



Certificate of Insurance issued under the Master Policy Scheme for **THE MALAYSIAN BAR** Professional Indemnity Insurance

1. INTERPRETATION

- 1.1. This Certificate of Insurance and the Schedule attached to it evidence a single contract of insurance
- 1.2. Each Certificate of Insurance issued under the Master Policy shall constitute a separate contract of insurance subject in all respects to the terms of the Master Policy as expressed in the English language text thereof
- 1.3. The Master Policy and Certificates of Insurance shall be interpreted in accordance with English law and usage
- 1.4. The Master Policy may be inspected during normal business hours at the principal office of the Malaysian Bar Council situate at No 5, Jalan Tun Perak, 50050 Kuala Lumpur
- 1.5. The singular shall include the plural and any word or expression to which a specific meaning has been attached shall in the absence of specific provision to the contrary bear such meaning wherever it may appear

2. STATEMENT OF INTENT

For the purposes of this insurance

- 2.1. a Practice constituted as a partnership shall be regarded as a legal person and subject to Proviso 2 to General Condition 5.3. the insurance shall remain fully effective notwithstanding any change in membership
- 2.2. professional appointments and assignments assumed or undertaken in a personal capacity by any Principal or Employee shall be regarded as incidental to the Practice provided that any fees or other income accruing therefrom inure to the benefit of the Practice or its predecessor/s or successor/s
- 2.3. no coverage shall be afforded to or in respect of any lawyer engaged otherwise than in "Private Practice". This term shall be interpreted in accordance with its generally accepted meaning

3. DEFINITIONS

- 3.1. "DAMAGES" excludes fines penalties and non-compensatory awards of any kind but includes interest payable by law on any judgment or award and claimant's legal costs and expenses
- 3.2. "DEFENCE COSTS" means
costs and expenses reasonably incurred by or on behalf of the Insured with the written consent of the Insurers in the investigation, defence and or settlement of any actual or potential claim which may form the subject of indemnity under this insurance
- 3.3. "THE INSURED" means
 1. The Named Insured
 2. Any Successor Practice
 3. Any Professional Assistant in or Consultant to the Practice or any Successor Practice
 4. any individual (not included under Clause 3.3.3. above) employed in the Practice or Successor Practice under a contract of service or articles of clerkship or pupillage (such person being hereinafter termed an "Employee")
 5. the estate and/or personal legal representative of any deceased or incapacitated person referred to in Clause 3.3.1. or 3.3.2. or 3.3.3. above
 6. any Predecessor Practice not more specifically insured under any current or "Run-Off" policy whether enforceable or not
- 3.4. "MISCONDUCT" means
any act or omission manifesting fraudulent intent or material and significant dishonesty or substantial lack of good faith
- 3.5. "NAMED INSURED" means
the Principal/s cited in Item 3. of the Schedule in the Practice specified in Item 4

3.6. "PERIOD OF INSURANCE" means
the period specified in Item 6. of the Schedule

3.7. "PRACTICE"

1. "THE PRACTICE" means
the Firm style or title under which the
Profession is conducted by any or all of the
Named Insured

2. "PREDECESSOR PRACTICE" means
any practice previously conducted by the
Name Insured or any of them or to which the
Practice is a successor

3. "SUCCESSOR PRACTICE" means
any practice which succeeds at any time
during the Period of Insurance to the whole
or part of the Practice

3.8. "PRINCIPAL" means
a partner or a sole practitioner

3.9. "PROFESSION" means
the functions of Lawyer in Malaysia as governed
by the Legal Profession Act of 1976 as amended
and such other function and services as are
customarily and legitimately performed by
Lawyers in Malaysia.

In the event of any dispute between the Insured
and the Insurers as to whether any particular
function or service falls within the ambit of the
Profession the ruling of the President for the time
being of the Bar Council of Malaysia shall be
binding upon both parties

4. INSURING CLAUSES

4.1. On the terms and conditions herein contained and
in consideration of the Premium the Insurers shall
indemnify the Insured against any Claim first
made against any or all of them during the Period
of Insurance in respect of any civil liability
incurred in connection with the Practice

4.2. The liability of the Insurers for Damages shall not
exceed in respect of any One Claim the Limit of
Indemnity specified in Item 7. of the Schedule

4.3. Defence Costs shall be payable in addition to the
Limit of Indemnity

provided that if the total Damages payable
to dispose of any Claim exceed the Limit of
Indemnity the Insurers' liability for Defence
Costs shall be restricted to such proportion
thereof as the Limit of Indemnity bears to
the total Damages

