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ADVOCATES AND SOLICITORS



Speaker
EDWIN RAJ
Senior Associate



Speaker
**KIRBASYINI
CHANDRAN**
Senior Associate



Moderator
RACHEL NG
Associate

Wed 20 August 2024
3:00pm (GMT +8)

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MWKA ONLINE TALKS

Non-Disclosure in Insurance Contracts



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Edwin Raj

Senior Associate



- ❖ Senior Associate in our Dispute Resolution departments.
- ❖ Bachelor of Laws (Hons) from the University of London
- ❖ Certificate in Legal Practice (CLP) in 2014.
- ❖ Admitted to the Malaysian Bar in 2016
- ❖ Areas of practice include general litigation, defamation, commercial litigation, professional negligence and indemnity, strata disputes, employment matters, and intellectual property.

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Kirbasyini Chandran

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- ❖ Associate in our Dispute Resolution departments.
- ❖ Bachelor of Laws (Hons) from Cardiff University and Certificate in Legal Practice (CLP).
- ❖ Areas of practice includes contractual and commercial disputes, strata management, personal injury, public liability, medical negligence, land reference proceedings and employment law disputes.

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Talk Points

- Pre-contractual duties in insurance contract
- Proposal Form
- Nature of Insurance Contracts
- Misrepresentation (Contracts Act 1950)
- Misrepresentation & Non-Disclosure (Financial Services Act 1950)
- Factors in Determining Non-Disclosure & Case Laws
- Remedies

Introduction

- Insurance = Contractual Agreement
 - One party pays up front, usually known as a premium (insured)
 - The other party promises to protect against a possible future loss (insurer)
- Typically an insurance transaction:
 - Pre-contractual stage
 - Contractual stage
 - Commencement of Risk

Pre-Contractual Stage

- Customer fills in a “proposal”
- The proposal acts like an application for insurance
- Typically proposal comes in a format of a form or questions and answers to be filled
- The underwriter then reviews the information provided by the customer
- Underwriter would sometimes ask for extra documents (medical check, income, company search)
- Underwriter decides whether to accept or decline or impose additional terms

Contractual Stage

- Insurer decides to accept risk
- Insurer issues the policy
- Customers agree and pay the premium
- Policy document sets out the terms, rights, duties and exclusions

Commencement of Risk

- Coverage begins from the effective date stated in the policy.
- The insured must continue to comply with the policy terms and pay premiums as required.
- Once the insured event occurs, the insurer is contractually bound to provide coverage.
 - Insurer cannot simply deny coverage upon the occurrence of the insured event

Proposal Form

- Today's focus on pre-contractual stage
- Proposal form typically looks like this:

A. Proposed Insured (PI 1)			
1. Name First		Middle	Last
2. Sex ☐ Male ☐ Female	3. Date of Birth (mm/dd/yyyy) / /		4. Social Security/Tax ID #
5. Drivers License State, No., Issue and Expiration Date		6. Marital Status ☐ M ☐ D ☐ S ☐ W	7. Birth Place (State/Country)
8. Citizenship (If other, provide details including valid Green Card or Visa # and Type. Attach a copy of complete document.) ☐ US ☐ Other Details			
9. Address Street		City	State Zip
10. Mailing Address (if different from above) Street		City	State Zip
11. Years at Address	12. Phone Number Personal () Business ()		13. Email Address
14. Employer		15. Occupation	16. How Long
17. Business Address Street		City	State Zip

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Proposal Form

- Clause on Representation
- Typically in a proposal form it appears as a declaration, to declare that
 - all the information given is true, correct, and complete;
 - they understand the duty of disclosure; and
 - they agree that the insurer will rely on their answers.

Proposal Form

- Declaration on representations

Representations (Please Read Carefully)

I (we), the Proposed Insured(s), and the Applicant(s) if other than the Proposed Insured(s), and the Applicant(s) on behalf of the Proposed Insured(s), if the Proposed Insured(s) is (are) age 17 or less and the Applicant(s) is (are) authorized under applicable law to make such a representation on behalf of the Proposed Insured(s), represent that the statements and answers in this Part I of the application are written as made by me (us) and are complete and true to the best of my (our) knowledge and belief. I (we) the Proposed Insured(s), or the Applicant(s) if other than the Proposed Insured(s) agree that they will be a part of the contract of insurance if issued, that I (we) will be bound by such statements and answers, and that the Company, believing them to be true, will rely and act upon them. I (we) also understand and agree that:

