



JARDINE LLOYD THOMPSON
SDN BHD (16674-K)

THE MALAYSIAN BAR PROFESSIONAL INDEMNITY INSURANCE SCHEME
EXPLANATORY NOTE FOR YEAR 2008

[This note is based on the rating structure agreed between the Bar Council and the Insurer, Pacific & Orient Insurance Co. Berhad]

No.	Item	Description
1.	Base Premium	<p>For the Policy Year 2008, where Firm has NO Claim Paid: -</p> <ul style="list-style-type: none"> The Base Premium of RM 1,300 per practitioner will apply BUT this is subject to maximum increase of 15% on the gross premium incurred by the Firm in 2007; The Base Premium of RM 1,300 per practitioner will apply to newly established practices. For a Practitioner who was a Partner or a Sole Proprietor in their previous Firm and paid a separate past practice claims load in 2007, the Base Premium of RM 1,300 per practitioner will apply UNLESS Claim has been paid.
2.	Mandatory Limit & Base Excess	<p>The Mandatory Limit and Base Excess of a Firm are based on the number of Legal Practitioners in the Firm.</p> <ul style="list-style-type: none"> The minimum Mandatory Limit is RM 250,000 for a single practitioner Firm and the maximum Limit is RM 2,000,000 for a Firm of 36 Practitioners and above. The Base Excess is the amount that each Firm has to bear in respect of payments made by the Insurer to a claimant or Defence Cost. <p>All Firms will have the option to lower their Base Excess by 50%, subject to additional premium payable. Notwithstanding this, provisions of Clause 11 a, b & c of the Certificate of Insurance will apply.</p>
3.	Claims Loading For 2008	<ol style="list-style-type: none"> Applicable to ALL claims paid by Insurers after 1-1-2006; For 2008, calculated as EITHER 5% of claims paid OR 5 x 2008 Base Premium, whichever is lower. Further subject to maximum cap of 25% of amount paid by Insurers for that particular claim. 25% Cap to apply over 5 years and takes into account any claims loads paid for that particular claim by the Firm in 2005, 2006 & 2007. <p>Example: Firm A has 100 Practitioners & a claim paid on 1-2-2006 for RM 2 million. Firm A's Base Premium is = 1,300 x 100 = 130,000.</p> <p>2008 Claims Loading: Either 5% of RM2million = RM 100,000 OR 5 x 130,000 = RM 650,000; whichever is lower.</p> <ul style="list-style-type: none"> For 2008, the applicable claims loading is RM 100,000 as it's lower; AND The maximum claims loading payable for the RM 2 million claim paid is RM 500,000.00 over period of 5 years. This is to be added to the Firm's Base Premium <p>Where Firm A has NOT paid any claims loads prior to 2007:</p> <ul style="list-style-type: none"> Claims loading payable for 2008 is RM 100,000; Firm A's Base Premium is = RM 130,000 Total premium payable for 2008 is RM 230,000 + GST <p>Where Firm A has PAID claims loads in past:</p> <ul style="list-style-type: none"> Take into account loadings paid in years 05,06,and 07 for that claim, if any. Example the claims loadings paid in past 3 years was RM 250,000. Maximum claims loading for this claim is RM 500,000; Taking into account what was paid in the past, the remaining claims loading payable for this paid claim is RM 250,000 spread over 5 years. Premium payable: <ul style="list-style-type: none"> Claims loading payable for 2008 is RM 50,000; Firm A's Base Premium is = RM 130,000; Total premium payable for 2008 is RM 180,000 + GST
4.	Notification of Claims and/or Circumstance	<p>Members are encouraged to notify JLT when they become aware of any Circumstance that may lead to a claim or a Claim or a Letter of Demand. Your premium will not be affected until and unless a payment has been made on that Notification.</p> <p>Firms are required to comply with the COI and notify claims/circumstances to JLT as soon as practicable BUT</p> <ul style="list-style-type: none"> No later than 60 days from the time of awareness of such claim/circumstance. <p>Please refer to Clause 14 of the 2008 COI.</p>