

Section III

Takaful and Insurance Benefits Protection System disclosure requirements for insurer members

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Section III: Takaful and Insurance Benefits Protection System disclosure requirements for insurer members

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8. *What insurer members need to do?*

PIDM protects certificate and policy owners in the event of a MI failure: How does it work? [During business as usual]

Business as usual



Insurer member
Who are MIs?



Buy insurance
What are protected?



Consumer
Who are protected?



Policy development



Monitor & assess risk



Crisis readiness



Public awareness **7** *What IMs need to inform consumers?*

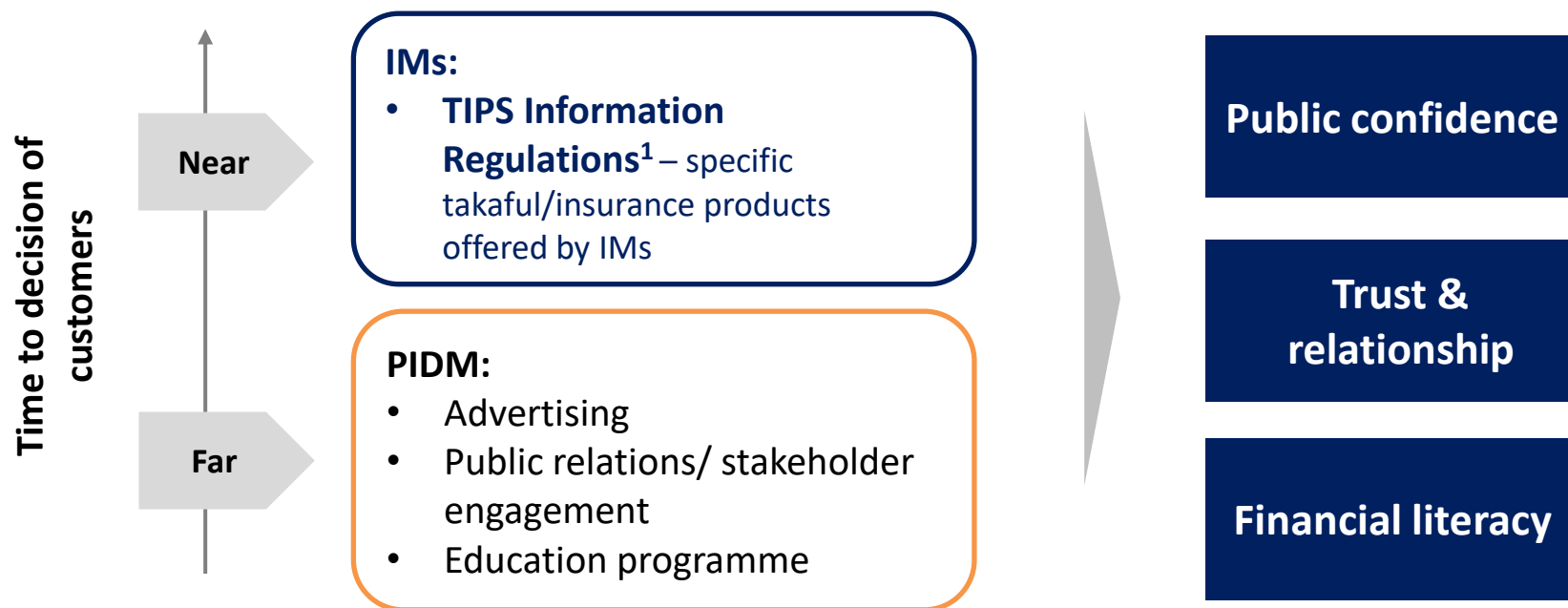


What PIDM does during business as usual

PIDM adopts a collaborative approach with the IMs in public awareness and education efforts to foster better understanding and appreciation among the public about PIDM role as a financial consumer protection and resolution authority

Two-pronged approach through collaboration between the IMs & PIDM...

to achieve...



¹ Refer to :

- [Malaysia Deposit Insurance Corporation \(Provision of Information on Takaful and Insurance Benefits Protection\) Regulations 2022](#) (“TIPS Information Regulations”). Deposit Insurance System Information Regulations were imposed on deposit-taking members since 2011; and
- [Guidelines on Provision of Information on Takaful and Insurance Benefits Protection](#) (“TIPS Information Guidelines”).

TIPS Information Regulations and TIPS Information Guidelines govern disclosures by the IMs about their membership and the protection provided by PIDM under TIPS



Consultation with insurer members, public and associations on proposed disclosure



TIPS Information Regulations gazetted on 27 April 2022



TIPS Information Guidelines issued on 27 July 2022

Effective date

1 June 2024

Two (2) years transitional period for preparation



PIDM encouraged early adoption before the effective date



Guidelines for Insurer Members on the Use Of PIDM's Protection And Membership Representation in Advertisements (voluntary adoption) is superseded on 27 July 2022

IMs must ensure that the information to consumers are guided by the following key general principles for effective disclosures

Guiding principles for disclosure



The disclosure must be **accurate and relevant**



The disclosure must be **clear, visible and legible**



The disclosure must be **timely**

7 What IMs need to inform consumers?

IMs are to provide timely and accurate information on PIDM's protection to their prospective and existing customers at every "teachable moment" to empower informed and sound decision-making

IMs are to convey information to their prospective or existing customers

Make clear representation about their membership in PIDM

1

Disclose whether or not takaful/ insurance benefits are protected by PIDM

2

Provide accurate information on PIDM's protection

3



Upon commencement of takaful or insurance business

To inform certificate or policy owners about the availability of PIDM's protection



Contractual process for the sales of takaful or insurance product

To facilitate information gathering and informed decision-making by prospective certificate or policy owners, and promote continuous awareness of existing certificate or policy owners



Supported by the IMs' internal processes

To ensure readiness of the IM's, including their employees, agents and intermediaries, in complying with the disclosure requirements

“Teachable moments” – there are multiple opportunities and timing to educate the consumers across the entire product lifecycle and distribution channels

A Upon commencement of takaful or insurance business

- | | | | | |
|------------|-----------|----------------------|-------------------------------------|--|
| 1 Premises | 2 Website | 3 Mobile application | 4 Account in social networking site | 5 Account in online marketplace or e-commerce platform |
|------------|-----------|----------------------|-------------------------------------|--|

- Display PIDM membership representation and/or PIDM’s TIPS brochure

B Contractual process for the sales of takaful or insurance product



Pre-contractual

Product advertisements
(incl. print, bunting, brochure and online)

- Display PIDM membership representation and call for action statement



At Point of Sale

All distribution channels of IMs and their agents
(technology neutral approach)

- Explain PIDM’s protection to customers



At/ After Conclusion of Contract

Certificate / policy documents and correspondences
(incl. annual statement, tax statement and renewal notice)