1. **Subject to any coverage provided under the terms and provisions of a Temporary Insurance Agreement, if applicable, no insurance coverage will be in force until the first modal premium is paid in full AND a life insurance policy has been issued and delivered to the policy owner while the health, habits, occupation, financial circumstances and other facts relating to the Proposed Insured(s) and to the Payor, if a Payor Benefit is issued, are the same as described in this Part I of the application, any Part II required by the Company, and any amendments or supplements to them.**
2. Notice to or knowledge of an agent or a medical examiner is not notice to or knowledge of the Company, and no agent or medical examiner is authorized to accept risks, to pass upon acceptability for insurance or to modify any contract of insurance.
3. Acceptance of any policy issued based on this application will be a ratification of any amendments or corrections noted by the Company in the space headed "Home Office Amendments and Corrections", except that if required by statute, regulation or Interstate Insurance Product Regulation Commission standard, any change in amount, age, plan of insurance, additional benefits or classification must be agreed to in writing.

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Proposal Form

- Declaration on fraud

of insurance, additional benefits or classification must be agreed to in writing.

Fraud Warning

Fraud Warning: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Signatures - If Proposed Insured is under age 18, Parent or Guardian must sign and include relationship.

Signed and Dated by the Applicant in

City State Date (mm/dd/yyyy)

Signature of Insured (Or Parent/Guardian if Insured is under the age of 18)

Proposed Insured 1 Proposed Insured 2

Signature of Owner and/or Applicant if other than the Proposed Insured

Owner* Applicant

*If a Corporation, the signature and title of any authorized officer other than the Proposed Insured(s) is required and the full name of the Corporation must be shown. If a Trust, the signature of the Trustee(s), as required by the Trust document.

Signature of Payor _____

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Honesty in Proposal

- Important in the pre-contractual stage to disclose truthfully
- Why? Relevant information for the insurer to assess the risk and determine whether to provide coverage or not
- If to provide coverage -
 - on what terms
 - premium

Honesty in Proposal

- If however, information is not given honestly and truthfully
- Or failing to disclose required information
- It may amount to **misrepresentation** or **non-disclosure**
- Even at the pre-contractual stage
- Effect?
 - Avoid and repudiate the insurance contract
 - Deny coverage of your claim

Nature of Insurance Contracts

- Before we talk about Misrepresentation & Non-Disclosure and how it applies in insurance contracts:
 - we have to first understand the nature of insurance contract
- Insurance contract → essentially contracts/agreements
- Therefore they are governed under contractual principles
 - Contract Act 1950

Nature of Insurance Contracts

- However, insurance contracts are unique species of contracts
- In *Malaysian Motor Insurance Pool v Tirumeniyar a/l Singara Veloo* [2020] 1 MLJ 440, the Court emphasized that insurance contracts are sui generis (of their own kind)
- Hence they are also governed by fundamental principles that are unique to insurance
- It is regulated by the Financial Services Act 2013
- And by principles developed through common law.

Misrepresentation

- What is misrepresentation?
 - A false statement of fact that induces another to enter into a contract
- Misrepresentation is governed under Section 17 and 18 of the Contracts Act 1950
- There are **3 types of Misrepresentation** (*Abdul Razak bin Datuk Abu Samah v Shah Alam Properties Sdn Bhd & Anor Appeal [1999] 2 MLJ 500*):
 - Fraudulent
 - Negligent
 - Innocent

Misrepresentation (Contractual)

- Elements to establish misrepresentation?
 - False Statement or Representation of a Fact
 - Statement must be made to another party
 - Reliance was placed on the statement made
 - The statement made must have induced the other party to enter into the contact
 - The other party suffers damages as a result

Silence

- Generally silence does not amount to misrepresentation
- However, under insurance - silence can amount to misrepresentation
- when you are required to make a statement, silence can amount to misrepresentation in the form of a non-disclosure

Non-Disclosure

- Misrepresentation under Insurance or Non Disclosure
 - Governed under S.129 and Schedule 9 of the Financial Services Act 2013
- Section 129
 - (1) Schedule 9 sets out the pre-contractual duty of disclosure and representations for contracts of insurance in Part 2, and the remedies for misrepresentations relating to contracts of insurance in Part 3.

Financial Services Act 2013

- Pre-contractual duties of disclosure is provided under Paragraph 4 and 5 of Schedule 9
- Paragraph 4 deals with disclosure by a non-consumer
- Paragraph 5 deals with consumer
- “Consumer” - Loosely defined as an individual person who buys, changes, or renews an insurance policy with an insurer.
- Everything else — business and professional policies — falls under ‘non-consumer insurance contracts’.

