committee reports

LAWCARE Caring, LawCare



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The primary objective of LawCare is to provide financial assistance to Members of the Bar or their families in cases of illness, disability or death. Today, LawCare has a broader purpose, namely to provide for the welfare of Members of the Bar.

The LawCare Committee held six meetings between 1 Apr and 30 Dec 2011. In between these meetings, regular discussions were carried out, and decisions were made, through the committee's e-group.

Benefits under LawCare

Members contribute RM100 to the LawCare Fund annually. Part of this sum is paid as premium to the LawCare Group Term Life Insurance Policy while the balance is maintained in the LawCare Fund.

In the event of a Member's death, RM30,000 is paid to the Member's nominee/trustee or beneficiary. In cases where a Member suffers from total or partial permanent disability, RM30,000 or a percentage of this sum is paid to the Member. In both instances, RM20,000 is paid from the insurance policy and RM10,000 is paid from the LawCare Fund. However, the insurance policy only covers Members up to 70

years of age. Therefore, in event of death or disability with regard to Members above 70 years of age, the full RM30,000 is paid from the LawCare Fund.

Furthermore, beginning from July 2010, an additional RM2,000 is paid for funeral expenses, in the event of a Member's death. This sum is generally paid from the insurance policy, but is paid from the LawCare Fund in cases involving Members above 70 years of age.

In addition, where a Member below the age of 70 passes away overseas, the Member's family is entitled to claim towards the repatriation expenses.

LawCare also assists Members who require financial assistance, whether due to illness or other reasons, on a case-by-case basis, when they apply to the Benevolent Fund. Members who suffer from terminal illness may claim the sum of RM30,000 immediately.

Renewal of Group Term Life Insurance with Alliance Assurance Berhad ("AIA") for the 2011/12 term

Bar Council renewed the group term life insurance policy with AIA with effect from 1 July 2011. The

LawCare Committee negotiated a reduction in the annual insurance premium, from RM46.55 to RM40.00 per Member. Further, there was also a claims experience refund (akin to "no claims bonus") from the insurers. Both these factors contributed substantially to savings for the LawCare Fund.

The premium schedule and claims information for the previous and current terms are tabulated below:

	July 2010 to June 2011	July 2011 to June 2012
Premium paid for	12,871 Members @ RM46.55/	13,255 Members @ RM40.00/
Sum insured	Member RM20,000	Member RM20,000
Total premium paid	RM599,145.05	RM530,210
Number of death claims	21	10* (as at 30 Dec 2011)
Number of paid out claims	13	0
Amount claimed	RM260,000	Nil
Claims ratio	43.4%	Nil

^{*}No claims have been paid out as at 30 Dec 2011 as the LawCare Committee is waiting for claim document to be regularised and payments from the insurer

LawCare Beneficiary/Trustee Nomination Form ("Form")

In the event of a Member's death, the sum of RM32,000 will be paid to the nominee/trustee or beneficiary duly nominated by the Member. For Muslim Members, the sum will be distributed in accordance with Syariah Law. In cases where no nomination has been made, the sum will be paid to either the executor or administrator of the deceased Member's estate and additional documents must be provided before payment can be made namely, the Grant of Probate and Grant of Letters of Administration or Sijil Faraid. Naturally, the claim process will take longer to complete in such circumstances.

Where a nomination has been made, payment is issued immediately upon receipt of funds from the insurer (usually two months from the date of notification). In some cases, RM10,000 is immediately paid upon notification and confirmation of death. Therefore, Members are advised to appoint a nominee/trustee or name his or her beneficiary to facilitate the process.

Members who have not made a nomination or wish to change their nomination, may do so by filling up the Form and returning it to Bar Council. The Form may be obtained from the Bar Council Secretariat or downloaded from the Malaysian Bar website.

Promoting awareness of Members' entitlement under LawCare

The LawCare Committee recognises that it is important for Members to know their entitlements under LawCare. To promote such awareness, the LawCare Committee issued Circular No 008/2012 dated 18 Jan 2012 entitled "The Malaysian Bar LawCare Fund", summarising the benefits and exclusions under LawCare as well as briefly explaining the claims process for death or disability, and financial assistance from the Benevolent Fund under the LawCare Fund.

Further, Members can view the group term life insurance policy in full detail on the Malaysian Bar website.

Disability Income Insurance

The LawCare Committee understands the importance of, and necessity for, covering loss of income while suffering from prolonged and serious illness. In the 2011/12 term, the LawCare Committee has strived to procure disability income insurance to cover the loss of income in such circumstances and is delighted to announce that a recent proposal received may be suitable.

Essentially, this insurance proposal is designed to help Members who are prevented from attending

committee reports

to their practice following temporary or permanent disablement (that results from illnesses, diseases or accidents), sustain their monthly income.

The premium payable will depend on various factors, such as age and income of the respective Member. As a guide, a 40-year-old Member earning a monthly income of RM10,000 would pay a premium of RM603 annually for this policy. In return, the Member is entitled to receive RM7,200 monthly up to 24 months while suffering from temporary disablement. In the event of permanent disablement, the Member is entitled to claim RM600,000.

The LawCare Committee is seeking clarification on the finer details of the policy, and upon confirmation of its viability, will be introduced to Members. Members have the option to decide whether they want to take the policy as it would not be made compulsory.

Increase in benefits for the welfare of Members, and pupils in chambers

Regularly on the lookout for opportunities and methods to improve the benefits available under LawCare, the LawCare Committee is currently studying the following proposals to:

- (1) increase the coverage under LawCare from RM30,000 to RM100,000;
- add a critical illness or hospitalisation plan (2)under the current group term life insurance policy; and
- cover pupils in chambers under the group term life insurance policy.

Discussions on these proposals are ongoing. Once a firm plan has been worked out, the full proposal or product will be introduced to Members.

Advisory and support service for Members

Stress, depression, health problems and addictive illnesses can affect the careers and practices of Members, cause misery to afflicted Members and their family members, and may even lead to suicide.

As such, the LawCare Committee has undertaken a new project to aid Members address these issues by providing timely, quality and confidential support and advice for Members and their families through access to helplines, support groups and trained counsellors. This project entails sourcing for organisations that, and individuals who, offer the relevant advisory and counselling services, procuring information and literature on health issues faced by Members, and providing access avenues for Members and their families.

A dedicated link on the Malaysian Bar website will be created for this purpose, with an estimated implementation timeline by June 2012.

Acknowledgment

I wish to express my appreciation to the committee members for their valuable insights and commitment to the LawCare cause. I would like to place on record our gratitude to our officer-in-charge, Sagela Nair, for her dedication. Finally, I thank the State Bar Committees and Members of the Bar for their assistance to the LawCare Committee. It has been a pleasure and an honour to once again serve the committee.

Kanarasan Ghandinesen Chairperson

Date: 30 Dec 2011

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