

NAME OF SUBJECT	MOTOR INSURANCE	
LEARNING & SKILL OUTCOMES	OBJECTIVES	
Illustrate the nature of and main factors impacting on motor risk, the scope of cover available for motor cars, motor cycles, commercial vehicles and other motor risks	<ul style="list-style-type: none"> • Appraise the nature of and main factors impacting on motor risk. • Illustrate the scope of cover available for motor cars, motor cycles, commercial vehicles and other motor risks. 	
Illustrate and understand the practices of motor insurance, including documentation	<ul style="list-style-type: none"> • Illustrate the market practices of motor insurance, including documentation. 	
Appraise and understand to risk perception, evaluation and underwriting of motor insurance	<ul style="list-style-type: none"> • Appraise the risk perception, evaluation and underwriting of motor insurance. 	
Appraise the claims considerations, use of information technology and procedures of motor insurance	<ul style="list-style-type: none"> • Appraise the claims considerations, use of information technology and procedures of motor insurance. 	
CONTENT OUTLINE		
<p>THE NATURE OF AND MAIN FACTORS IMPACTING ON MOTOR RISK</p> <ul style="list-style-type: none"> • Motor Risk <ul style="list-style-type: none"> ○ Different types of motor risk: <ul style="list-style-type: none"> ○ Third party liability ○ Own damage ○ Terrorism ○ Riot ○ War ○ Nuclear risks ○ The typical frequency and severity of motor risks • Legislation and other factors <ul style="list-style-type: none"> ○ Key provisions of the Road Transport Acts 1987: <ul style="list-style-type: none"> ○ Principal road safety provisions ○ Licensing of drivers ○ Miscellaneous and general ○ Relevant case law <ul style="list-style-type: none"> ▪ Malaysian Motor Tariff ▪ Road Transport Act 1987 ▪ Insurance Act 1996 ▪ Civil Law Act 1956 (Revised 1972) ▪ Insurance Company Agreement on General Insurance Business (ICAGIB) – issued by PIAM ▪ JPI/GPI – guidelines issued by BNM ▪ The Financial Mediation Bureau ○ Key provisions of the Road Traffic Acts: <ul style="list-style-type: none"> ○ Principal road safety provisions ○ Licensing of drivers ○ Miscellaneous and general ○ Relevant case law • Compulsory motor insurance: <ul style="list-style-type: none"> • Part VI of the Road Transport Act - and how the underwriting of insurance helps control motor risk • Vehicle use and driving limitation <ul style="list-style-type: none"> ○ The Motor Insurers' Bureau ○ The Motor Insurers' Bureau <ul style="list-style-type: none"> ○ The uninsured and untraced drivers agreements ○ The effect of the Domestic Agreement (Article 75) 		

- Its influence on market practice
- Example of case (accident in Singapore) Pacific & Orient vs. MIB of Singapore (2012) SGHC 202
- Insurance offences
- Void and voidable policies
- Uninsured driving
 - Risk implications
 - Controls

THE SCOPE OF COVER AVAILABLE FOR MOTOR CARS, MOTOR CYCLES, COMMERCIAL VEHICLES AND OTHER MOTOR RISKS

- Indemnity and main types of cover
 - The motor car policy and its structure
 - Cover for loss or damage to the insured vehicle- relevant exclusions and limitations
 - Cover for third party liabilities-relevant exclusions and limitations
 - Additional benefits under motor insurance:
 - Wind screen
 - Radio cassette
 - Riot
 - Strike
 - Civil commotion
 - Flood
 - Personal accident
 - Falling trees
 - Legal liability of passengers (LLOP)
 - Legal liability to passengers (LLTP)
 - Name driver
 - Policy conditions and general exceptions
 - Geographical limits and jurisdiction
 - Vehicle used in :
 - Thailand
 - West Kalimantan
 - Brunei
 - Singapore
 - Right of recovery clause
 - Uninsured loss recovery
 - Breakdown assistance
- Cover for motor cycles, commercial vehicles and other motor risks
 - Motor cycles
 - Goods carrying commercial vehicles
 - Hire cars
 - Passenger carrying commercial vehicles
 - Special types
 - Agricultural and forestry vehicles
 - Motor trade

THE PRACTICES OF MOTOR INSURANCE, INCLUDING DOCUMENTATION

- The new business process
 - Proposal declaration
 - Policy document
 - Schedule
- The certificate of insurance and cover note
 - Premium payment - cash before cover
 - eCover Note
 - Important of certificate as per RTA
 - The ISM's role on:
 - NCB confirmation
 - Market value for private Motor Vehicle
 - Losses experience collation centre
- Mid-term policy alterations and documentation (Change of address/refer JPJ : RTA 58A)
- The renewal process, including documentation and lapses

- Legal issues arising from cancellation
 - JPJ requirement
 - Transferable of road tax
 - Cancellation of road tax
- Legal issues arising from documentation issued via intermediaries
- Malaysian Motor Insurance Pool (MMIP)
 - Shariah Compliant Malaysian Motor Pool

THE RISK PERCEPTION, EVALUATION AND UNDERWRITING OF MOTOR INSURANCE

- Rating and underwriting of motor vehicles and users
 - Use of :
 - Parameters
 - Standard rates
 - Rating models
 - Pricing methods
 - Key risk assessment approaches and underwriting options
 - Proposal evaluation
 - Assessment of drivers and other users
 - Assessment of vehicles
 - Groupings
 - Modified vehicles
 - High performance
 - High valued vehicles
 - Application of loadings and discounts, including no claim discounts
 - Other rating and underwriting factors affecting the claims ratio
 - Factors affecting the expense ratio and operating ratio
 - Reinsurance applied to motor insurance.
 - AMLA verification
 - Gradual premium adjustment (started in 2012)
- Other types of vehicle and motor fleet
 - Variations in underwriting for :
 - Motor cycles
 - Commercial vehicles
 - Other motor risks
 - Underwriting fleet rated risks
 - Fleet risk management and its benefits in underwriting fleet risks
- Mid-term and renewal underwriting
 - Key issues in underwriting mid-term changes:
 - Duty of disclosure
 - Material facts
 - Risk changes
 - Key issues in renewal underwriting
 - Importance of liaison between claims and underwriting functions

THE CLAIMS CONSIDERATIONS AND PROCEDURES OF MOTOR INSURANCE

- Claims management objectives and philosophy
- Validation and evaluation
- Counter fraud measures
- General claims handling principles applied to motor insurances
- Specific claims handling procedures applicable to
 - Private motor
 - Commercial motor
 - Motor trade insurance
- The role of the police in the claims process
- Market agreements and their effect:
 - The knock for knock agreement
 - MIB Agreements
- Role of ISM
- The role of
 - Motor loss adjusters

- Approved repairers
- Others involved in own vehicle
- Third party property repairs and replacements
- Procedure to
 - Assess bodily injury
 - Accidental damage
 - Fire and theft
 - Third party losses
 - Example on Court procedure
- Classification of damages and settlements
- Dispute resolution:
 - Arbitration clauses
 - Internal complaint processes
 - The Financial Mediation Bureau

INFORMATION TECHNOLOGY

- Implications of IT development for the motor insurance market including:
 - Electronic data interchange (EDI)
 - Insurer
 - Intermediary links
 - Direct motor insurance business
 - Access to information from :
 - Insurance sources
 - Non-insurance sources