

ARcover

Professional Indemnity for Architects

Creation and innovation is your passion, protecting your career is ours. ARcover is the professional indemnity (PI) policy designed for architects in Malaysia to help you practice with peace of mind.

KEY BENEFITS

- **Broad** comprehensive coverage at **competitive** premiums.
- **Unlimited** Retroactive Cover, excluding known claims and circumstances.
- **Lifetime Retirement** Cover for Architects even if firm ceases operations (Firm's last limit will apply).
- **All** limits of indemnity starting from RM250,000 p.a. for any one claim & in the aggregate inclusive of costs & expenses.
- **Affordable** excess/deductible.
- **Loss of Documents** Cover includes computer records & electronic data (sub-limit applies).
- **Legal advice & Defence costs** for Civil Liability, Criminal Prosecution, Inquiries & Disciplinary Proceedings.
- If firm has ceased practice, **optional** extended cover for the firm up to 6 years, with additional premium.

ADVANTAGES

- **Proactive** & effective claims management.
- **Experienced** panel of construction lawyers & adjusters.
- A **team** that understands your indemnity needs & your profession.
- Option available for **Single Project** PI (SPPI) to protect the project team. The SPPI can be customised to suit client requirements.
- **Annual** PI can be arranged for other consultants i.e., IDs, Landscape Architects, Engineers, Town Planners, Quantity Surveyors etc.

This brochure is NOT a substitute for the full policy wordings and is not a contract of insurance. Terms, limits, conditions and exclusions apply.

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This is a guide, the actual quote will depend on the information declared in your Proposal Form. Our brochure is up to RM5 million, quotes are available for higher limits & revenue.

Gross Revenue up to	Limit of Indemnity (any one claim & in the aggregate)	Excess (any one claim)	Premium (per annum)
250,000	250,000	15,000	1,600
	500,000	15,000	1,900
	1,000,000	20,000	2,310
	1,500,000	20,000	2,605
	2,000,000	20,000	2,900
500,000	250,000	15,000	2,100
	500,000	15,000	2,650
	1,000,000	20,000	3,000
	1,500,000	20,000	3,275
	2,000,000	20,000	3,550
1,000,000	250,000	15,000	2,980
	500,000	15,000	3,640
	1,000,000	20,000	4,070
	2,000,000	20,000	5,250
	3,000,000	20,000	5,800
	4,000,000	30,000	6,500
	5,000,000	30,000	8,000
2,000,000	250,000	20,000	3,600
	500,000	20,000	4,500
	1,000,000	20,000	6,600
	2,000,000	20,000	7,750
	3,000,000	20,000	8,950
	4,000,000	30,000	9,725
	5,000,000	30,000	10,500
3,000,000	250,000	20,000	5,000
	500,000	20,000	6,430
	1,000,000	20,000	9,600
	2,000,000	20,000	11,200
	3,000,000	20,000	12,870
	4,000,000	30,000	14,030
	5,000,000	30,000	15,000
4,000,000	1,000,000	30,000	13,475
	2,000,000	30,000	15,695
	3,000,000	30,000	18,060
	4,000,000	50,000	19,655
	5,000,000	50,000	21,000
5,000,000	1,000,000	30,000	15,500
	2,000,000	30,000	18,100
	3,000,000	30,000	20,800
	4,000,000	50,000	22,500
	5,000,000	50,000	24,130

This Premium Guide is per firm and covers only projects in Malaysia. Please note that **additional premium may be applicable:**

- If your work involves overseas projects.
- If airport, railway, manufacturing building, mass transit infrastructure works is >15% of your firm's annual revenue.
- Firm has claims in the last 3 years.

OVERVIEW

Q1 Is Professional Indemnity Insurance (PII) important for architects?

Yes, PII is important for architects. It gives you peace of mind and protects you and your firm against any allegations or claims of negligence arising from your professional work, e.g., advice, service, design, supervision etc. These allegations and claims can occur even when you **may not** be at fault.

Q2 How is ARcover different?

It is different because it is customised to suit your profession and endorsed by Pertubuhan Akitek Malaysia (PAM) with the support of a team that understands your needs.

ARcover also provides broad coverage and additional benefits such as:

- ✓ **Unlimited** retroactive cover, excluding known claims and circumstances
- ✓ **Lifetime** retirement cover for the architect & employees
- ✓ **Affordable** excess/deductible
- ✓ Covers legal advice and defence costs for civil liability, criminal prosecution, inquiries & disciplinary proceedings
- ✓ **Experienced** panel of lawyers to support you in the event of a claim/potential claim

Q3 What is Excess/Deductible?

Excess/Deductible is the sum that you or your firm will have to pay **first** towards a claim, whether it is for costs, expenses, settlements, judgments, awards etc. incurred.

Insurers will **ONLY** pay sums **above** the Excess/Deductible up to the Limit of Indemnity purchased.

Q4 What does Limit of Indemnity mean?

The Limit of Indemnity is the maximum amount the insurer is liable for under this policy for any one claim and in the aggregate for the policy period. It is inclusive of costs and expenses.

ARcover offers **any** Limit of Indemnity to suit your needs or to meet your client requirements, starting from RM250,000-00 p.a. any one claim and in the aggregate including costs and expenses.

Q5 Who are the insurers for ARcover?