4.4. All claims first made or deemed to have been first
made against all or any of the Insured in one or

more Periods of Insurance arising from one act or
omission or series of acts or omissions attribut-
able to the same underlying cause or event shall
be regarded as "One Claim". All claims arising
out of Misconduct of one person acting alone or
in collusion with others shall be regarded as
attributable to one underlying cause and
accordingly deemed to constitute "One Claim"

5. GENERAL CONDITIONS

5.1. 1. The Practice or Successor Practice shall
ensure that Notice is given as soon as
practicable of any claim made against the
Insured during the Period of Insurance which
may form the subject of indemnity under
this Insurance or of the receipt of any
intimation of an intention to make a claim
against the Insured

2. Notice shall also be given of any matter
event or circumstance of which the Insured
shall become aware during the Period of
Insurance and which may reasonably be
expected to give rise to a claim against the
Insured

3. Any claim arising from any matter event or
circumstance of which Notice has been given
in accordance with General Condition 5.1.1.
or 5.1.2. shall be regarded as a claim first
made during the Period of Insurance in
which such Notice was given.

5.2. Notice in terms of General Condition 5.1. shall be
given in writing or by Tested Telex or Tested
Facsimile to

Toplis and Harding (Malaysia) Sdn. Bhd.

Box 35
10th Floor
Technology Resources Tower
161B Jalan Ampang
50450 Kuala Lumpur

Telephone No. 03-261 7188
Facsimile No. 03-261 8012

5.3. During the Period of Insurance the Practice shall
as soon as reasonably practicable give Notice in
the manner prescribed in General Condition 5.4.
of the amalgamation or merger of the Practice
with any other practice

PROVIDED THAT

1. The Premium Limit of Indemnity and
Insured's Contribution shall not be varied
during any Period of Insurance by reason of
the withdrawal from or admission to
partnership in the Practice of one or more
Principals in any circumstances other than
the amalgamation or merger of the Practice
with another

2. In the case of an amalgamation or merger the Limit of Indemnity Insured's Contribution and Premium shall be redetermined
3. Notwithstanding Special Provision 7.2. compliance with this General Condition 5.3. shall be a condition precedent to the recognition as a Successor Practice in terms of Definition 3.7.3. of any practice resulting from the amalgamation or merger of the Practice with any other

- 5.4. Notice in terms of General Condition 5.3. shall be given in writing or by Tested Telex or Tested Facsimile to

Antah Sedgwick Chartered Insurance Brokers Sdn Bhd

P O Box 10672
50720 Kuala Lumpur
Malaysia

Telephone No. 03-261 5588
Telex No. ACIB MA 31009
Facsimile No. 03-261 5791

- 5.5. The Insured shall not admit liability for nor settle any claim falling within the ambit of Clause 4.1. nor incur any Defence Costs without the prior consent of the Insurers which consent shall not be unreasonably withheld
- 5.6. Subject to General Condition 5.8. below the Insurers shall be entitled at their own expense at any time to take over the conduct in the name of the Insured of the defence or settlement of any claim including any in respect of which the Insured may become entitled to partial indemnity or which but for Exclusion 6.3. would have fallen within the scope of this insurance.
- 5.7. The Insured shall comply with any reasonable request by the Insurer's authorised representatives for information and/or documents relating to any actual or potential claim
- 5.8. Neither the Insured nor the Insurers shall be required to contest any legal proceedings unless a senior member of the Bar (to be appointed in the absence of agreement between the Insured and the Insurers by the President for the time being of The Bar Council) shall advise that such proceedings could be contested with a reasonable prospect of success
- 5.9. Save as provided in Definition 3.9. and General Condition 5.8. any dispute or disagreement between the Insured and the Insurers arising out of or in connection with this insurance may be referred to a sole arbiter to be appointed by agreement or in the absence thereof by the President for the time being of the Bar Council. The decision of such arbiter shall be final and binding on both parties

- 5.10. If an Insured shall prefer any claim hereunder knowing it to be false or fraudulent as regards amount or otherwise this insurance shall be voidable and such Insured shall forfeit the benefit of this insurance as regards such claim

- 5.11. If the Insurers incur expenditure in respect of Defence Costs the Insured shall within fourteen days of advice thereof reimburse the Insurers with such amount as falls within the Insured's Contribution

