



**Circular No 255/2023
Dated 14 Sept 2023**

To Members of the Malaysian Bar

2024 Professional Indemnity Insurance Renewal | Premium, Terms and Conditions

The Bar Council is pleased to announce that the Professional Indemnity Insurance (“PII”) base premium for 2024 will be maintained at RM1,185.45 (excluding tax) per advocate and solicitor, which is the same base premium rate as last year.

The following are the terms and conditions for the 2024 PII Scheme:

No	Item	Terms and Conditions of the 2024 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 a maximum of RM2,000,000, for each and every claim.</i>
(2)	Dishonesty of partner or employee	Coverage is limited to RM350,000 in aggregate, or the firm’s mandatory limit in aggregate, 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, Marsh Insurance Brokers (Malaysia) Sdn Bhd (“Marsh”), must be made as soon as possible after becoming aware of a circumstance (eg complaint lodged with the Advocates and Solicitors Disciplinary Board, “ASDB”) or claim (eg writ or letter of demand), but no later than 60 days thereof.
(6)	Claims loading	Claims loading is calculated at either: (a) 5% of claims paid; or (b) 5 x [base premium for 2024];

		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 base excess option	Firms can opt to reduce their base excess by half (subject to Clause 10 of the Certificate of Insurance, “COI”), subject to payment of an additional premium of 10% of the reduced base excess.
(8)	Worldwide coverage option	Option for worldwide territorial and jurisdictional coverage is available to all firms at an additional premium.

2024 PII Renewal — Online Renewal System

Marsh will open the portal for Members to renew their PII in **mid-September 2023**.

Marsh will send an email to law firms containing information about the start date of the 2024 PII renewal, followed by instructions to access the PII online renewal system.

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 03-2050 2001, or by email at pirm@malaysianbar.org.my.

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

(2) Marsh Insurance Brokers (Malaysia) Sdn Bhd

If you have not received the email from Marsh regarding the nomination of an authorised person to complete the online proposal form, or if you require assistance for the online submission, or have any queries regarding the 2024 PII online proposal form, kindly contact Marsh directly by telephone at 03-2723 3388 (general line), or 03-2723 3241 (dedicated for the Malaysian Bar), or by email at mbar@marsh.com.

Thank you.

Burhanudeen Abd Wahid and New Sin Yew
Co-Chairpersons
Professional Indemnity Insurance Committee