

ENHANCED BIZ GUARD – Launch 23rd July 2015

FREQUENTLY ASKED QUESTIONS (FAQ) on Biz Guard

- 1. Can we start to promote and do sell Biz Guard at our sales counters?**
Yes, definitely and immediately
- 2. How many cover notes need to be issued?**
No cover note is necessary. Only internal cover notes to be generated by the branch underwriter or Operations Dept at Head Office. For cover to be effected, you will need to get the insured to complete the proposal form and submit to our branch office.
- 3. Section I (A) covers Fire Material Damage and (B) covers Fire Consequential Loss Insurance. Can we accept Fire Material Damage without Fire Consequential Loss?**
Yes, we do accept Fire Material Damage without Fire Consequential Loss but Fire Consequential Loss policy must not be issued when there is no Fire Material Damage cover in place. Fire Consequential Loss Policy will not response to a claim unless the Fire Material Damage section is triggered.
- 4. What is the maximum insured value that I can issue for Fire and Con Loss?**
The maximum combined value is not to exceed RM10 million as the rating is to follow the rating rules of the Fire Tariff. If a combined value greater than RM10 million is required, the case will have to be referred to our office for rating and approval.
- 5. Can I insure Consequential Loss on a Gross profit basis?**
Yes. Gross Revenue basis specification is meant for occupations that are rendering services and their income is derived for such services rendered, e.g. accounting firms or advertising firms. Manufacturing SME companies will have to insure on Gross Profit basis.
- 6. Do I need to submit a P&L and Balance Sheet for the Consequential Loss cover?**
Yes, it would be important particularly when a claim arises.
- 7. Will be there be any loading imposed for Construction Class 1B and Class 2 Building under Section II - Burglary and Section III - Machine and Equipment ?**
No loading will be imposed for Construction Class 1B or Class 2.
- 8. Does under-insurance apply to the individual sub-sections in Section II and III, as the insured values are fixed by plans selected?**
Apart from Public Liability, Employer's liability, Personal Accident and Fidelity Guarantee, the insured values in the plans are on first loss basis. Under-insurance will not apply in the event of a claim.
- 9. Can insured insure several outlets in different locations in one policy?**
Yes. They can but premium is to be charged individually and to follow the same selected plan in Section II.

10. If a claim is reported for any sub-section, will the policy be lapse? Is reinstatement permitted? If yes, how will the premium be charged?

No, the policy will not be lapsed but will be subject to review on renewal. Reinstatement is permitted and will follow the normal endorsement process under the General Conditions to the policy. Additional premium will be charged on pro-rata basis for reinstatement.

11. Can we accept the risk without alarm system installed in the retail shops/offices?

Yes we can. We still practice minimum underwriting. You should be accepting risks that are of good quality to protect your entire portfolio.

12. If our client does not cover for his machine under Section I - Fire, can we provide the cover under Section III - Machine and Equipment?

The client can choose to insure his machine and equipment under either Section. The difference is that there is an additional coverage under Section III - Machine and Equipment for the risks of theft and accidental damage, which is not a cover under Section 1.

13. Does excess apply?

Yes. RM350.00 is applicable to both Section II (except for Employer's Liability and Personal Accident) and Section III (except Personal Accident for Foreign Workers). A separate excess of 0.5% of Sum Insured is applicable to Machine and equipment sub-section.

14. Is there any possibility to extend Section II - Public Liability to cover "Fire and Explosion" and if yes, what is the rate?

You can provide this extension to the Policy based on risk occupation for an additional premium of RM20 flat.

15. Is the additional premium of RM50.00 for the extension of "Food and Drink Poisoning" applicable to all 3 Plans in Section II - Public Liability?

Yes, all plans have this same charge for the extension.

16. For Section II - Money Insurance, Sub-section (b) - Money in Premises - besides Locked Safe and Locked Drawer, would there be any cover for money in Locked Cash Register?

Yes, Money in Premises is defined as "Money in Locked Safe, Drawer and Cash Register".

17. Is it necessary to list down each and every machine and equipment or we can just disclose one overall sum insured only?

Yes. You need to list down the items to be insured as per customer's requirement. However, only serial numbers and corresponding sums insured are needed.

18. What will be the Stamp Duty charge for the Biz Guard?

The Biz Guard is issued as a package but two policies are generated, one for Section I and another for Section II and III (combined, if so selected). As such two stamp duty charges will be imposed i.e. RM20.00

19. If used car/motorcycle dealers are considered as 'referred' risk in Biz Guard, how about new car dealers?

This package is not meant to cover car dealers (new or used). Such occupations need to be referred

20. Since the Machine and Equipment sub-section is optional, will the coverage contradict with the compulsory Fire and Burglary sub-section?

The Machine and Equipment insurance provides for accidental damage which is not provided under Fire and Burglary Insurance.

21. Is minimum premium applicable to Section I and Section III?

A minimum premium of RM75.00 is applicable to Section I as stipulated under the Fire tariff rules. Minimum premiums are not applicable to Section II and III as it is priced according to plans selected.

22. Can Insured buy or convert to Biz Guard Policy upon expiry of their existing Fire and individual miscellaneous policy?

Yes. You must attach the previous policy showing the policy number for data capture into our system. The system will pick up the replacing Policy Number and it will not be treated as new policy.