6. EXCLUSIONS

The indemnity in terms of this insurance specifically excludes

1. any liability which is more specifically insured under any other policy effected by or on behalf of the Insured or which would but for this insurance be so covered
2. any circumstance or occurrence notified under any other insurance attaching prior hereto
3. the amount specified in Item 8. of the Schedule as the Insured's Contribution which amount shall apply to any One Claim and to Defence Costs
4. any legal proceedings in a court other than of Malaysia. This Exclusion shall not apply to proceedings in Malaysia for the enforcement of any award or judgment secured in any foreign jurisdiction except the United States of America its possessions and dependencies or Canada
5. any liability directly or indirectly caused by or contributed to by or arising from or in respect of Misconduct (save as provided in Special Provision 7.3.)
6. any claim in respect of any personal financial guarantee or undertaking given by the Insured otherwise than in good faith in the course of the conduct of the Practice or as required by law or order of the Courts
7. death bodily injury or loss of or damage to any physical property occupied or used by any of the Insured for the purposes of the Practice (not being property in the care custody and control of the Insured in connection with the Practice for which the Insured is responsible)
8. wrongful dismissal or any other alleged breach of any contract of employment by the Insured
9. wrongful termination or any other alleged breach of any contract for supply to or use by the Insured of services materials equipment other goods and/or immovable property
10. any trading debt incurred by the Insured

11. the giving of any express or implied warranty or guarantee relating to the financial return on any investment
12. any liability directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
13. any liability directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
14. any liability directly or indirectly caused by or contributed to by or arising from war invasion acts of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power

7. SPECIAL PROVISIONS

7.1. INNOCENT NON-DISCLOSURE

The Insurers shall not exercise their right to avoid this insurance on the grounds of a failure on the part of the Named Insured at inception or at any renewal thereof to disclose facts material to the assessment of the risk or on the grounds of an incorrect representation of a kind likely to have materially affected the assessment of risk hereunder

PROVIDED THAT

1. the Named Insured shall establish on a reasonable balance of probability that the alleged non-disclosure or misrepresentation was innocent and free from fraudulent conduct or intent on their part.
2. the Insurers may at their discretion adjust the Premium and other terms of this insurance to those which would have applied had such fact or circumstance been disclosed.
3. where the Insurers should have been notified during a preceding Period of Insurance of a claim made against the Insured or of an event or circumstance which could reasonably have been expected to give rise to such a claim and the indemnity to which the Insured would have been entitled was in any way more restricted than that obtaining at the date of notification the Insurers shall be liable only to the extent applicable during such preceding Period of Insurance

7.2. BREACH OF CONDITIONS OF THIS INSURANCE

Save in the case of non-payment of the Premium but subject to General Conditions 5.3. and 5.10. the Insurers will not seek to resile from this contract or to avoid any claim on the grounds of breach of or non-compliance with the terms and conditions of this insurance.

PROVIDED THAT

1. any person seeking indemnity hereunder shall establish on a reasonable balance of probability that the breach or non-compliance was not attributable to Misconduct on his/her part
2. where the breach or non-compliance has resulted in material prejudice to the investigation and/or defence of any claim the Insurers' liability for Damages and Defence Costs may be reduced by the amount of the prejudice sustained
3. In the event of a difference between the Insured and the Insurers regarding the existence of prejudice and/or the cost thereof General Condition 5.9. shall apply

7.3. MISCONDUCT

In respect of any claim arising out of Misconduct the insurance shall notwithstanding Exclusion 6.5. indemnify the Practice and any Principal therein or Employee thereof (excluding any person who was a party to or condoned such Misconduct)

PROVIDED THAT

1. at the request of the Insurers the Insured being indemnified shall take or procure to be taken at the Insurers' expense all reasonable steps to obtain reimbursement from any party to such Misconduct or from his/her personal legal representative
2. the Insured being indemnified shall procure that any recovery so obtained together with any monies which but for such fraud would be due to any party to such Misconduct shall be paid to the Insurers up to but not exceeding the amounts paid by them in respect of such claim together with any expenditure reasonably incurred in obtaining such reimbursement.