- Display call for action statement

C Supported by the internal processes of the IMs

- | | |
|---|--|
| 1 Conduct training for employees, agents and intermediaries | 2 Conduct annual review of compliance with the disclosure requirements |
|---|--|

7 What IMs need to inform consumers?

IMs are to provide timely and accurate information on PIDM's protection to their prospective and existing customers at every "teachable moment" to empower informed and sound decision-making

IMs are to convey information to their prospective or existing customers

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Contractual process for the sales of takaful or insurance product

To facilitate information gathering and informed decision-making by prospective certificate or policy owners, and promote continuous awareness of existing certificate or policy owners











Supported by the IMs' internal processes

To ensure readiness of the IM's, including their employees, agents and intermediaries, in complying with the disclosure requirements


IMs are to inform customers about the availability of PIDM's protection through display of information materials

Upon commencement of takaful or insurance business

Disclosure requirement	IM		Agents and intermediaries	
	Membership representation	TIPS Brochure	Membership representation	TIPS Brochure
1. Main entrance of each premises				
2. Website (own website, shares with another MI or shares with a non-MI)				
3. Mobile application				
4. Account in social networking site				
5. Account in online marketplace or e-commerce platform				

 Mandatory

 Prohibit (except for an agent or intermediary that is an MI)

 Optional

Please refer to page 38 – 39 of the TIPS Information Guidelines for the details, including on the prescribed location or positioning for the placement of membership representation and TIPS Brochure (in printed or electronic copy)

SAMPLE: IM's premises



Membership Representation (*provided by PIDM*)
(graphical form) prominently at the main entrance of premises



TIPS Brochure prominently at premises



(*provided by PIDM*)

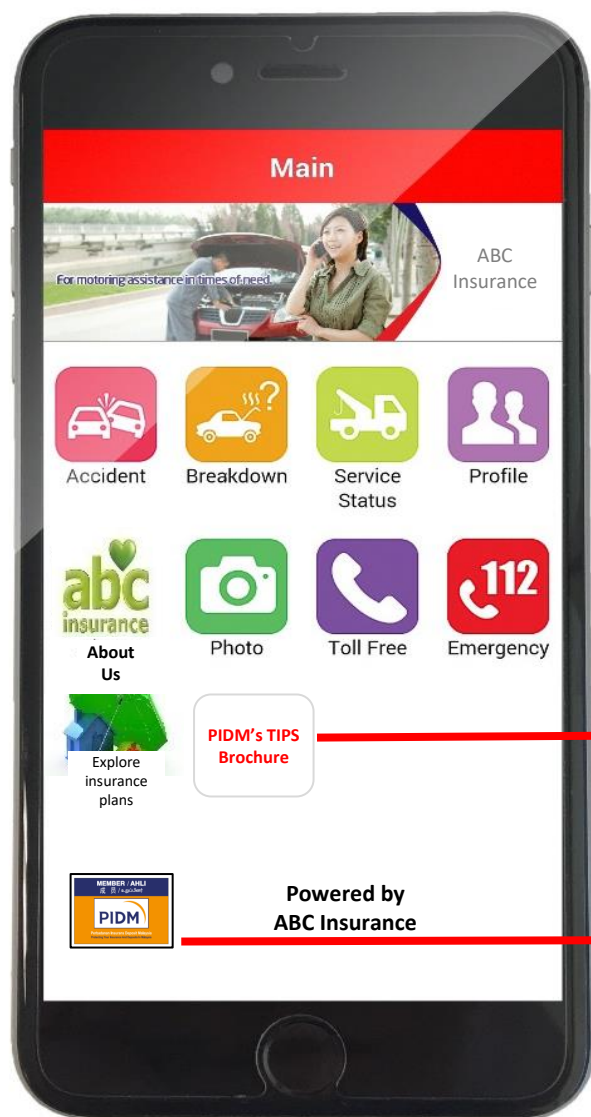
SAMPLE: Home page of an IM's owned-website



Membership representation (graphical form) displayed on the home page. IM may choose to display at the footer section.

1. Hyperlink to **PIDM's TIPS Brochure** displayed on the home page. IM may choose to display at the footer section;
2. Upon clicking, redirect to a webpage within the IM's website or a webpage within PIDM's website where PIDM's TIPS Brochure is displayed; and
3. The name of the link clearly describes as the link to PIDM's TIPS Brochure.

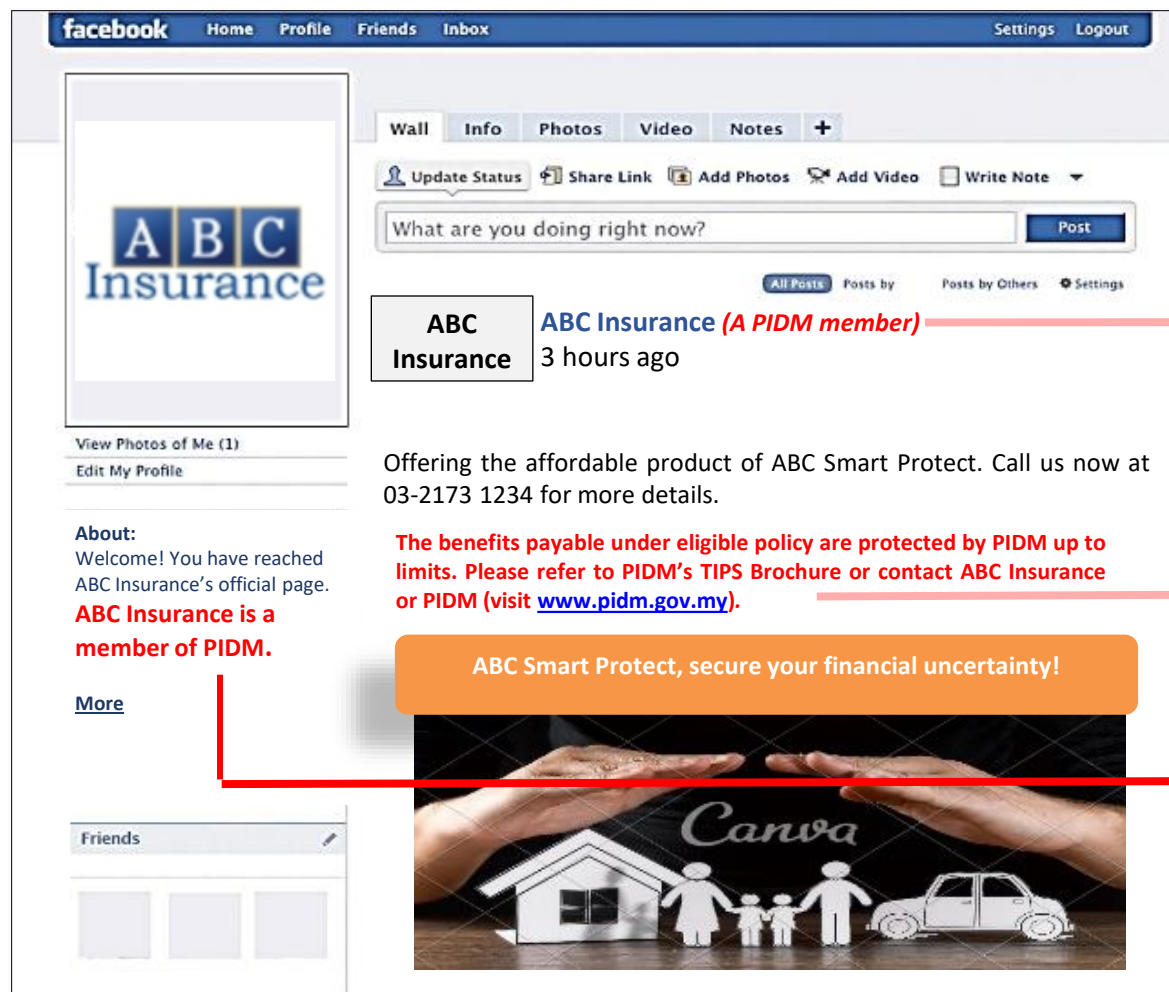
SAMPLE: Mobile application owned by an IM



