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SUMMARY OF MAIN TERMS FOR YEAR 2005 THE MALAYSIAN BAR PROFESSIONAL INDEMNITY INSURANCE SCHEME [Please refer to the 2005 Certificate of Insurance for full details]		
No.	Item	Description
1.	Base Premium	The Base Premium is RM1,500 per lawyer. This is then subject to Hazard, Responsibility and Claims loading, if applicable.
2.	Base Excess	The Base Excess of a firm is based on the number of lawyers in the firm.
3.	No Claim Bonus (NCB)	For 2005, Insurers have increased the NCB as follows: a. 55% for firms with NO claims or circumstances notified since 1.7.99; OR b. 50% for firms with CLOSED claims or circumstances, which did not incur any payment since 1.7.99.
4.	Responsibility Ratio	UNQUALIFIED STAFF to LAWYER ratio: a. Firm has 6 or more staff to one lawyer - 10% loading b. Firm has more than 10 staff to one lawyer - 15% loading
5.	Hazard Loading	TYPE OF WORK: Based on the total percentage of fees derived from residential and commercial conveyancing and civil litigation work. Scale is as follows: a. 20 – 30% - 10% loading b. 31 – 50% - 15% loading c. 51 – 75% - 20% loading d. over 75% - 30% loading
6.	Claims Loading	Applied to all notifications [claims and circumstances] from 1.7.99 to-date. A claims loading will be applied to firms who have a reserve set by insurers against their notifications. In some cases special excesses may apply. Firms whose notifications carry a nominal reserve will not enjoy the NCB but there will not be a claims loading. Lawyer A, who was a partner or sole proprietor at Firm X, leaves Firm X to join Firm Y. If Firm X had a notification, the premium for Lawyer A at Firm Y will carry a claims loading. The premium for Firm Y will be determined by its own claims record.
7.	Defamation	Defamation claims are subject to an aggregate limit of RM250,000 per annum. The Base Excess of the firm as stated in the Schedule of the Certificate of Insurance will apply.
8.	Dishonesty of Partner	Dishonesty of partner [not employees] claims are subject to an aggregate limit of RM250,000 per annum. However, this coverage is only available if the firm satisfies the provisions of Clause 7.2. of the Certificate of Insurance. The Excess stated in Clause 6.3[c] of the Certificate of Insurance will apply.
9.	Conflict of Interest	The Base Excess will apply to claims arising out of a lawyer acting in conflict of interest provided the firm has obtained a written waiver from its client. Otherwise, the minimum excess stated in Clause 6.3[a] of the Certificate of Insurance will apply.
10.	Notification of Claims	Firms are required to follow Clause 5.3 of the Certificate of Insurance and notify claims to the adjusters as soon as practicable but no later than 30 days from the date the firm first becomes aware of the claim.