



JARDINE LLOYD THOMPSON
SDN BHD (16674K)

SUMMARY OF MAIN TERMS FOR YEAR 2006
THE MALAYSIAN BAR PROFESSIONAL INDEMNITY INSURANCE SCHEME
[Please refer to the 2006 Certificate of Insurance for full details]

No.	Item	Description
1.	Base Premium	The Base Premium is RM1,500 per Legal Practitioner. This is then subject to Responsibility, Work, and Claims loading, as applicable.
2.	Mandatory Limit & Base Excess	The Mandatory Limit and Base Excess of a Firm are based on the number of Legal Practitioners in the Firm. The Base Excess is the amount of an insured loss arising from any notified Claim or Circumstance or Defence Costs for which the Insured/Firm is financially responsible.
3.	No Claim Bonus (NCB)	For 2006, Insurers have revised the NCB as follows: a. For Firms with NO notified claims or circumstances since 1.1.2001 : 50% b. For Firms with CLOSED claims or circumstances which did not incur any payment since 1.1.2001 : 40%
4.	Responsibility Ratio	Ratio of UNQUALIFIED STAFF to LEGAL PRACTITIONERS: a. Firm has 6 or more staff to one Legal Practitioner : 10% loading b. Firm has more than 10 staff to one Legal Practitioner : 15% loading
5.	Work Loading	TYPE OF WORK: Based on the total percentage of fees derived from <i>residential and commercial conveyancing and civil litigation work</i> . Scale is as follows: a. 20 – 30% : 7.5% loading b. 31 – 50% : 12.5% loading c. 51 – 75% : 17.5% loading d. over 75% : 22.5% loading
	Claims Loading	This will be applied to Firms who have reserves set by Insurers against their notifications [claims and circumstances] from 1.1.2001 to-date . Firms who have notified only ONE Circumstance or only ONE Notice of Demand against which Insurers have set a nominal reserve will enjoy a reduced NCB . Claims Loading follows the Legal Practitioner. <i>Example: Legal Practitioner 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 Legal Practitioner A at Firm Y will carry a Claims loading. The premium for Firm Y will be determined by its own claims record.</i> Note: In some cases special excesses may apply.
7.	Defamation	Defamation claims are subject to an annual aggregate limit of RM250,000. The Base Excess of the Firm as stated in the Schedule of the Certificate of Insurance will apply.
8.	Dishonesty of Partner	Claims in respect of Dishonesty of partner(s) [not employees] are subject to an annual aggregate limit of RM250,000. However, this cover 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 Legal Practitioner acting in conflict of interest provided the Firm has obtained a written waiver from its client. Otherwise, the excess stated in Clause 6.3[a] of the Certificate of Insurance will apply.
10.	Notification of Claims	Firms are required to act in accordance with Clause 5.3 of the Certificate of Insurance and notify claims to the brokers as soon as practicable but no later than 30 days from the date the Firm first becomes aware of the claim.

NOTE: Due to revisions which may be made for 2006, the Clause numbers of the Certificate of Insurance as stated above may be changed in due course.