1. Hyperlink to **PIDM's TIPS Brochure** displayed on the home page of the mobile application;
2. Upon clicking, redirect to a page / tab within the mobile application or IM's website or PIDM's website, where PIDM's TIPS Brochure is displayed; and
3. The name of the link clearly describes as the link to PIDM's TIPS Brochure.

Membership representation (graphical form) displayed on the home page of an IM's mobile application which is used to provide information on its insurance products or promoting the sale of its insurance products.

SAMPLE: Official Facebook's account of an IM (social networking site)



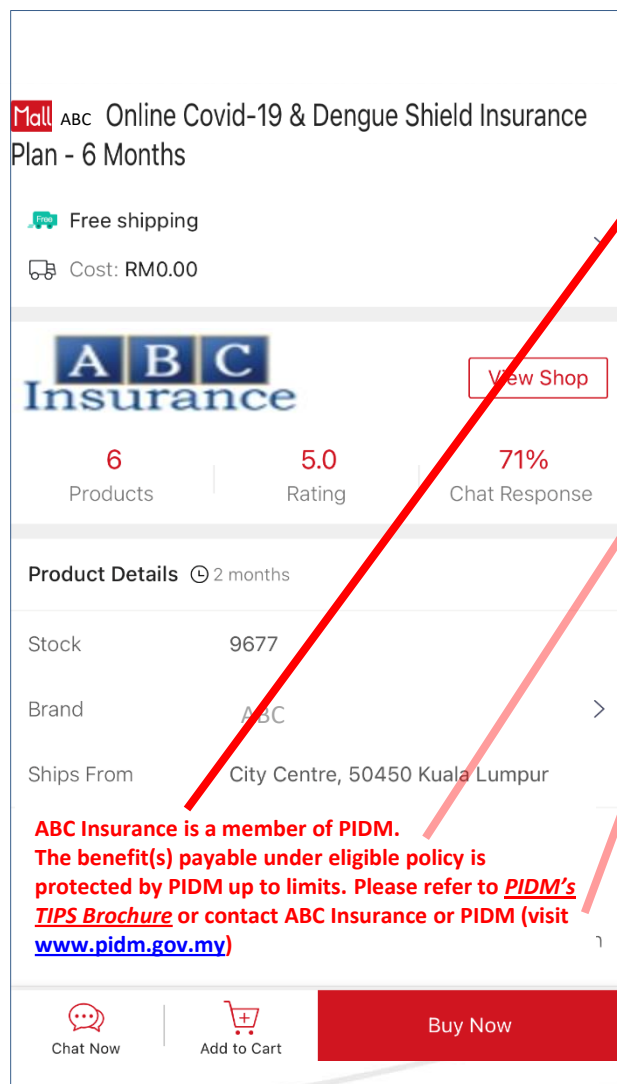
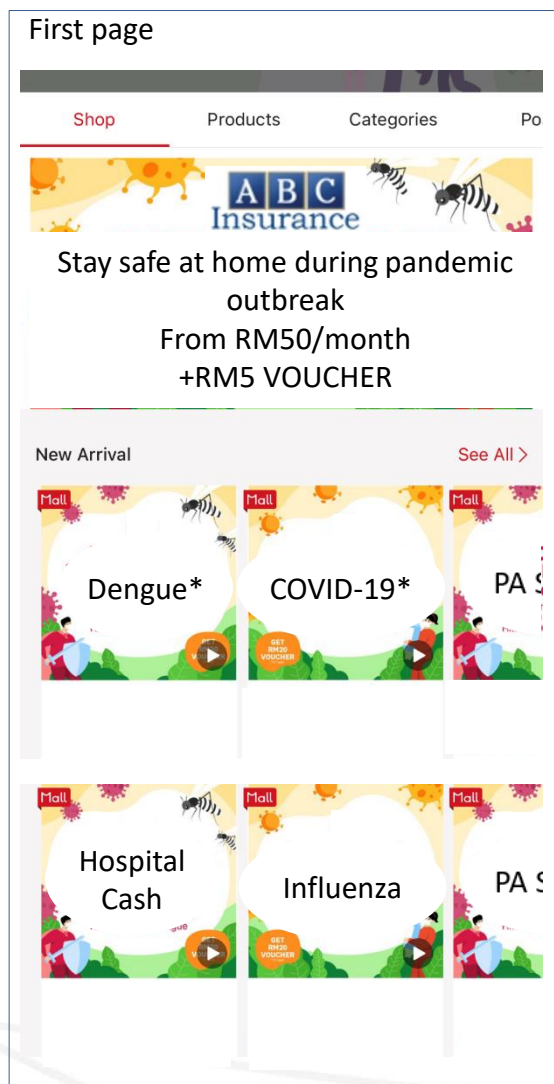
Membership representation (statement form) placed close to the name of the IM in the advertisement.

Call for action statement placed close to the part of the advertisement dealing with the insurance product.

Membership representation (statement form) displayed in an IM's official Facebook account which is used to provide information on its insurance products or promoting the sale of its insurance products.

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

SAMPLE: IM's own account at an online marketplace or e-commerce platform



For disclosure upon commencement of business:

Membership representation (statement form) displayed in an IM's account in online marketplace or e-commerce platform which is used to provide information on its insurance products or promoting the sale of its insurance products.

For disclosure at point of sale:

Display the **call for action statement** on the transaction page.

For disclosure at point of sale:

1. Provide a hyperlink to **PIDM's TIPS Brochure**; and
2. Upon clicking, redirect to a page within the platform or IM's website or PIDM's website, where PIDM's TIPS Brochure is displayed.

