

Appendix

Table of cases referred to the financial mediation bureau (FMB) from 2000 to 2014^a

Year	Total cases filed	Insurance	Takaful	Percentage of insurers' decisions revised	Percentage of cases on utmost good faith in general		Percentage of cases on claims handling in particular ^b	
					Insurance	Takaful	Insurance	Takaful
2000	515	515 Breakdown N/A		16	92 Breakdown N/A		53 Breakdown N/A	
2001	726	703	23	24	88 Breakdown N/A		58 Breakdown N/A	
2002	932	874	58	18	86	91	51	48
2003	1070	1033	37	20	88	97	53	49
2004	1105	1048	57	20	93	91	56	53
2005	1254	1207	47	23	89	87	48	49
2006	1429	1368	61	31	91	95	54	52
2007	1404	1339	65	39	91	98	53	68
2008	1278	1197	81	47	87	91	50	67
2009	1445	1325	120	55	88	97	54	72
2010	1211	1098	113	49	87	98	46	76
2011	1270	1143	127	45	96	98	63	81
2012	1318	1152	166	10	Breakdown N/A ^c	Breakdown N/A ^d	Breakdown N/A ^c	Breakdown N/A ^d
2013	1229	1012	217	3 ^e	Breakdown N/A		Breakdown N/A	
2014	1137	848	289	1 ^f	Breakdown N/A		Breakdown N/A	

^aThis table was constructed based on information and statistics obtained from the Insurance Mediation Bureau, *Mediator's Annual Reports and Case Reviews 2000–2004*, Kuala Lumpur, 2001–2005; the Financial Mediation Bureau, *Annual Reports 2005–2013*, Kuala Lumpur, 2006–2014; and the Financial Mediation Bureau, *Statistical Report (January–December 2014)*, Kuala Lumpur, 7 January 2015

^bThe percentage of cases involving claims handling forms part of the overall percentage of cases referred to the Financial Mediation Bureau which concern utmost good faith

^cThe breakdown of the number of cases according to the types of complaint is no longer available from 2012. However, it was noted that 'non disclosure by the prospective assured ...in the insurance proposal form, which led to the subsequent rejection of claims by the FSP (Financial Services Provider) was a common and systemic issue raised in 2012.' Also 'complaints relating to rejection of Total Permanent Disability (TPD) claims comprised 20 % of cases in 2012' with the common contention by the FSP being that the 'assured's condition did not fulfil the definition of TPD in the policy,' Financial Mediation Bureau, *Annual Report 2012*, Kuala Lumpur, 2013, 29

^d'The *takaful* family cases are predominantly related to breach of the Certificate's terms and conditions ... non-disclosure of pre-existing illness' etc. '...in some *takaful* cases the grounds and reasons for repudiation are often not provided to the complainant' ...despite Clause 4.4.2.1 of the Central Bank's *Claims Settlement Guidelines* imposing 'an obligation on the *takaful* operators to explain their grounds of rejection/repudiation to the

(continued)

complainant.’ However, an encouraging trend was noted that ‘more FSPs are complying with the BNM (Central Bank). Guidelines to ensure complainants clearly understand the grounds of repudiation of their claims,’ Financial Mediation Bureau, *Annual Report 2012*, Kuala Lumpur, 2013, 30

⁶The significant drop in the percentage of insurers’ decisions that were revised by the FMB was ‘attributed generally to the quality of FSPs’ decisions that has improved over the years,’ Financial Mediation Bureau, *Annual Report 2013*, Kuala Lumpur, 2014, 24

⁷It should be noted that at the Mediation stage of the FMB proceedings, the FSPs revised their own decisions in 59 percent of the cases, thus contributing to the significant drop, Financial Mediation Bureau, *Statistical Report (January–December 2014)*, Kuala Lumpur, 7 January 2015, 3

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