Financial Services Act 2013

- Purposes of today's talk we only focus on duties of a consumer to disclose provided under Paragraph 5.
 - (1) Before a consumer insurance contract is entered into or varied, a licensed insurer may request a proposer who is a consumer to answer any specific questions that are relevant to the decision of the insurer whether to accept the risk or not and the rates and terms to be applied.
 - (2) It is the duty of the consumer to take reasonable care not to make a misrepresentation to the licensed insurer when answering any questions under subparagraph (1).

Doctrine of Utmost Good Faith

- Principles of non-disclosure under the FSA was developed by an underlying principle → foundation of all insurance contracts
- Known as principle of utmost good faith - *uberrimae fidei*
- Explained in **Tan Jing Jeong v. Allianz Life Insurance Malaysia Berhad & Ors [2011] 4 CLJ 710**
 - which emphasises that both the insurer and the insured have a duty to deal with each other in good faith and make full disclosure of all material facts.

Duty of the Insured

- **Leong Kum Whay v. QBE Insurance (M) Sdn Bhd & Ors [2006] 1 CLJ 1**
 - It is settled beyond dispute that a contract of insurance is one that imposes a mutual duty on the parties to it to act uberrimae fides towards each other. **On the part of the insured, he or she must make full disclosure of all material facts. It is not for him or her to decide in his or her own mind what is material. It does not matter whether the insurer asks any questions of the insured. The duty is on the insured to make full disclosure of material facts within his knowledge. Whether a particular fact is material is a question of fact.**

Duty of the Insurer

- **Leong Kum Whay v. QBE Insurance (M) Sdn Bhd & Ors [2006] 1 CLJ 1**
 - So much for the insured's duty. For completeness I would add that there is a corresponding duty on the part of an insurer to act with utmost good faith towards its insured...
 - **The duty to act promptly and in good faith arises the day the insurer receives the claim.**
 - Insurer holds a position of power over an insured since the insured is in a vulnerable position and is entirely dependent on the insurer when a loss occurs. For that reason, in every contract of insurance, an insurer has an implied obligation to deal with the claims of its insured's in good faith.

Principles of Disclosure

- In simple terms what the FSA and the doctrine provides is this:
 - Before you purchase an insurance policy, the insurer can ask you specific questions
 - These questions are for deciding whether to give you cover, and on what terms.
 - When you answer those questions, you must take **reasonable care to make sure your answers are true and not misleading and disclose important relevant information.**

3 Key Factors

- Essentially - 3 Main Factors that determine whether there is reasonable care in the disclosure
 - Knowledge
 - Materiality
 - Inducement

Knowledge

- The rule imposes a duty to disclose material facts that are known to the insured.
- Disclosure duties only apply to facts within the insured's knowledge.
- Courts take a common-sense approach: you cannot be expected to disclose what you genuinely don't know.
- But if it's something obvious, significant, or recent (like a major surgery or multi-million policies), the courts will not accept a claim of forgetfulness.
- Significance: Knowledge anchors the duty of disclosure — the obligation starts when you know or ought reasonably to know the fact.

Genuine “No Knowledge”

- Genuine “No Knowledge” includes:
 - You have undiagnosed serious illness, and no doctor has told you.
 - You experience no major symptoms in daily life, so you reasonably think you are healthy.
 - You carry a condition from birth that has never been tested or revealed.

Forgetfulness and Carelessness

- No knowledge does not include forgetfulness or carelessness
- It does not cover:
 - Forgetting something serious (like a major surgery).
 - Being careless in filling out the form.
 - Failing to exercise ordinary prudence (not checking your own records, not recalling obvious matters).

Ulaganathan a/l Muthiah v Prudential Assurance Malaysia Berhad [2020] MLJU 210

- A claim on a life insurance policy that was rejected by the insurer on the grounds of non-disclosure.
- The insured passed away a few months after the policy was issued. The plaintiff, as the named nominee, submitted a death claim, which the defendant rejected due to non-disclosure.
- The insured failed to disclose in the proposal form:
 - that he had previously undergone a splenectomy (removal of the spleen)

Ulaganathan v Prudential

- Issue was whether deceased had undergone a splenectomy and whether he had knowledge prior to completion of the proposal form?
- The Court found that the deceased had known and undergone a splenectomy (removal of his spleen) before completing the proposal form
- One of the medical officer testified:
 - that if someone has had a splenectomy, it is "not something that he will forget".