Note: For disclosure at point of sale, the hyperlink to TIPS Brochure is embedded in the call for action statement to meet the requirements for online distribution channel.

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

Takaful and Insurance Benefits Protection Information Material: Materials provided by PIDM

1. Membership representation

1(a). Graphical form

**Printed copy:
For premises only**



No modifications or reproduction is allowed.

**Electronic copy:
Other than premises**



Can resize but proportions and colours maintained

1(b). Statement form

1. "Member of Perbadanan Insurans Deposit Malaysia";
2. "Member of PIDM" or "A PIDM member";
3. "(name of the IM) is a member of Perbadanan Insurans Deposit Malaysia"; or
4. "(name of the IM) is a member of PIDM".

- **No modification is allowed**
- Refer to slide 50 for statements in other languages

2. TIPS Brochure

2(a). Printed copy



Available in bilingual language i.e. English & Bahasa Malaysia version; and Chinese & Tamil version

2(b). Electronic copy



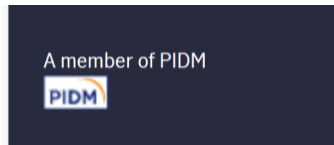
Available in four (4) languages



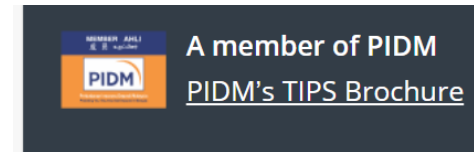
Refer to [TIPS information materials](#) page at PIDM website for the request of items (1) to (2) above

Samples of incorrect display of membership representation and hyperlink to TIPS Brochure

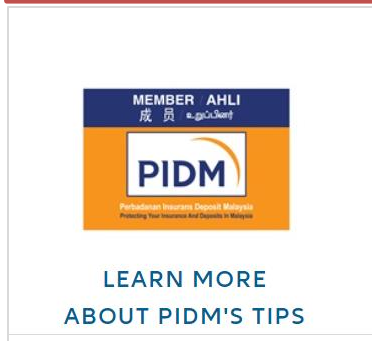
Incorrect display of membership representation



Correct display



Upon click



Incorrect hyperlink



Correct hyperlink



Membership representation in statement form in various languages

English

1. “Member of Perbadanan Insurans Deposit Malaysia”;
2. “Member of PIDM” or “A PIDM member”;
3. “(name of the IM) is a member of Perbadanan Insurans Deposit Malaysia”; or
4. “(name of the IM) is a member of PIDM”.

Bahasa Malaysia

1. “Ahli Perbadanan Insurans Deposit Malaysia”;
2. “Ahli PIDM”;
3. “(nama IM) adalah ahli Perbadanan Insurans Deposit Malaysia”; atau
4. “(nama IM) adalah ahli PIDM”.

Chinese

1. “马来西亚存款保险机构的成员” ；
2. “PIDM的成员” ；
3. “(成员保险公司名称) 是马来西亚存款保险机构的成员” ；或
4. “(成员保险公司名称) 是PIDM的成员” 。

Tamil

1. “மலேசிய வைப்புத்தொகை காப்புறுதிக் கழகத்தின் உறுப்பினர்” ；
2. “PIDM-மின் உறுப்பினர்” ；
3. “(காப்புறுதி நிறுவனத்தின் பெயர்) மலேசிய வைப்புத்தொகை காப்புறுதிக் கழகத்தின் உறுப்பினர்” ；அல்லது
4. “(காப்புறுதி நிறுவனத்தின் பெயர்) PIDM-மின் உறுப்பினர்”.

7 What IMs need to inform consumers?

IMs are to provide timely and accurate information on PIDM's protection to their prospective and existing customers at every "teachable moment" to empower informed and sound decision-making

IMs are to convey information to their prospective or existing customers

Make clear
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membership in
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Disclose whether
or not takaful/
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are protected by
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2

Provide
accurate
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Upon commencement of takaful or insurance business

To inform certificate or policy owners about the availability of PIDM's protection



Contractual process for the sales of takaful or insurance product

To facilitate information gathering and informed decision-making by prospective certificate or policy owners, and promote continuous awareness of existing certificate or policy owners



Supported by the IMs' internal processes

To ensure readiness of the IM's, including their employees, agents and intermediaries, in complying with the disclosure requirements

Active involvement of insurer members at each stage of the takaful or insurance contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing certificate or policy owner



Pre-contractual

Product advertisements (*incl. print, bunting, brochure and online*)

- Display PIDM membership representation and call for action statement¹



At Point of Sale

All distribution channels of IMs and their agents (*technology neutral approach*)

- Explain PIDM's protection to customers



At/ After Conclusion of Contract

Certificate or policy documents and correspondences (*incl. annual statement, tax statement and renewal notice*)

- Display call for action statement¹

¹ A call for action statement (or also known as prescribed statement) is a statement to inform readers of PIDM's protection on the benefits offered under the takaful or insurance product, and encourage readers to refer to the details of PIDM's protection (slide 60 of this presentation)

Active involvement of member banks at each stage of the deposit contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing depositors



Pre-contractual

Product advertisements (*incl. print, bunting, brochure and online*)

- Display PIDM membership representation and call for action statement



At Point of Sale

All distribution channels of IMs and their agents (*technology neutral approach*)

- Explain PIDM's protection to customers



At/ After Conclusion of Contract

Certificate or policy documents and correspondences (*incl. annual statement, tax statement and renewal notice*)

- Display call for action statement

IMs are to include membership representation and call for action statement in takaful / insurance product advertisements to facilitate information gathering by customers

Modes of takaful and insurance product advertisement



Printed form



Electronic form*

* including on a website, mobile application, social networking site, sponsored blog post and by way of e-mail

Sample: advertisement in printed brochure

Takaful Motor ABC¹ Halaman 1

Membantu di saat kenderaan anda mengalami kemalangan.

¹ Manfaat-manfaat yang dibayar di bawah sijil yang layak adalah dilindungi oleh PIDM sehingga had perlindungan. Sila rujuk Brosur Sistem Perlindungan Manfaat Takaful dan Insurans PIDM atau hubungi Takaful ABC atau PIDM (layari www.pidm.gov.my)

TAKAFUL ABC
Ahli PIDM

Halaman 2

TAKAFUL ABC

TAKAFUL ABC MALAYSIA BERHAD (12345-U)
No 5, Bangunan Bangsar Utama,
57188 Bangsar, Kuala Lumpur
tel: 03-2222 3456 fax: 03-2222 4444
website: www.takafulabc.com

Penafian
Brosur ini dikeluarkan oleh Takaful ABC sebagai ilustrasi sahaja dan bukan merupakan suatu kontrak takaful. Sila rujuk ejen yang berdaftar atau hubungi maklumat di atas bagi mendapatkan maklumat lanjut.

Membership representation
(statement form) placed close to the name of the IM.

