



Dear Members,

Professional Indemnity Insurance for Financial Advisers and Registered Financial Planners

The National Council of the MFPC is pleased to announce that we have finalised the arrangements of a Professional Indemnity Insurance scheme to be made available for the benefit of our members.

As you are all well aware, a professional indemnity insurance cover is to protect the insured against any claims, costs and related expenses for alleged negligence, errors, omissions or similar acts committed by the individual in the course of his/her service as a professional. Although one may pursue the practice of financial advisory or planning in a competent, diligent and professional manner, provisions must be made for the exposure to these risks. The Lloyds syndicate underwriting the scheme is Beazley, one of the leading professional indemnity underwriters at Lloyds and the local policies are to be issued by LONPAC Insurance Bhd.

For those who are Financial Advisers, one of the compulsory requirements for the licensing criteria is that he/she must have professional indemnity insurance cover RM 200 000.00 net of deductibles. For Registered Financial Planners having a professional indemnity coverage is not compulsory but nevertheless highly recommended.

The premium chargeable for the scheme are based on the annual commissions (or income) earned and are as follows:

RFP's Annual Commissions	Annual Premium
Below RM200 000.00	RM450.00
RM201,000.00 to RM300 000.00	RM630.00
Above RM301 000.00	RM810.00

Note: 1) Members are also given the option to top-up the cover up to a limit of RM One Million
2) FAs and RFPs have different underwriting requirements.

For further enquiries and other information you may contact Ms. Wee Pek Giok, MFPC Secretariat at 03-26931900.

We invite and encourage everyone to be aware of the Professional Indemnity Insurance Scheme and take advantage of the benefits provided.

Thanking you,

Sincerely yours
NG LIAN LU
President MFPC