



**BERJAYA SOMPO
INSURANCE**

PERWAKIM Professional Indemnity Insurance for Members

By Zakaria Lee Abdullah

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Private and Confidential

Why General Insurance Agents Need PI



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Insurance agents operate in a high-stakes environment where mistakes or miscommunication can lead to financial losses for clients.

PI helps protect agents from the financial and reputational impact of claims made against them.

Benefits for General Insurance Agents



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- **Financial Protection:** Covers costs related to legal defense, settlements, or judgments.
- **Regulatory Requirement:** In many jurisdictions, PI is mandatory for insurance agents to operate legally. For Malaysia its Lawyers, Doctors & Real Estate Agents.
- **Reputation Management:** Helps preserve professional reputation by handling claims effectively.

Possible Exposures

1. Errors and Omissions:

- Covers mistakes in advising clients.
- Possible Scenario : An agent provides incorrect advice about coverage limits, leading to a financial shortfall for the client during a claim.

2. Negligence:

- Protects against claims of failure to perform duties with reasonable care.
- Possible Scenario : Failing to renew a client's policy on time, resulting in a lapse in coverage.

3. Misrepresentation:

- Covers allegations that the agent misrepresented policy terms or benefits.
- Possible Scenario : A client claims they were told a policy covered specific risks that it did not.

4. Breach of Duty:

- Protects against claims of failing to meet contractual obligations or professional standards.
- Possible Scenario : Not disclosing critical exclusions in a policy.

5. Legal Defense Costs:

- Covers costs incurred in defending against a claim, even if the claim is baseless.

Coverage Highlights

The Company agrees to indemnify the Insured against any Claim which may be made against the Insured during the period of insurance stated in the Schedule and notified to the Company ;

a) for actual or alleged breach of professional duty in the profession of General Insurance agent; or

b) for any libel, slander or defamation by reason of words written or spoken by the Insured or any employees of the Insured,

by reason of any act, error or omission committed by the Insured in the conduct of Insured's profession as General Insurance agent; and

pay the costs and expenses incurred with the written consent of the Company in the defence or settlement of any such Claim. Such payments shall form part of the Limit of Indemnity and are not additional thereto.

Coverage Benefits in a Nutshell

- The Insured : **Persatuan Wakil Wakil Insuran Am Malaysia (Perwakim)**
- Profession : General Insurance Agents as licensed by PIAM (Persatuan Insurans Am Malaysia)
- Period of Insurance : From **20 December 2024 To 31 December 2025** (both dates inclusive)
- Limit of Indemnity : RM 200,000 per agent/member and RM5,000,000 in the aggregate in the Master Policy
- Excess : As stated in each respective Certificate of Insurance
Option 1 : RM 2,500 per agent for each and every claim
Option 2 : RM 10,000 per agent for each and every claim
- Premium : As stated in each respective Certificate of Insurance
Option 1 : RM3,450 per agent/Member (Subject to 8% SST)
Option 2 : RM2,850 per agent/Member (Subject to 8% SST)

Coverage Benefits in a Nutshell - continues

Territorial Limits : Malaysia

Jurisdiction : Malaysia

Retroactive Date : 20 December 2024

Main Exclusions



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- 1) Prior to Retroactive Date
- 2) Known circumstances or claims
- 3) Dishonesty, Fraud, Criminal, Malicious or Deliberate Acts
- 4) Arising out of the commingling of monies or accounts, or loss of monies received by the Insured or credited to the Insured's account
- 5) by any person or legal entity having a financial interest in the Insured or by any company in which the Insured have a controlling interest
- 6) Contractual liability which would not have attach in the absence of any such contract
- 7) Fines, penalties or exemplary damages
- 8) Management Liability or Directors & Officers

Main Exclusions - continues

9) Specific Matter Exclusion

This policy shall not indemnify the Insured in respect of any Claim or Claims made against them directly or indirectly caused by, arising out of, contributed to by, in respect of or in connection with any of the activities described below:

- i. Any operation by any Insured of a binding authority. Binding authority means a written agreement between Insured and insurance company which delegates authority to the Insured to bind insurance business and /or settle insurance claims on its behalf.
- ii. Any advice upon and/or sale of any investment or financial products, including but not limited to life assurance, pensions and investment activities, or the arrangement of any finance, credit, or leasing agreement.

All other terms, conditions, limitations, exclusions, and endorsements remain unchanged.

11) Others as per policy wording

Thank You