Call for action statement placed on the page where the takaful product is referred to for the first time, and close to the name of the IM in the advertisement.

For pre-contractual disclosure [advertisement]

Applicability		Disclosure Requirements			
Advertisement that:		Type of Advertisement (printed and electronic form)	Membership Representation	Call for action statement	
<div>➤ Deals with</div> <div>takaful / insurance product</div> <div>➤ Involves</div> <div>IM</div> <div>IM + Non-IM</div>	Deals with specific product	<div>✔</div> <div>Graphical or statement form</div> <div>Close to the name of IM</div>	<div>✔</div> <div>On the page where the product is referred to for the 1st time & close to name of IM/product</div>		
	Branding deals with generic products	<div>👍</div> <div>Close to the name of IM</div>	<div>N/A</div>		
	Required by other financial regulatory authorities in Malaysia	<div>👍</div> <div>Close to the name of IM</div>	<div>✔</div> <div>No prescribed location or positioning</div>		
	By an agent of an IM	<div>🚫</div> <div>Unless for agent or intermediary that is an MI</div>	<div>✔</div> <div>On the page where the product is referred for the 1st time & close to name of IM/product</div>		
		<div>✔</div> Mandatory	<div>🚫</div> Prohibited	<div>👍</div> Optional	<div>N/A</div> Not applicable

SAMPLE: Advertisement that deals with specific product

Newspaper
THE MALAYSIAN NEWSPAPER

ABC INSURANCE
Member of PIDM

ABC SMART PROTECT INSURANCE*

Start protect your financial uncertainty with this product

Offering the affordable product of ABC Smart Protect from as low as RM50 per month. Call us now at 03-2173 1234 for more details.

REQUIREMENTS:
Age Eligibility: 18 years old and above.

* The benefit(s) payable under eligible policy is protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact ABC Insurance or PIDM (visit www.pidm.gov.my).



Call for action statement placed close to the part of the advertisement dealing with insurance product.

Membership representation (statement form) placed close to the name of the IM.

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

SAMPLE:

Advertisement that deals with multiple products

SKYLINE HIGH RISE
NEW SLETTER

SIGN UP WITH ABC TAKAFUL SIGNATURE PROGRAMME AND ENJOY ADDITIONAL TAKAFUL BENEFITS

MEMBER / AHLI
PIDM
Pembrokeran Insurans Dan Melaka

CRITICAL ILLNESS CARE¹
Investment-linked plan in RM only

Additional benefit:
Yearly Cash Bonus
Enjoy cash bonus annually, up to 20% of you total contribution paid.

WEALTH COVER²
Investment-linked plan in RM only

Additional benefit:
Yearly Cash Bonus
Enjoy cash bonus annually, starting from 10% of your basic contribution paid

GLOBAL INVEST FOREX³
Available in USD, AUD & CAD only

Additional benefit:
Yearly Cash Bonus
Enjoy cash bonus annually, starting from 20% of your basic contribution paid.

ABC RETIREMENT PLAN³
Investment-linked plan in USD only

*Manage your retirement
steady monthly income
Flexible withdrawal*

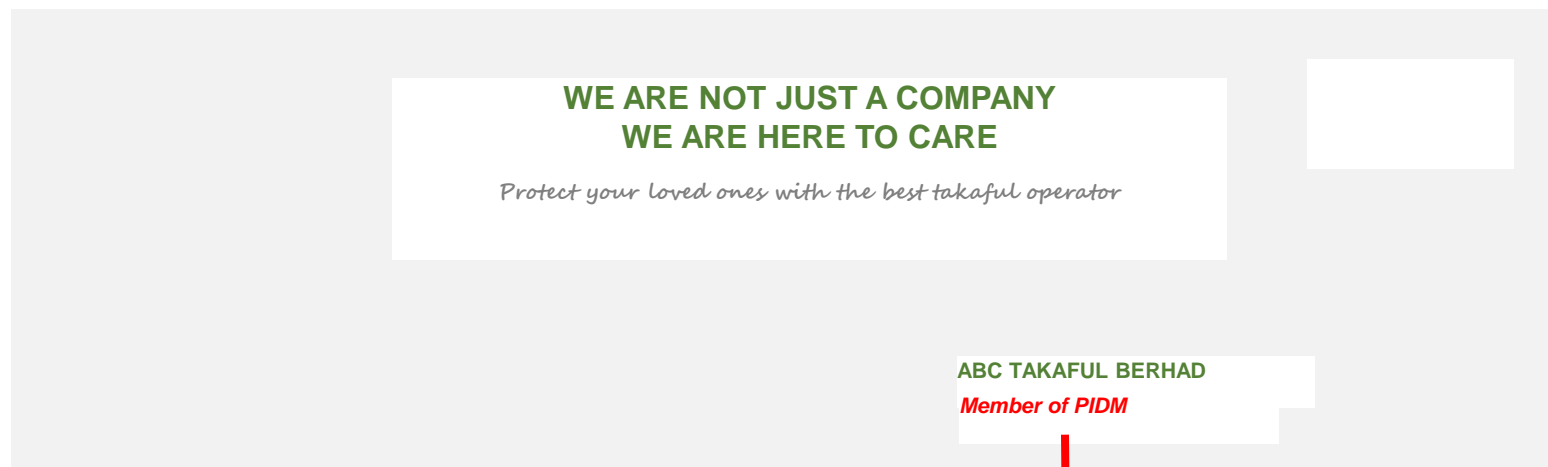
¹ The benefit(s) payable under eligible certificate is protected by PIDM up to limits.
² PROTECTION BY PIDM ON BENEFITS PAYABLE FROM THE UNIT PORTION OF THIS CERTIFICATE IS SUBJECT TO LIMITATIONS.
³ The certificate is NOT PROTECTED BY PIDM.
Please refer to PIDM's TIPS Brochure or contact ABC Takaful or PIDM (visit www.pidm.gov.my).

Membership representation (graphical form) placed close to the name of the IM.

Call for action statements placed at the bottom of the advertisement and clearly distinguish PIDM's protection for each takaful product.

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

SAMPLE: Branding advertisement (no specific product is mentioned)



1. May display **membership representation** (statement form) close to the name of the IM; and
2. No requirement to display the call for action statement.

SAMPLE:

Advertisement required by other financial regulatory authorities in Malaysia

[No change]		
Company	ABC Insurance/Takaful Berhad	
Quotation for:	[Product Name]	
	Date:	Agent: Mr. QWERTY
Client:	Mr. XYZ	
Sex:	M	Basic Sum Assured/Participated: RM100,000
Smoker:	No	Optional/ Rider 1 RM5,000
Occupation:	Class 1	Rider Coverage: Rider 2 RM40,000
Age:	35	Premiums/Contributions ²¹ : RM2,000
		Frequency: Yearly/Half-yearly/Quarterly/Monthly
Plan Type:	Regular Premium/Contribution Investment-Linked Insurance/Takaful	Ratio of ---% in Fund 1
Charges:	List of all the charges	Fund/s Chosen ---% in Fund 2
	(See below for the description of the charges)	

THIS IS AN INSURANCE/TAKAFUL PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.