Ulaganathan v Prudential

- A splenectomy is a major operation conducted under general anaesthetic and takes approximately 2 hours. Prior to a splenectomy, the usual pre-operation fasting and pre-operation tests, e.g. CT Scans, blood pressure, blood test and electrocardiogram (ECG), are required. The operation scar will take 5 to 7 days to heal and one who had a splenectomy will only be discharged thereafter. As the surgical scar / wound after a splenectomy is relatively large / long, it will be quite painful. **If one has had a splenectomy, it is not something that he will forget; and after a patient had a splenectomy, his immune system is jeopardized, he is a lot easier to fall sick later on and preventive antibiotics / vaccination will be given.**

Chong Lai Keng v Prudential [2024] 1 CLJ 293

- Another claim on a life insurance policy that was rejected by the insurer on the grounds of non-disclosure.
- The deceased had two life insurance policies with the defendant, each with a death benefit of RM2 million.
- However, the deceased failed to disclose in the proposal form:
 - That he had three other life insurance policies with AIA Berhad (AIA) totaling RM3.5 million, which were in force at the time the two PAMB policies were applied for.

Chong Lai Keng v Prudential

- The “proximity and contemporaneous nature” of the dates between the AIA and PAMB policies (all within a two-month period) made it "inconceivable" for a person of sound mind to forget about the AIA policies, which had a substantial value of RM3.5 million.
 - [61] In my assessment, any reasonable person would have considered the three AIA policies, amounting to RM3.5 million, when completing the proposal forms for PAMB policy 1 and PAMB policy 2. Given the significant sums at stake and the proximity of the dates, one would reasonably recall the three AIA policies purchased only a few weeks prior when applying for the PAMB policy 1 and PAMB policy 2.

Chong Lai Keng v Prudential

- [62] I concur with learned counsel for the defendant that any ordinarily prudent individual would have recalled and disclosed the existence of the three AIA policies, **taking into consideration the proximity and contemporaneous nature of the dates between the AIA and PAMB policies. It would have been inconceivable for a person of sound mind to overlook such substantial policies, which had been recently applied for.** The first and second AIA policies had already been issued by AIA when the life assured made an application for PAMB policy 1. Furthermore, all three AIA policies, with a combined value of RM3.5 million, had been issued by the time the life assured applied for PAMB policy 2, and at that juncture, PAMB policy 1 had also been issued.

Materiality & Inducement

- Materiality
 - Material or relevant facts that the insurer considers before accepting the risk or determining the amount of premium
- Inducement
 - Insurer would be influenced differently if not for the non disclosure

2 Stage Test

- Materiality = deals with **relevance** in accepting risk and determining premium
 - Was the fact one that a prudent insurer would want to know when deciding whether to accept the risk or fix the premium?
- Inducement = deals with **causal link**
 - Did the non-disclosure actually influence this insurer to enter into the contract on those terms?
- Materiality is about whether the fact is important; inducement is about whether it actually made a difference.
- So the court asks two things: was the fact something an insurer would want to know? And if it had been disclosed, would it actually have changed the insurer's decision — to reject, change terms, or increase the premium?"

Practical markers

- Paragraph 6: Duty to take reasonable care
 - (1) In determining whether a consumer has taken reasonable care not to make a misrepresentation under subparagraph 5(2) or (4), the relevant circumstances may be taken into account including-
 - (a) the consumer insurance contract in question and the manner in which the contract was sold to the consumer;
 - (b) any relevant explanatory material or publicity produced or authorized by the licensed insurer; and
 - (c) how clear and specific, the licensed insurer's questions were.
- In short relevant circumstances would depend on:
 - purpose of the insurance and coverage
 - how clear the questions in the form are
 - any explanation/expectation provided by the insurer

Ulaganathan v Prudential

- In Ulaganathan v Prudential, the non-disclosure:
 - was that the deceased had undergone a splenectomy
- the post mortem report revealed that the deceased death was due to heart disease and fatty liver
- Issue is whether the non-disclosure is material when it is unrelated to the cause of death?
- The judge rejected the plaintiff's argument that the non-disclosure was immaterial because it was unrelated to the cause of death.

