



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

MACAO SPECIAL ADMINISTRATIVE REGION

Administrative Regulation N° 41/2003

***Tariff of Premiums for Compulsory Professional
Liability Insurance for Lawyers***

After hearing the opinion of the Executive Council, the Chief Executive hereby determines, pursuant to the provision of Article 50 paragraph 5) of the Basic Law of the Macao Special Administrative Region, that the following shall be enforced as administrative regulation:

***Article 1
Tariff of premiums***

It is hereby approved the tariff of premiums for the compulsory professional liability insurance for lawyers annexed to this administrative regulation, which forms an integral part thereof.

***Article 2
Effective date***

The present administrative regulation shall come into force on 1st January 2004.

Approved on 4th December 2003

To be published.

The Chief Executive, Ho Hau Wah.

**TARIFF OF PREMIUMS
FOR COMPULSORY PROFESSIONAL
LIABILITY INSURANCE FOR LAWYERS**

**Article 1
Scope**

This tariff, which compulsorily applies to all professional liability insurance policies for lawyers issued in the Macao Special Administrative Region, provides for the rates, terms and conditions on which those insurance contracts shall be written.

**Article 2
Proposal**

1. *In the insurance proposal, the completion of the following particulars shall be compulsory, in addition to other particulars considered convenient by the insurers:*
 - 1) *Name of the policyholder and of the proponent, respective professional identification number of the latter and the location of the respective office;*
 - 2) *Number and name of the trainee lawyers under the responsibility of the proponent, respective professional identification number and date of commencement of the occupation;*
 - 3) *Number and name of the non-lawyer staff of the proponent and date of commencement of the occupation;*
 - 4) *Date of commencement, duration and expiry of the insurance;*
 - 5) *Retroactive date;*
 - 6) *Sum insured;*
 - 7) *Excess.*
2. *The proposal shall not contain erasures, namely in relation to the details mentioned in the preceding paragraph.*

**Article 3
Duration of the insurance**

The insurance shall be for a fixed and determined period for up to one year, and the premium shall be determined according to the provisions of Articles 4 and 6.

Article 4
Rates of annual premium

1. *The premium rate for lawyers shall be:*

1) ***Without application of any excess***

5‰ on the sum insured.

2) ***With application of excess for each claim***

<i>Excess</i>	<i>Premium Discount</i>	<i>Premium rate</i>
<i>10%</i>	<i>5%</i>	<i>4.75‰</i>
<i>15%</i>	<i>10%</i>	<i>4.50‰</i>
<i>20%</i>	<i>15%</i>	<i>4.25‰</i>
<i>25%</i>	<i>20%</i>	<i>4.00‰</i>

2. *In relation to each trainee lawyer, the additional premium for the lawyer responsible shall be 25% of the premium, calculated according to the terms of subparagraphs 1) and 2) of the preceding paragraph 1.*

3. *In relation to the staff of the lawyer, the additional premium for the lawyer(s) responsible shall be 10% of the premium, calculated according to the terms of subparagraphs 1) and 2) of the preceding paragraph 1.*

Article 5
Premium by instalments

Where the premium payable is equal to or higher than MOP 40,000.00 (forty thousand patacas), the same may be settled in two half-yearly instalments, paid in advance with a premium loading of 5%, provided that each instalment does not fall below MOP 20,000.00 (twenty thousand patacas).

Article 6
Insurance contracts for less than one year

Where insurance contracts have periods of less than one year, the following percentages of annual premium shall be collected as minimum:

- *Up to 1 month..... 20%*
- *Over 1 month, but equal to or less than 3 months 40%*

- Over 3 months, but equal to or less than 5 months..... 60%
- Over 5 months, but equal to or less than 8 months..... 80%
- Exceeding 8 months..... 100%

Article 7
No claim discount

1. If no claim is made during a period of insurance specified below, immediately preceding the renewal of the insurance policy, which may give rise to the payment of any compensation or the setting up of provision for likely future payment of such compensation, the insured shall be entitled to a reduction in the subsequent renewal premium as follows:

Period of insurance	Reduction
- The preceding year.....	5%
- The preceding two consecutive years.....	10%
- The preceding three or more consecutive years.....	15%

2. In case of transfer of contract with “No Claim Discount”, the insurer to whom that insurance is transferred may concede such discount to the Insured, provided there is a written confirmation of such rights by the previous insurer.

Article 8
Surcharge for adverse loss experience

Where the insured has lodged one or more valid claims during the same period of insurance, the premium and additional premiums shall be subject to the following surcharges:

No. of valid claims lodged	Surcharges
1	10%
2	20%
3	30%
4	40%
5 or more	100%

Article 9
Additional charges

The only additional charge applicable to the premium shall be the percentage legally established for the stamp duty.

Article 10
Cancellation of the contract or reduction of the sum insured

1. *When the insurer takes the decision to cancel the contract or reduce the sum insured, it shall return the full premium pertaining to the unexpired period.*
2. *If the cancellation or reduction is at the initiative of the policyholder, the return-premium shall be 50% of the premium pertaining to the unexpired period; however, if the cancellation is due to non-acceptance by the policyholder of the new conditions imposed on account of aggravation of the risk, the policyholder shall be entitled to a full refund of the premium pertaining to the unexpired period.*

Article 11
Rounding off

1. *The amount of premium shall always be rounded off to the next higher unit of pataca.*
2. *The stamp duty shall be rounded off under the terms of the law.*