PROTECTION BY PIDM ON BENEFITS PAYABLE FROM THE UNIT PORTION OF THIS CERTIFICATE/POLICY IS SUBJECT TO LIMITATIONS. Please refer to PIDM's TIPS Brochure or contact ABC Takaful/Insurance Berhad or PIDM (visit www.pidm.gov.my).

- You should read this illustration together with the fund fact sheet(s) of the investment fund(s) which you have chosen. The fund fact sheet contains all the important information that you will need to know regarding the investment fund(s).
- Since only xx% of the Annual Premium/Contribution for the first two policy/certificate years is used to purchase units, while yy% of top-up is used to purchase units, you can **maximise your investment value by minimising your annual premium/contribution and maximising your top-ups.**
 - Minimum Annual Premium/Contribution Required: RMxxx
 - Minimum Top-Ups Allowed: RMxxx
 - High insurance/tabarru' charges if you buy many riders, and especially if the charges are increasing over time as you get older
 - Poor investment returns

- **Call for action statement** to be displayed at any part of the advertisement; and
- No requirement to display the membership representation.

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

The prescribed statements (or call for action statements) aim to inform readers of PIDM protection on the benefits offered under the takaful or insurance product, and request readers to refer to the details of PIDM protection

Type of certificate / policy

Prescribed statements or call for action statements¹

- 1 Certificates / policies that do not meet the eligibility conditions
(e.g. foreign currency denominated certificate/ policy)

“The certificate/policy/product is(are) **NOT PROTECTED BY PIDM**. Please refer to PIDM’s TIPS Brochure or contact [name of IM] or PIDM (visit www.pidm.gov.my)”

- 2 Investment-linked certificates / policies that meet the eligibility conditions

“PROTECTION BY PIDM ON BENEFITS PAYABLE FROM THE UNIT PORTION OF THIS CERTIFICATE/POLICY/PRODUCT IS SUBJECT TO LIMITATIONS. Please refer to PIDM’s TIPS Brochure or contact [name of IM] or PIDM (visit www.pidm.gov.my).”

- 3 Other certificates / policies

“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 [name of IM] or PIDM (visit www.pidm.gov.my).”

¹ Modifications to the prescribed statements are allowed, provided that the statement is accurate and does not give false or misleading impressions to customers on PIDM’s protection.

Prescribed statements (or call for action statement) in various languages

For certificates or policies that do not meet the eligibility conditions¹

English

The certificate/policy/product is(are) NOT PROTECTED BY PIDM. Please refer to PIDM's TIPS Brochure or contact [name of insurer member] or PIDM (visit www.pidm.gov.my).

Bahasa Malaysia

Sijil/polisi/produk ini TIDAK DILINDUNGI OLEH PIDM. Sila rujuk Brosur Sistem Perlindungan Manfaat Takaful dan Insurans PIDM atau hubungi [nama IM] atau PIDM (layari www.pidm.gov.my).

Chinese

此保险保单/产品不获PIDM保障。请参阅PIDM的保险及伊斯兰保险利益保障制度的小册子或联络【成员保险公司名称】或PIDM（请浏览www.pidm.gov.my）

Modifications to the prescribed statements are allowed, provided that the statement is accurate and does not give false or misleading impressions to customers on PIDM's protection.

¹ Eligibility conditions for protection are:

- (i) the takaful certificate or insurance policy is issued in Malaysia by an IM;
- (ii) the takaful certificate or insurance policy is denominated in Ringgit Malaysia; and
- (iii) the takaful certificate or insurance policy is reported by an IM to BNM as a Malaysian takaful certificate or Malaysian policy.

Prescribed statements (or call for action statement) in various languages

For investment-linked certificates or policies that meets the eligibility conditions¹

English

PROTECTION BY PIDM ON BENEFITS PAYABLE FROM THE UNIT PORTION OF THIS CERTIFICATE/POLICY/PRODUCT IS SUBJECT TO LIMITATIONS. Please refer to PIDM's TIPS Brochure or contact [name of insurer member] or PIDM (visit www.pidm.gov.my).

Bahasa Malaysia

PERLINDUNGAN PIDM UNTUK MANFAAT YANG DIBAYAR DARIPADA BAHAGIAN UNIT SIJIL/POLISI/PRODUK INI ADALAH TERTAKLUK KEPADA SYARAT-SYARAT TERTENTU. Sila rujuk Brosur Sistem Perlindungan Manfaat Takaful dan Insurans PIDM atau hubungi [nama IM] atau PIDM (layari www.pidm.gov.my).

Chinese

PIDM就保险保单/产品下单位部分应支付之保险利益的保障是有限制性的。请参阅PIDM的保险及伊斯兰保险利益保障制度的小册子或联络【成员保险公司名称】或PIDM（请浏览www.pidm.gov.my）

Modifications to the prescribed statements are allowed, provided that the statement is accurate and does not give false or misleading impressions to customers on PIDM's protection.

¹ Eligibility conditions for protection are:

- (i) the takaful certificate or insurance policy is issued in Malaysia by an IM;
- (ii) the takaful certificate or insurance policy is denominated in Ringgit Malaysia; and
- (iii) the takaful certificate or insurance policy is reported by an IM to BNM as a Malaysian takaful certificate or Malaysian policy.

Prescribed statements (or call for action statement) in various languages

For all certificates or policies other than those mentioned in slides 61 and 62

English

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 [name of insurer member] or PIDM (visit www.pidm.gov.my).

Bahasa Malaysia

Manfaat-manfaat yang dibayar di bawah sijil/polisi/produk yang layak adalah dilindungi oleh PIDM sehingga had perlindungan. Sila rujuk Brosur Sistem Perlindungan Manfaat Takaful dan Insurans PIDM atau hubungi [nama IM] atau PIDM (layari www.pidm.gov.my).

Chinese

PIDM保障合格保险保单/产品下应支付的保险利益至保障限额为止。请参阅PIDM的保险及伊斯兰保险利益保障制度的小册子或联络【成员保险公司名称】或PIDM（请浏览www.pidm.gov.my）

Modifications to the prescribed statements are allowed, provided that the statement is accurate and does not give false or misleading impressions to customers on PIDM's protection.

¹ Eligibility conditions for protection are:

- (i) the takaful certificate or insurance policy is issued in Malaysia by an IM;
- (ii) the takaful certificate or insurance policy is denominated in Ringgit Malaysia; and
- (iii) the takaful certificate or insurance policy is reported by an IM to BNM as a Malaysian takaful certificate or Malaysian policy.

