

Law firms may renew their Professional Indemnity Insurance ("PII") online from 3:00 pm today, 8 Oct 2018 (Monday). 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 234/2018

Dated 27 Sept 2018

To Members of the Malaysian Bar

2019 Professional Indemnity Insurance Renewal | Premium, Terms and Conditions

Kindly note that the Professional Indemnity Insurance ("PII") premium for 2019 is RM1,254 per lawyer. There are no changes to the terms and conditions.

The 2019 PII premium sees an increase of 6% (RM64) per lawyer from the 2018 PII premium. Last year, we had informed Members in [Circular No 194/2017](#) dated 6 Sept 2017 about an increasing trend of claims in the last few years, which would necessitate an increase in premium. The increase in the 2019 PII premium is therefore inevitable, and already expected.

Members of the Bar are reminded to continuously introduce, practise, and improve risk management procedures within their law firms. Experience has proven that a prudent risk management policy, and education of staff and lawyers on this subject, do reduce the risk of claims. Such reduction of risk of claims would positively impact any future premium pricing. If Members do not practise good risk management, there may be further increases in the PII premiums, in years to come.

2019 PII Terms and Conditions

No	Item	Terms of 2019 PII Scheme
(1)	Mandatory limit of indemnity	Minimum: RM250,000 (one lawyer) Maximum: RM2,000,000 (36 lawyers and above) <i>Cover for a firm increases by RM50,000 for every additional lawyer, up to maximum of RM2,000,000.</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	Notification period is 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 2019], whichever is lower. <i>Claims loading is subject to a further maximum cap of 25% (to apply over the period of five years).</i>
(7)	Reduced excess option	Firms can opt to lower their base excess, subject to payment of additional premium.
(8)	Worldwide coverage option	Option for worldwide territorial and jurisdictional coverage is available to all firms at an additional premium.

2019 PII Renewal — Online Renewal System

By now, law firms would have received an email from the PII Scheme Broker, Jardine Lloyd Thompson Sdn Bhd ("JLT"). JLT's email requests confirmation of the law firms' respective and correct email addresses for submission of the 2019 PII online proposal form.

The 2019 PII renewal process for all law firms will commence by mid-October 2018. JLT will disseminate the 2019 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, accessible at www.PRAKTIS.com.my.

The online renewal system is more convenient and, barring any previous notifications of claims against your firm, your invoice will be produced instantly. During last year's renewal process, 97% of law firms renewed their PII policies online.

Help Desk

(1) PII and Risk Management Department

If you require further 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 2019 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).

Thank you.

Kuthubul Zaman Bukhari and GK Ganesan Kasinathan
Co-Chairpersons
Professional Indemnity Insurance Committee