Ulaganathan v Prudential

- 1st stage - Relevance in determining whether to accept risk and determination of terms or premium (Materiality)
 - *Accordingly, what are determined to be material disclosures are that considered to be relevant to a prudent insurer in deciding whether or not to accept the risks. So, the fact that the cause of death of the insured may not be related to the matters that the insurer required disclosure does not mean that the non-disclosure is immaterial.*
 - *Of significance is the fact that after a patient had a splenectomy, his immune system is jeopardized, he is a lot easier to fall sick later on and preventive antibiotics / vaccination will have to be given.*

Ulaganathan v Prudential

- 2nd stage - Non-disclosure induced Insurer to accept risk
 - *As the Deceased's Policy was a life insurance policy, I accept DW1's testimony that if the Defendant had known of Non-Disclosed Information and or Deliberate and or Reckless Misrepresentation, which clearly increases the Defendant's insurance risk, the Defendant would either not have entered into the insurance contract and issued the Policy or it would have done so on different terms.*

Chong Lai Keng v Prudential

- In Chong Lai Keng v Prudential, the non-disclosure:
 - was that the deceased had 3 other life insurance policies with AIA totalling RM3.5 million which were in force during the time the deceased applied for another 2 life insurance policies with Prudential
- Issue is whether the non-disclosure of the other policies with AIA is a material?

Chong Lai Keng v Prudential

- 1st stage - Relevance in determining whether to accept risk and determination of terms or premium (Materiality)
 - *Therefore, life insurance is not intended as a windfall and should not be utilised for unjust enrichment. Instead, its purpose is to cover financial losses stemming from the insured's death or inability to work, serving as a financial support mechanism for the insured or their beneficiary. As such, financial underwriting guidelines are established to determine the maximum total sum assured to be provided on the insured's life.*

Chong Lai Keng v Prudential

- 1st stage - Relevance in determining whether to accept risk and determination of terms or premium (Materiality)
 - *The guidelines applied to an earning adult under the age of 50 specified that the maximum sum assured or death benefits on their life should not surpass 25 times their earned annual income. Consequently, considering that the life assured's annual income ranged from RM130,000 to RM150,000, the allowable maximum life coverage should have been between RM3.5 million and RM4 million only. Issuing PAMB policy 1 and/or PAMB policy 2 for RM2 million each would have resulted in the life assured being over-insured.*

Chong Lai Keng v Prudential

- Essentially - why were the existing policies relevant information to be disclosed?
- Life insurance is not meant to create a windfall; it is to replace the deceased's financial contribution if they die.
- To prevent over-insurance, insurers use financial underwriting guidelines based on the deceased annual income
- It directly affects whether the insurer would accept the risk, reduce the sum assured, or adjust the premium.

Chong Lai Keng v Prudential

- 2nd stage - Non-disclosure induced Insurer to accept risk
 - *The defendant, through the testimonies of DW2 and DW3, successfully established that the existence of the three AIA policies constituted a "material fact". Their uncontroverted and unchallenged evidence stated that had the defendant been aware of the three AIA policies, the life assured would not have been eligible for additional coverage under the two PAMB policies, as the life assured's income ranged from RM130,000 to RM150,000 per annum.*

Examples Material/Immaterial Information

- Health & Medical History
 - Material: Prior diagnosis of diabetes or heart diseases
 - Immaterial: Childhood fever or chicken pox
- Lifestyle & Habits
 - Material: Regular smoking
 - Immaterial: Occasional drinking of low alcoholic drinks
- Occupation
 - Material: Working as an offshore oil rig diver (high risk).
 - Immaterial: Office desk job with no unusual hazards.