Active involvement of insurer members at each stage of the takaful or insurance contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing certificate or policy owner



Pre-contractual

Product advertisements (*incl. print, bunting, brochure and online*)

- Display PIDM membership representation and call for action statement



At Point of Sale

All distribution channels of IMs and their agents (*technology neutral approach*)

- Explain PIDM's protection to customers





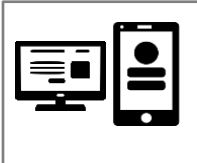
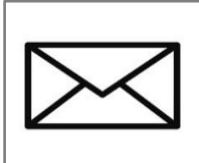
At/ After Conclusion of Contract

Certificate or policy documents and correspondences (*incl. annual statement, tax statement and renewal notice*)

- Display call for action statement

IMs and its agents are to inform customers on PIDM's protection during point of sales¹ conducted through all distribution channels

1. Disclosure to prospective certificate or policy owners²
(New certificates or policies issued from 1 June 2024 onwards)

Channel of distributions	 Face-to-face	 Telemarketing	 Online	 Mail & Email
TIPS information (PIDM's protection)	Disclose and explain		Display call for action statement	
TIPS Brochure	Guide the disclosure or provide a copy	Direct to the webpage for e-copy	Hyperlink to e-copy	Attach (physical copy) or direct to the webpage for e-copy

¹ Point of sales is referring to:

- the proposal stage and before a takaful certificate or insurance policy is issued by the IM to the prospective certificate or policy owner; and
- the proposal stage for a rider that is sold separately, either as a standalone rider or subsequent to the sale of main takaful certificate or insurance policy. For renewal, it is not considered as point of sale unless it involves sale of rider or additional benefits.

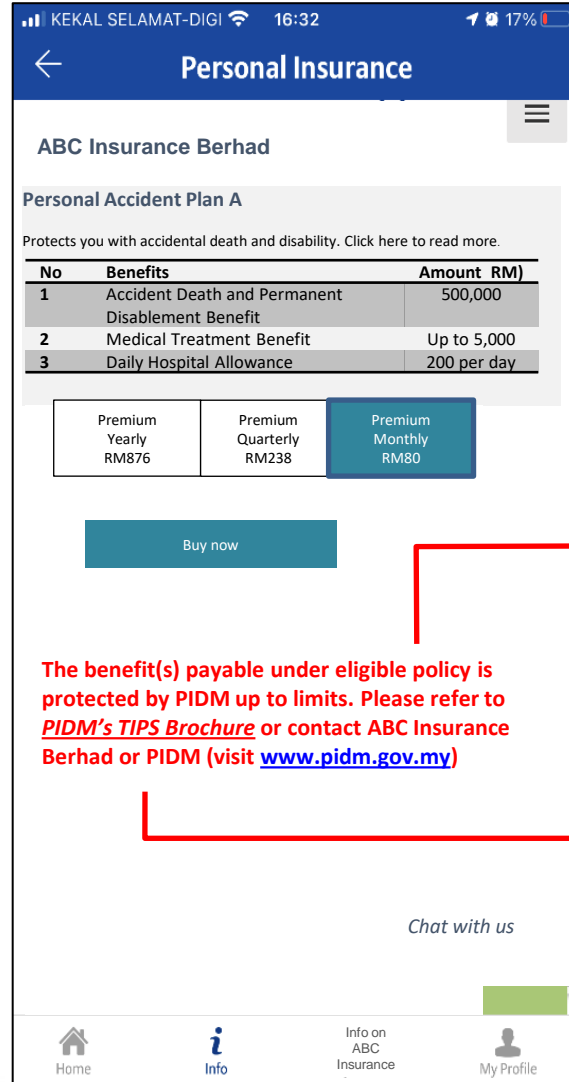
² For group certificate or policy, prospective certificate or policy owner is referring to the prospective group certificate of policy owner. For the individual insured under the group, IM and its agent is encouraged to also make the disclosure.

SAMPLE:

Sale of insurance product via IM's mobile application (online)

First page

Next page



Display the **call for action statement** on the transaction page.

1. Provide a hyperlink to **PIDM's TIPS Brochure**; and
2. Upon clicking, redirect to a page within the mobile application or IM's website or PIDM's website, where PIDM's TIPS Brochure is displayed.

Note: The hyperlink to TIPS Brochure is embedded in the call for action statement to meet the requirements for online distribution channel.

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

SAMPLE:

Sale of insurance product via mobile application of an IM's agent

Wallet insurance
RM1

Coverage Duration
6 months

Eligibility

- eWallet users aged 18-70 years old with verified accounts.
- Malaysians and passport holders that are legally residing in Malaysia.

Key Benefits

RM1 for protection up to RM25,000

10x Accident and COVID-19 Protection

Seamless Purchase and Claim Process

ABC Insurance is a member of PIDM. The benefit(s) payable under eligible policy is protected by PIDM up to limits. Please refer to [PIDM's TIPS Brochure](#) or contact ABC Insurance or PIDM (visit www.pidm.gov.my)

Underwritten by
ABC Insurance

Get Protected

← Summary

Contact Details

We'll send your policy document and other information to this email.

Email

aminah@mail.com

Policy Details

Full Name Aminah Binti Ahmad

Mobile Number 012345678

Coverage Period 18 May 2022 - 18 Nov 2022

Premium Price RM 1.00

☐ Please count me in for any special offers, promotions and news updates directly from ABC's companies in Malaysia. I understand and consent that information collected about me is to be processed by ABC's companies for this purpose. (ABC's companies in Malaysia are ABC Insurance, ABC General, ABC Takaful, ABC Asset Management Sdn Bhd and ABC Medical Services.

Pay Now

Encourage to **include membership representation** (statement form) that the IM is a member of PIDM.