MALAYSIAN BAR PROFESSIONAL INDEMNITY SCHEME

SCALE OF BASIC RATES, LIMITS AND EXCESSES

NUMBER OF LAWYERS	LIMIT	EXCESS	P R E M I U M	
			PER CAPITA	PER PRACTICE
1	250 000	2 500	1 225	1 225
2	300 000	5 000	1 100	2 200
3	350 000	7 500	1 098	3 294
4	400 000	10 000	1 096	4 384
5	450 000	12 500	1 094	5 470
6	500 000	15 000	1 092	6 552
7	550 000	17 500	1 089	7 623
8	600 000	20 000	1 085	8 680
9	650 000	22 500	1 080	9 720
10	700 000	25 000	1 075	10 750
11	750 000	27 500	1 070	11 770
12	800 000	30 000	1 065	12 780
13	850 000	32 500	1 060	13 780
14	900 000	35 000	1 055	14 770
15	950 000	37 500	1 050	15 750
16	1 000 000	40 000	1 045	16 720
17	1 050 000	42 500	1 040	17 680
18	1 100 000	45 000	1 035	18 630
19	1 150 000	47 500	1 030	19 570
20	1 200 000	50 000	1 025	20 500
21	1 250 000	52 500	1 020	21 420
22	1 300 000	55 000	1 015	22 330
23	1 350 000	57 500	1 010	23 230
24	1 400 000	60 000	1 005	24 120
25	1 450 000	62 500	1 000	25 000
26	1 500 000	65 000	995	25 870
27	1 550 000	67 500	990	26 730
28	1 600 000	70 000	985	27 580
29	1 650 000	72 500	980	28 420
30	1 700 000	75 000	975	29 250
31	1 750 000	77 500	970	30 070
32	1 800 000	80 000	965	30 880
33	1 850 000	82 500	960	31 680
34	1 900 000	85 000	955	32 470
35	1 950 000	87 500	950	33 250
36	2 000 000	90 000	945	34 020
37	2 000 000	92 500	940	34 780
38	2 000 000	95 000	935	35 530
39	2 000 000	97 500	930	36 270
40	2 000 000	100 000	925	37 000

Annexure II continues overleaf...

MALAYSIAN BAR PROFESSIONAL INDEMNITY SCHEME

<u>NUMBER OF LAWYERS</u>	<u>LIMIT</u>	<u>EXCESS</u>	<u>P R E M I U M</u>	
			<u>PER CAPITA</u>	<u>PER PRACTICE</u>
41	2,000,000	100,000	920	37,720
42	2,000,000	100,000	915	38,430
43	2,000,000	100,000	910	39,130
44	2,000,000	100,000	905	39,820
45	2,000,000	100,000	900	40,500
46	2,000,000	100,000	895	41,170
47	2,000,000	100,000	890	41,830
48	2,000,000	100,000	885	42,480
49	2,000,000	100,000	880	43,120
50	2,000,000	100,000	875	43,750
51	2,000,000	100,000	870	44,370
52	2,000,000	100,000	865	44,980
53	2,000,000	100,000	860	45,580
54	2,000,000	100,000	855	46,170
55	2,000,000	100,000	850	46,750
56	2,000,000	100,000	845	47,320
57	2,000,000	100,000	840	47,880
58	2,000,000	100,000	835	48,430
59	2,000,000	100,000	830	48,970
60	2,000,000	100,000	825	49,500

Annexure II continues overleaf...

ANNEXURE II CONTINUED
MALAYSIAN BAR PROFESSIONAL INDEMNITY SCHEME
UNDERWRITING CRITERIA AND SURCHARGES

The Basic Rates in ANNEXURE II are subject to loadings in accordance with the following Underwriting Criteria:

1. HAZARDOUS WORK

PERCENTAGE OF TOTAL FEES From WORK in CATEGORIES A., B., AND C. of part 5 of the PROPOSAL	PREMIUM LOADING (%)
15 - 25%	10%
26 - 50%	15%
51 - 75%	20%
over 75%	25%

2. CLAIMS EXPERIENCE

The Basic Rates in ANNEXURE II. attract a surcharge equal to the percentage by which Average Annual Claims exceed 65% of the Basic Premium.

"Average Annual Claims" means the total PAID AND OUTSTANDING claims for FIVE YEARS or such lesser period as the Practice has been in existence, divided by the number of years.

THE MAXIMUM SURCHARGE SHALL NOT EXCEED 200%

Underwriters reserve the right to amend these terms in exceptional circumstances.

3. "RESPONSIBILITY" FACTOR (RATIO OF UNQUALIFIED TO QUALIFIED STAFF)

Where the ratio of unqualified to qualified staff exceeds 6 : 1, the following percentage increases in base premium apply:

Ratio of UNQUALIFIED to QUALIFIED Staff	PREMIUM LOADING (%)
6 - 10	10%
over 10	15%