



**Bar Malaysia
Malaysian Bar**

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JLT has issued the 2020 PII Renewal notice to all law firms by email. Law firms may now renew their Professional Indemnity Insurance ("PII") online. JLT will send the PII Schedule to law firms once they have completed the PII renewal process online, and JLT has confirmed that full payment has been received.

**Circular No 173/2019
Dated 30 Aug 2019**

To Members of the Malaysian Bar

2020 Professional Indemnity Insurance Renewal | Premium, Terms and Conditions

The Bar Council is pleased to announce that the Professional Indemnity Insurance ("PII") premium for 2020 will be maintained at RM1,254 per advocate and solicitor, ie the same premium rate as last year. There are no changes to the terms and conditions.

2020 PII Terms and Conditions

No	Item	Terms of 2020 PII Scheme
(1)	Mandatory limit of indemnity	Minimum: RM250,000 (one lawyer) Maximum: RM2,000,000 (36 lawyers and above) <i>Coverage for a firm increases by RM50,000 for every additional lawyer, up to maximum of RM2,000,000, for each and every claim.</i>
(2)	Dishonesty of partner or employee	Coverage limited to RM350,000 in the aggregate, or the firm's mandatory limit, whichever is lower. <i>Limited coverage for dishonesty is aimed at encouraging law firms to adopt risk management practices.</i>
(3)	Mitigation of loss rider clause	This clause provides protection for a firm's clients' monies, as defined under the Solicitors' Accounts Rules 1990. <i>Innocent partners of a firm can be indemnified for mitigating action(s) taken due to embezzlement of clients' monies, subject to the terms of the policy.</i>

(4)	Defamation	Coverage is the firm's mandatory limit of indemnity. <i>Applicable to each and every claim.</i>
(5)	Notification of circumstance / claim	Written notifications to the PII Scheme Broker, Jardine Lloyd Thompson Sdn Bhd ("JLT") must be made within 60 days of becoming aware of a circumstance / claim.
(6)	Claims loading	Claims loading is calculated at either: (a) 5% of claims paid; or (b) 5 x [base premium for 2020]; whichever is lower, and is applicable over the five-year period from the date of notification. <i>Total claims loading is subject to a maximum cap of 25% (over the five-year period).</i>
(7)	Reduced excess option	Firms can opt to reduce their base excess by half (subject to Clause 10 of the Certificate of Insurance), subject to payment of an additional premium of 10%.
(8)	Worldwide coverage option	Option for worldwide territorial and jurisdictional coverage is available to all firms at an additional premium.

2020 PII Renewal — Online Renewal System

By now, each law firm would have received an email from JLT requesting that the law firm confirm its email address, which JLT will use for the 2020 PII Renewal process, as described below.

The 2020 PII Renewal process for all law firms will commence by early September 2019. JLT will disseminate the 2020 PII Renewal notice to all law firms by email. The email will contain each firm's user ID and password, to enable the firm to log into the online renewal system to submit its renewal proposal form online, at www.PRAKTIS.com.my. Each law firm shall submit only **one** proposal form for all its lawyers, regardless of the number of branch offices.

The online renewal system is more convenient and, barring any previous notifications of claims / circumstances against a law firm, the firm's invoice will be produced instantly and sent to the firm by email.

Please take note of the following:

- (1) Upon receipt of the invoice, payment for the 2020 PII Renewal can only be made by direct deposit or Internet banking to JLT's Citibank account. JLT will not accept any payments in cash or by cheque at its office or by post. Once JLT has received confirmation of the payment, Members can proceed to submit their application for their Sijil Annual and Practising Certificate ("SAPC"); and
- (2) Members who are unable to complete their 2020 PII Renewal because no invoice was generated are advised to contact JLT directly.

Important note:

If you become aware of:

- **Any claim** (eg if you are served a writ / summons / notice of third-party proceedings / counterclaim, or you receive any notice / letter / threat of demand); or
- **Any circumstance / event** that you reasonably anticipate could give rise to a claim in the future (eg if you discover any error / omission / embezzlement etc, or a complaint is lodged against you at the Advocates and Solicitors Disciplinary Board);

you **must** inform JLT in writing (via the online proposal form or by email) **within 60 days** of such awareness, failing which the Insurer shall be entitled to **decline coverage** for such claim / circumstance.

Help Desk

(1) PII and Risk Management Department

If you require clarification or have any suggestions regarding PII and risk management, or have an issue with a claim or the services of the PII Scheme's broker, please contact the PII and Risk Management Department by telephone at 03-2032 4511, or by email at pirm@malaysianbar.org.my.

Your feedback is vital to the continuous improvement of the PII Scheme.

(2) Jardine Lloyd Thompson Sdn Bhd

If you have not received the email from JLT regarding the nomination of an authorised person to complete the online proposal form, require assistance for the online submission, or have any queries regarding the 2020 PII online proposal form, kindly contact JLT directly by telephone at 03-2723 3388 (general line) or 03-2723 3241 (dedicated for the Malaysian Bar) or by email at mbar@jltasia.com.

Thank you.

Kuthubul Zaman Bukhari
Chairperson
Professional Indemnity Insurance Committee