The insurer is Pacific & Orient Insurance Co. Berhad (P&O) and they are backed by a leading international reinsurer specialising in construction risks.

Q6 Are there any new options offered?

Yes, there are. We can arrange:

- ✓ Single Project PI to cover you and other consultants for your domestic & overseas projects.
- ✓ Annual PI for other consultants, i.e., IDs, landscape architects, engineers, town planners, quantity surveyors etc.

This ensures you **and** your consultants are properly protected.

KEY BENEFITS EXPLAINED

Q7 What is Unlimited Retroactive Cover?

Unlimited retroactive cover means you have protection for ALL the work done by you and/or your firm from the date of incorporation. This is important as a claim can arise years after completion of a project/work.

However, the policy will **not** cover known claims or circumstances.

Q8 What is a claims-made policy?

A claims-made policy simply means you must notify a claim or circumstance as soon as you are aware of it and within the policy period.

It is important for architects to have a continuous PI cover in place NOT just at the time a project is awarded or when performing the work, as a claim can arise years after completion of a project.

Q9 How does lifetime retirement cover work? What if I change firms or the firm does not renew its ARcover policy?

Lifetime retirement cover is triggered when you retire, and your firm has ceased operations. This is provided at **no** additional premium.

This cover does NOT apply:

- ✗ if you change firms and/or continue to practice as an architect.
- ✗ if the firm replaces its ARcover policy with any other PI policy.

When you or your employee retire i.e., **permanently cease practice**, you can do so with peace of mind. The policy limits, excess and terms of cover applicable is your firm's last ARcover policy in place at the point of the firm's cessation.

Q10 What is "Loss of Documents" cover?

The cover is triggered when you are liable to a client for documents which have been stolen, destroyed, damaged or mislaid and, after diligent search, cannot be found and these documents are necessary to complete an ongoing project/work. Insurers will pay the costs incurred to replace or restore such documents (sub-limit applies).

Please note that this policy does NOT provide cover for Cyber losses. It is not a Cyber policy and will not cover any loss or damage caused by a computer virus or unauthorised access to a computer, e.g., hacking, ransomware.

Q11 Why is "Criminal Prosecution" cover important?

In some circumstance, criminal charges may arise against the architect. This cover pays for the legal fees to defend the architect. This is an added feature of ARcover.

ARcover: WHAT IT DOES & DOESN'T PROTECT...

Q12 Who is protected under my ARcover policy?

This policy protects:

- ✓ The professionals in your firm
- ✓ The firm itself (including past, present or future) employees, principals, partners and directors
- ✓ You and/or your firm for any claim against you arising from acts by consultants, sub-consultants, contractors, sub-contractors appointed by your firm. However, it does NOT cover the consultants, subconsultants, contractors, sub-contractors' **own liability** to any third party.

Q13 I have 2 businesses: one does 100% architectural and another does 100% interior design – will ARcover both?

Yes, simply declare both businesses in the Proposal Form and both will be named as insureds. This also applies to your sole-proprietorships and private limited companies.

Q14 What is NOT covered by this ARcover policy?

Here are some examples:

- ✗ Any **known** claims or circumstances prior to the inception of the policy
- ✗ Regulatory fines & penalties
- ✗ Cyber incidences, e.g., hacking, ransomware
- ✗ Employment related disputes e.g., your staff suing for unfair dismissal
- ✗ The firm's commercial and financial obligations, e.g., work or services performed on a pro bono basis and refund of fees/fee disputes

The full list of exclusions is detailed in Section 5 of the policy wordings.

NOTIFICATION OF CIRCUMSTANCES & CLAIMS

Q15 What is the difference between a Circumstance and a Claim?

The difference is:

- a **Circumstance** is when you become aware of any fact or issue that may give rise to a claim.
- a **Claim** is any written or verbal demand or legal proceedings for compensation.

As soon as you become aware of a Circumstance or a Claim, you **must** notify the Insurer in writing as soon as practicable and always within your policy period. Our advice is that any notification be made no later than 60 days of your awareness.

Q16 What is the first thing I do if I want to notify a Circumstance or a Claim?

For guidance, please call Charles Perera at 016 323 9130 or email charles@pacific-orient.com, matthew.ramani@pacific-orient.com or saras@pacific-orient.com

Q17 I am unsure whether to notify?

Most important thing is to seek guidance (see Q16).

Q18 Who will be appointed to defend or advise me?

The lawyer appointed will be from ARcover's selected panel of experienced construction lawyers.

- Mr Wong Hok Mun of Messrs Azim Tunku Farik & Wong
- Mr Mureli Navaratnam of Messrs Mureli Navaratnam
- Mr Sanjay Mohan of Messrs Sanjay Mohan

For suits filed in Sabah & Sarawak, arrangements will be made to instruct a lawyer in East Malaysia.

Note:

The selected panel lawyers have agreed to abide by performance guidelines and a set fee scale, enabling Insurers to manage performance and legal costs incurred. As such, Insurers will appoint from this panel.

Q19 Who do I contact for any queries?

You may contact PAM/Pusat Binaan Sdn Bhd (PBSB) and speak to:

- Ms Madeline Ham at 012-284 6276 or email madelineham@pam.org.my
- Mr Norazam Victor at 019-255 8686 or email victor@pam.org.my

FAQs as at 1 July 2024

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