

ARcover Frequently Asked Questions

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

A1 Yes, PII is important for architects. It protects you and your firm against any allegations or claims of negligence arising from 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?

A2 It is different because it is customised to suit your profession with broad coverage and extra benefits such as

- ✓ Lifetime retirement cover
- ✓ Unlimited retroactive cover
- ✓ Reasonable excess
- ✓ Legal costs
- ✓ It is endorsed by Pertubuhan Akitek Malaysia (PAM) and supported by a team with extensive experience in PII Schemes in Malaysia and overseas.

You also benefit as ARcover has an experienced panel of lawyers and adjusters to support you in the event of a claim.

Q3 What is Excess?

A3 Excess is the sum that you pay towards the cost of each claim. Insurers will pay sums above the Excess up to the Limit of Indemnity purchased. The Excess starts at RM15,000-00.

Q4 What are the Limits of Indemnity offered?

A4 ARcover offers any Limit of Indemnity that you request starting from RM 250,000-00 any one claim and in the aggregate.

Q5 Who are the insurers for ARcover?

A5 The insurer is Pacific & Orient Insurance Co. Berhad (P&O) and they are backed by a leading international reinsurer specialising in construction risks.

Terms

Q6 What is full retroactive cover?

A6 Full retroactive cover means you have protection for ALL work done by your/your firm from the date of incorporation. This is important as a claim can arise years after completion of a project/work.

Q7 What is a claims made policy?

A7 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 PII cover in place **NOT** just at the time of performing the project/work as a claim can arise years after completion.

Q8 How does lifetime retirement cover work? What if I change firms?

A8 Lifetime retirement cover is to protect you when you retire, at **no** additional premium. Currently, ARcover is the only PI policy offering this for architects.

It means when you/your employee retire i.e., **permanently cease practice**, you can do so with peace of mind as you have ARcover protection.

This cover does not apply if you change firms and/or continue to practice as an architect.

Q9 What is "Loss of Documents" cover?

A9 Insurers will pay for the costs you incur to replace or restore any documents (including computer records and electronic data) which have been stolen, destroyed, or damaged; provided you are liable to a client for such loss or damage and such documents is necessary for you to complete an ongoing project/work.

Q10 Why is “Criminal Prosecution” cover important?

A10 In some circumstances, criminal charges may arise against the architect. This cover pays for the legal fees to defend the prosecution.
This is an added feature of ARcover.

What Does ARcover Protect?

Q11 Who is protected under my ARcover policy?

A11 This policy protects

- The professionals in your firm
- The firm itself (including past, present, or future) employees, partners, and directors
- You/your firm against any claims arising from acts by consultants, sub-consultants, contractors, sub-contractors appointed by your firm.

Q12 I have 2 businesses: one does 100% architectural and another does 100% interior design – will ARcover both?

A12 Yes, simply declare both businesses in the Proposal Form and both will be named as insureds.

Q13 What is NOT covered in this policy?

A13 The firm’s commercial and financial obligations are not covered, here are a few examples:

- Work or services performed on a pro bono basis.
- Refund of fees or fee disputes.
- Employment related disputes e.g., your staff suing for unfair dismissal.

Notification Of Circumstances & Claims

Q14 What is the difference between a Circumstance and a Claim?

A14 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.

Q15 What is the first thing I do if I want to notify a Circumstance or a Claim?

A15 For detailed guidance, please call Charles Perera at 016-323 9130 or email charles@pacific-orient.com or saras@pacific-orient.com

Q16 I am unsure whether to notify?

A16 Most important thing is to seek guidance (see Q15).

Q17 Who are the panel lawyers who will be appointed to defend or advise me?

A17 ARcover’s panel lawyers are experienced construction litigators and are specifically selected.

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

Q18 Who do I contact for any queries?

A18 You may contact Pusat Binaan Sdn Bhd (PBSB) and speak to:

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

FAQ as at 30 March 2022