



**JARDINE LLOYD THOMPSON
SDN BHD (16674-K)**

**THE MALAYSIAN BAR PROFESSIONAL INDEMNITY INSURANCE SCHEME
EXPLANATORY NOTE FOR YEAR 2009**

[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 2009, where Firm has NO Claim Paid: -</p> <ul style="list-style-type: none"> The Base Premium of RM1,300 per practitioner will apply ; The Base Premium of RM1,300 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 2008, the Base Premium of RM1,300 per practitioner will apply UNLESS Claim has been paid.
2.	Mandatory Limit, Sub Limit and Base Excess	<p>The Mandatory Limit, Sub 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 RM250,000 for a single practitioner Firm and the maximum Limit is RM2,000,000 for a Firm of 36 Practitioners and above. Sub Limit for Misconduct of Principal and/or Employee is RM350,000 or Limit of Indemnity whichever is lower 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 2009	<ol style="list-style-type: none"> Applicable to ALL claims paid by Insurers after 1-1-2006; For 2009, calculated as EITHER 5% of claims paid OR 5 x 2009 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 and 2007. <p>Example: Firm A has 100 Practitioners and a claim paid on 1-2-2006 for RM2 million. Firm A's Base Premium is = 1,300 x 100 = 130,000.</p> <p>2008 Claims Loading: Either 5% of RM2million = RM100,000 OR 5 x 130,000 = RM650,000; 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 RM500,000.00 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 RM100,000; Firm A's Base Premium is = RM130,000 Total premium payable for 2008 is RM230,000 + 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. <i>Example</i> the claims loadings paid in past 3 years was RM250,000. Maximum claims loading for this claim is RM500,000; Taking into account what was paid in the past, the remaining claims loading payable for this paid claim is RM250,000 spread over 5 years. Premium payable: <ul style="list-style-type: none"> Claims loading payable for 2008 is RM50,000; Firm A's Base Premium is = RM130,000; Total premium payable for 2008 is RM180,000 + GST <p>Take note that claims load paid in the 05,06 and 07 is only taken into account once for any period of Insurance eg if it is taken into consideration in 2008 then for 2009 it will not.</p>



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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 by Insurers 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">▪ And no later than 60 days for 2009 <p>Refer to Clause 14 of the 2008 COI or its equivalent in the 2009 COI.</p>
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