Product Disclosure Sheet

BOND INSURANCE

The benefit(s) payable under eligible certificate/policy/product is(are) protected by PIDM up to limits. Please refer to PIDM's TIPS brochure or contact Chubb Insurance Malaysia Berhad or PIDM (visit www.pidm.gov.my).

Dear Customer,

This Product Disclosure Sheet (PDS) is designed to provide you with some key information on your Bond Insurance.

Other customers have read this PDS and found it helpful; **You should read it too**.

1. What is Bond Insurance?

A bond is a guarantee undertaken to pay an agreed sum to the principal upon the presentation of a written demand, in the event the contractor fails to perform its obligations or liabilities.

2. Know Your Coverage

As an illustration, for a premium of RM4,000.00 covering an insurance period of two (2) years, with a bond sum of RM100,000.00, you will receive any of the following bond insurance coverage:

This policy **covers** any of the following types of bond which you may choose per your contract requirements:	This policy **excludes:**
Bid or Tender Bond • As support to the principal of a project that the bidder will honour their bid and fulfil the contract if awarded the project. **Advance Payment Bond** • As support to the principal of a project that they will be financially compensated as a result of a failure to recoup the advance money paid to the contractor as per terms of the contract. **Performance Bond** • As support to the principal of a project that they will be financially compensated as a result of failure of the contractor to complete the project as per terms of the contract.	Coverage for: a) Foreign workers agencies involved in recruiting foreign workers (including foreign maid agencies). b) Tourist agencies for management of foreign tourists in Malaysia. c) Lost share certificates.

The list of coverages and exclusions in this table is **non-exhaustive**. Please read your policy for the full list of terms and conditions.

The duration of coverage is a fixed period for which a bond insurance is required, usually matching the contract length or a project phase.

3. Know Your Obligations

For this insurance policy, the exact premium sum will be determined based on various factors, including the scope and nature of your contract works, bond value and period of insurance. Please reach out to us/your servicing intermediary to obtain a quote.	
You also have to pay the following fees and charges:	
Stamp duty (if applicable)	The prevailing stamp duty charges are as follows: i. Bond – RM10.00 ii. Letter of Indemnity – RM10.00 each
Commission paid to Insurance Intermediary (if applicable)	Maximum of up to 10% of the gross premium
Bank charges (applicable for bank guarantee only)	Minimum 1.15% per annum subject to a minimum RM100.00
Other applicable charges	8% services tax
Cash Collateral	20% on amount of the bond sum (subject to underwriting and the financial strength of the contractor and guarantor (if required) with final approval from Chubb Insurance Malaysia Berhad)

4. Other Key Terms

- Your duty of disclosure
1. Duty for non-Consumer Insurance Policy
   1.1 You have a duty to disclose to us any matter that:
      (a) You know to be relevant to our decision on whether to accept the risk or not and the rates and terms to be applied; or
      (b) a reasonable person in the circumstances could be expected to know to be relevant.
2. Consequences of Breach of Duty
   2.1 If this is a non-Consumer Insurance Policy, breach of your duty stated above may result in us avoiding the Policy and refusing all claims.
- Cash-Before-Release
  Payment (i.e. premium and cash collateral) shall be received by Chubb Insurance Malaysia Berhad before the Bond is released.

Note: This list is **non-exhaustive**. You should refer to the policy for the full list of terms and conditions.

5. Can I cancel my Policy?

No. Once the Bond is released, it cannot be cancelled before its expiry date, and a letter of discharge must be obtained from the principal of the Bond.

If You have any questions or require assistance on Your insurance, You can:
Call Us at: 603-2058 3000
Visit Us at: https://www.chubb.com/my-en/contact-us/product-enquiry.html
Email Us at: Inquiries.MY@chubb.com