Examples in Proposal

6. During the past 10 years, has a licensed member of the medical profession treated you for, or made a diagnosis of:				
a. High blood pressure, chest discomfort, heart attack, heart murmur, circulatory or heart disorder?	☐ Yes	☐ No	☐ Yes	☐ No
b. Diabetes, sugar in urine, thyroid disorder, elevated cholesterol or other endocrine or metabolic disorder?	☐ Yes	☐ No	☐ Yes	☐ No
c. Asthma, bronchitis, emphysema, shortness of breath, sleep apnea or any other lung or respiratory disorder?	☐ Yes	☐ No	☐ Yes	☐ No
d. Hepatitis, cirrhosis, ulcer, colitis or other disorder of the stomach, liver or digestive system?	☐ Yes	☐ No	☐ Yes	☐ No
e. Anemia, leukemia or other blood or clotting disorder?	☐ Yes	☐ No	☐ Yes	☐ No
f. Arthritis, gout, back or joint pain, bone fracture, muscle disorder, or any disorder of the skin?	☐ Yes	☐ No	☐ Yes	☐ No
g. Seizures, stroke, fainting, paralysis, falls, loss of consciousness, mental or emotional disorder or any other disorder of the brain or nervous system?	☐ Yes	☐ No	☐ Yes	☐ No
h. Alzheimer's disease, dementia, memory impairment, Parkinson's disease or any other progressive neurological disease?	☐ Yes	☐ No	☐ Yes	☐ No
i. Cancer, tumor, polyp or cyst?	☐ Yes	☐ No	☐ Yes	☐ No
j. Disorder of eyes, ears, nose or throat?	☐ Yes	☐ No	☐ Yes	☐ No
k. Kidney, bladder, urinary, reproductive organ, breast or prostate disorder?	☐ Yes	☐ No	☐ Yes	☐ No
l. Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or any disorder of the immune system or a positive blood test for antibodies to the HIV virus?	☐ Yes	☐ No	☐ Yes	☐ No
7. Have you ever used any controlled substances such as: amphetamines, barbiturates, hallucinogens, heroin, morphine, cocaine, marijuana, opiates or any prescription drug, except as prescribed by a physician? If Yes, please complete Substance Use Questionnaire PM0293.	☐ Yes	☐ No	☐ Yes	☐ No
8. Have you ever been advised by a physician to limit or discontinue the use of alcohol or drugs, sought or received medical treatment, counseling or participated in a self help group for alcohol or drug use? If Yes, please complete Substance Use Questionnaire PM0293.	☐ Yes	☐ No	☐ Yes	☐ No

Examples in Proposal

U. Lifestyle Information - Complete for Proposed Insured 1 and Proposed Insured 2 or Additional Insureds. Provide details to any Yes answers in Details section.

	PI1		PI2	
	☐ Yes	☐ No	☐ Yes	☐ No
1. Does either Proposed Insured intend to reside or travel outside the United States within the next 24 months other than vacation of not more than 2 weeks? If Yes, please complete foreign travel questionnaire PM0326, EXCEPT for vacations of not more than 2 weeks duration. If vacation, provide complete details including dates, destinations, and duration in the Details section on page 9.	☐ Yes	☐ No	☐ Yes	☐ No
2. Within the past 2 years, has either Proposed Insured flown or taken instruction as a pilot or crew member or does either proposed insured intend to do so within the next two years? (If Yes, please complete Aviation Supplement form # 5835-5)	☐ Yes	☐ No	☐ Yes	☐ No
3. Within the past 2 years, has either Proposed Insured engaged in any kind of racing, scuba or sky diving, hang gliding, base jumping, mountain or rock climbing, or big game hunting or does either proposed insured intend to do so within the next 2 years? (If Yes, please complete appropriate questionnaire - PM2782, PM2782A or PM1047)	☐ Yes	☐ No	☐ Yes	☐ No
4. Within the past five years, has either Proposed Insured:				
(a) Been convicted of a moving violation or had their driver's license suspended or revoked?	☐ Yes	☐ No	☐ Yes	☐ No
(b) Been convicted of a DUI (driving under the influence of alcohol or drugs)?	☐ Yes	☐ No	☐ Yes	☐ No
5. Has either Proposed Insured been convicted of, or currently charged with, the commission of any criminal offense – other than the violation of a motor vehicle law – within the last 10 years?	☐ Yes	☐ No	☐ Yes	☐ No
6. Is either Proposed Insured a member, or entered into a written agreement to become a member, of any armed forces or military reserve? (If Yes, please complete PS1017)	☐ Yes	☐ No	☐ Yes	☐ No
7. Has either Proposed Insured declared bankruptcy? (If Yes, please advise if discharged and date of discharge)	☐ Yes	☐ No	☐ Yes	☐ No
8. Is either Proposed Insured currently receiving, or within the past 5 years have they received or applied for, any disability benefits, including Workers Compensation, Social Security Disability Insurance, or any other form of disability insurance?	☐ Yes	☐ No	☐ Yes	☐ No

Remedies

- Remedies - if non-disclosure or misrepresentation occurs what can the insurer do
- Provided under Part 3 Division 2 - Paragraph 14 and 15 of Schedule 9 of FSA
- If Fraud/Deliberate or Reckless Misrepresentation
 - Insurer can avoid the contract entirely and refuse all claims.
- Careless or Innocent
 - Avoid the contract and return the premium
 - Impose different terms
 - Reduce the claim proportionately

Questions?

Upcoming Talks

Date	Topic	Speakers
3 September 2025 (Wednesday)	Navigating the Skies: An Overview of Aviation Law in Malaysia	Cassandra Nicole Thomazios



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Thank you!

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