not a policy or contract of insurance. The MasterCoverage Liability Protection Program is purchased by MasterCard International and is provided complimentary to financial institutions and companies covered by the program. Enrollment is automatic.

MasterCoverage is provided under a master policy of insurance issued by Virginia Surety Company, Inc. All information in this guide about this benefit is subject to the terms and conditions of the master policy, which is in the possession of both the MasterCoverage program administrator and MasterCard International.

If the MasterCoverage program is cancelled, the financial institution will be notified within 30 days of the receipt of the cancellation notice from the program administrator. Such notices need not be given if substantially similar replacement coverage takes effect without interruption.

Effective on June 1, 2005, this Guide replaces all prior Guides, program descriptions, advertising and brochures by any party. We reserve the right to change the benefits and features of this program. All of these benefits apply to MasterCard Corporate Payment Solutions issued by U.S. financial institutions, including those located in the 50 United States, the District of Columbia, U.S. Virgin Islands, and Puerto Rico.

No entity other than those indicated in this guide will have any legal or equitable right, remedy, or claim for insurance proceeds and/or damages under or arising out of this coverage. No rights or benefits provided to you under the MasterCoverage program may be assigned without prior written consent of the program administrator.

MasterCoverage Waiver Claim Form for MasterCard Corporate Payment Solutions®

Please complete Sections 1–4 of this form.
Attach copies of any supporting documentation.

Return the claim form and all supporting documents to your financial institution within 90 days of the card cancellation date.



IMPORTANT

For Use by Financial Institution Only:

Card cancellation date

Date form received from company

Date claim form submitted

Section One: Company Information

Company Name _____ Contact Person and Title _____

Telephone _____ Fax _____

Check One

☐ Corporation ☐ Proprietorship ☐ Partnership ☐ Other (specify) _____

Address _____

City _____ State _____ Zip _____

How many MasterCard Corporate Payment Solutions cards are issued to your Company?

☐ 1 (Ineligible for coverage) ☐ 2 – 4 ☐ 5 or more

Who is billed on this account? (Check one) ☐ Cardholder ☐ Company

Type of Liability in Card Agreement (Check one) ☐ Individual ☐ Corporate ☐ Joint & Several

Type of Corporate Payment Solutions card (Check one)

<input type="checkbox"/> MasterCard BusinessCard® Card	<input type="checkbox"/> MasterCard Public Sector Travel Card®
<input type="checkbox"/> MasterCard Executive BusinessCard Card®	<input type="checkbox"/> MasterCard Public Sector Purchasing Card®
<input type="checkbox"/> Debit MasterCard BusinessCard® Card	<input type="checkbox"/> MasterCard Public Sector Fleet Card®
<input type="checkbox"/> MasterCard Small Business Multi Card™	<input type="checkbox"/> MasterCard Public Sector Multi Card®
<input type="checkbox"/> MasterCard Corporate Card®	<input type="checkbox"/> MasterCard Government Travel Card®
<input type="checkbox"/> MasterCard Corporate Executive Card®	<input type="checkbox"/> MasterCard Government Purchasing Card®
<input type="checkbox"/> MasterCard Corporate Purchasing Card®	<input type="checkbox"/> MasterCard Government Fleet Card®
<input type="checkbox"/> MasterCard Corporate Fleet Card®	<input type="checkbox"/> MasterCard Government Integrated Card®
<input type="checkbox"/> MasterCard Corporate Multi Card Card®	

Section Two: Cardholder Information

Cardholder Name (Last, First, Middle) _____ Social Security # _ _ - _ - _ _ _

Employee Position _____ Employee Birth Date mm/dd/yy _____

City _____ State _____ Zip _____

Last Known Home Telephone Number _____

Last Known Business Address _____

City _____ State _____ Zip _____

Last known Business Telephone Number _____

Last Day of Employment* (mm/dd/yy) _____

MasterCard Corporate Payment Solutions Card Account Number _ _ _ - _ _ - _ _ - _ _

Date card was cancelled (mm/dd/yy) _____

Was the card retrieved from the employee? ☐ Yes ☐ No

Was the card cut in half and returned to us? ☐ Yes ☐ No

**The Program Underwriter reserves the right to request documentation to confirm the employee's date of termination.*

Section Three: Waivable Charges

Total amount of waivable charges claimed \$

Please attach copies of documentation indicating which charges are waivable as outlined in the "Description of Coverage" section depending on the type of liability agreement.

A. Individual Liability

- Billing statements
- Evidence of reimbursement to include any or all of the following: copy of check, employee expense report, relevant account payable or payroll documentation. Evidence should incorporate the following information: check number, date of reimbursement, and amount of reimbursement.

B. Corporate Liability

- Billing statement with indication and explanation of charges that did not directly or indirectly benefit the company.

C. Joint & Several Liability

- Evidence of reimbursement to include any or all of the following: copy of check, employee expense report, relevant account payable or

payroll documentation. Evidence should incorporate the following information: check number, date of reimbursement, and amount of reimbursement.

OR

- Billing statement with indication and explanation of charges that did not directly or indirectly benefit the company.

Section Four: Company Officer's Signature and Assignment of Collection Rights

In the event the company has Joint & Several or Corporate Liability, if the Company recovers any amounts for unauthorized charges claimed from any source, the Company will remit all such amounts to the Financial Institution. The Company agrees to assign any rights it may have to collect unauthorized charges from the cardholder, to the MasterCoverage Program Underwriter.

I, the undersigned, an officer of the Company listed above being duly sworn, depose and say that the answers provided above are true and complete to the best of my knowledge. The cardholder was an employee of our company, and not a partner, owner, principal shareholder owning more than 5% of the company's shares, or an elected director.

I have reviewed the MasterCard Corporate Payment Solutions card account described above and hereby state that the charges being claimed under MasterCoverage (remaining unpaid on this account) qualify as waivable charges as described on the attached billing statements in accordance with the MasterCoverage guidelines.

The Cardholder has been advised that his/her MasterCard Corporate Payment Solutions card account has been cancelled and that all outstanding charges must be paid by him/her immediately. I further state that the cardholder is no longer employed by the company.

Company Name

By (signature)

Print Name

Title

Have you included the following supporting documents depending on type of liability?

- Copy of card cancellation confirmation letter, or printout of card cancellation screen
- Copy of employee notification letter to cardholder
- Copies of cardholder billing statements, with waivable charges
- Copies of expense reports or equivalent documentation, if applicable
- Copies of any written correspondence to the cardholder requesting payment
- Copies of reimbursement documentation, if applicable
- Copy of analysis used to determine the amount of charges which did not benefit the company, if applicable

Section Five: Financial Institution's Assignment of Recovered Charges and Collection Rights (To Be Completed By Financial Institution Only)

If the Financial Institution recovers any amount from the Cardholder or any other source with respect to waivable charges, the Financial Institution agrees to use these funds to reduce the waivable charges or the amount of any claim the Financial Institution files under MasterCoverage, or if the MasterCoverage claim has already been paid to the Financial Institution, the Financial Institution shall remit such amounts to the Program Underwriter for MasterCoverage. We agree to the assignment of collection rights to the MasterCoverage Program Underwriter.

Print Name

Title

Signature

Month

Day

Year

Card Cancellation Date

Submit Claim Form and supporting documentation:

MasterCoverage Program Administrator

13922 Denver W. Pkwy. Building 54

Golden, CO 80401

Tel: (303) 271-2447

Note: At some time, MasterCard and its Program Underwriter may request further documentation regarding proof that the charges in question benefitted the company. Financial Institutions must be able to identify and document cardholders on centrally billed accounts.

Notes

[illegible]

MasterCard
International