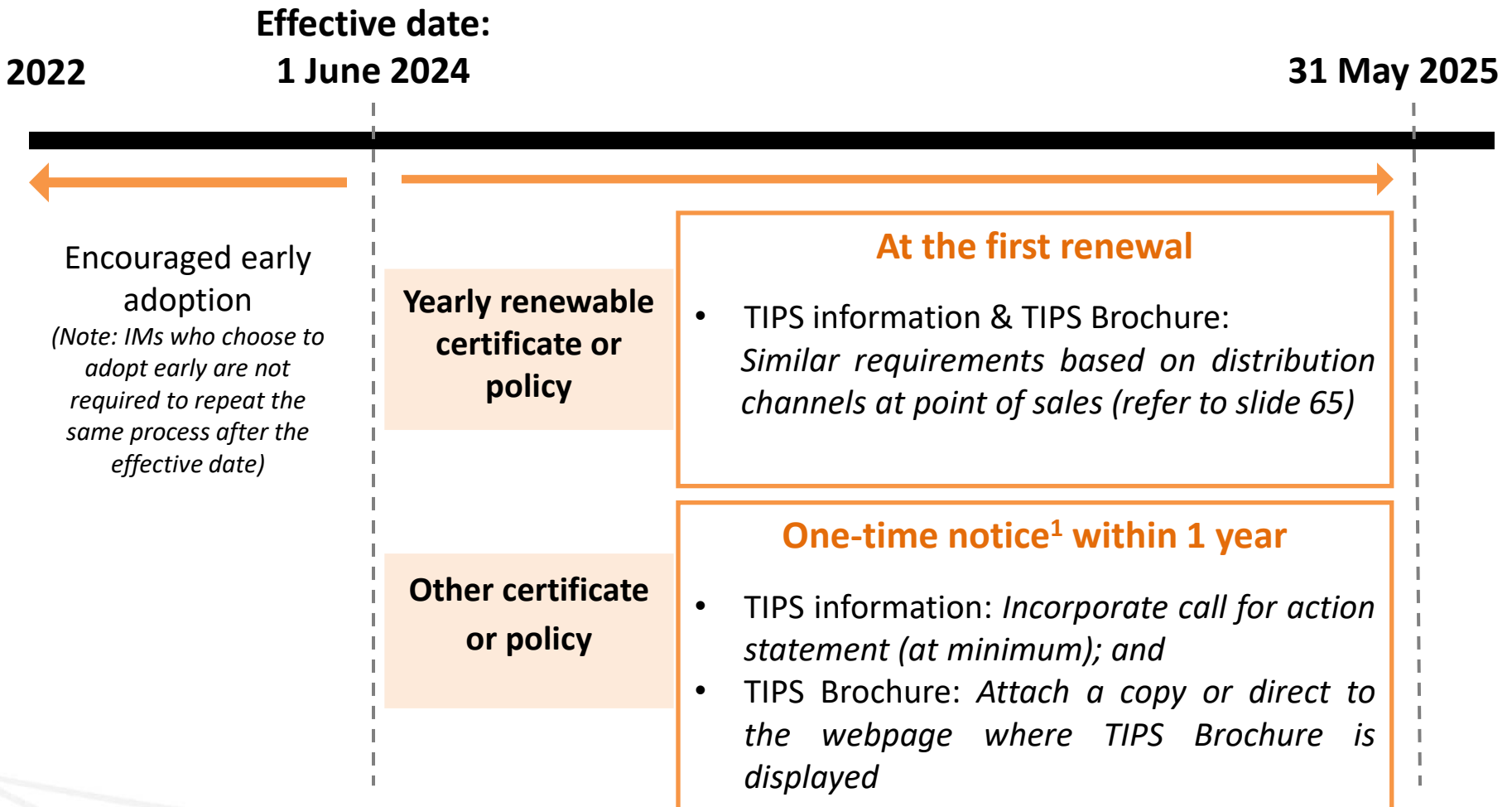
Display the **call for action statement** on the transaction page.

1. Provide a hyperlink to **PIDM's TIPS Brochure**; and
2. Upon clicking, redirect to a page within the mobile application or IM's website or PIDM's website, where PIDM's TIPS Brochure is displayed.

Note: The hyperlink to TIPS Brochure is embedded in the call for action statement to meet the requirements for online distribution channel.

The disclosure requirements are also applicable to existing certificates or policies issued before 1 June 2024

2. Disclosure for certificates or policies issued before 1 June 2024



¹ One-time notice to each certificate or policy owner does not include publication in newspapers or other modes of mass communications or placements of notices in the IM's premises, websites or mobile applications

SAMPLE

ONE-TIME NOTIFICATION TO EXISTING OWNERS OF CERTIFICATE VIA LETTER

ABC GENERAL TAKAFUL BERHAD

Dear Mrs. XYZ,

Notification of PIDM's Protection

We wish to inform about PIDM protection for your Long Term Houseowner Certificate.

ABC General Takaful Berhad is a member of Perbadanan Insurans Deposit Malaysia (PIDM). PIDM is mandated under the Akta Perbadanan Insurans Deposit Malaysia 2011 to administer the Takaful and Insurance Benefits Protection System (TIPS) that protects owners of takaful certificates or insurance policies from the loss of their eligible takaful or insurance benefits, in the unlikely event of a failure of an insurer member.

The benefits payable under eligible certificate is protected by PIDM up to limits. You are encouraged to accurately understand the details and limits of PIDM's protection. For further information, **please refer to PIDM's TIPS Brochure or contact ABC General Takaful Berhad or PIDM (visit www.pidm.gov.my).**

You may obtain a copy of the PIDM's TIPS Brochure from ABC General Takaful Berhad official website (www.abctakaful.com/tipsbrochure).

Thank you

Sincerely

Policy Servicing Department
ABC General Takaful Berhad

Sample notification that has incorporated the **call for action statement**.

Direct the certificate owner to the webpage within the IM's where the **PIDM's TIPS Brochure** is displayed.

Subsequent disclosures beyond point of sales by the IMs are not required unless...

3. Subsequent disclosure requirements

TIPS information and TIPS Brochure:



**Subsequent sales of
standalone rider**



Similar requirements based on distribution channels at point of sales*



**Change in the
protection status of an
insurance or takaful
benefit**



Explain the change and TIPS protection at point of sales* or at least 15 calendar days prior to the effective date of the change, whichever is later**

* Similar requirements based on distribution channels at point of sales (refer to slide 65).

** Does not include publication in newspapers or other modes of mass communications or placements of notices in the IM's premises, websites or mobile applications.

Active involvement of insurer members at each stage of the takaful or insurance contractual process is required to facilitate informed decision-making by customers, and promote continuous awareness of existing certificate or policy owner



Pre-contractual

Product advertisements (*incl. print, bunting, brochure and online*)

- Display PIDM membership representation and call for action statement



At Point of Sale

All distribution channels of IMs and their agents (*technology neutral approach*)

- Explain PIDM's protection to customers



At/ After Conclusion of Contract

Certificate or policy documents and correspondences (*incl. annual statement, tax statement and renewal notice*)

- Display call for action statement

IMs are to include call for action statement in documents to be issued, in printed or electronic form, to the certificate or policy owners at / after conclusion of contract

To display call for action statement

Certificate or policy contract

- Contract of takaful or insurance
- For group, individual certificate or policy issued under the group that contains representation relating to takaful or insurance product

Example of correspondences

- Annual statement
- Annual tax statement
- Contribution or premium statement
- Statement to investment-linked or universal life certificate or policy owner
- Renewal notice

Placement:

1. On the cover page or the page where the product is referred to for the first time; and
2. Close to the part of the certificate or policy document and correspondence dealing with the product, or the name of the IM.

Excluding:

Cover note, proposal form, birthday card, season's greeting card, fund performance report and fund fact sheet

SAMPLE: INSURANCE POLICY DOCUMENT

ABC Cyber Protect Digital Business Protection Insurance

Policyholder
Xxx Company

Notice:

Please read this Policy carefully, hereunder the exclusions and duties of the INSURED.

This Policy applies only to: (i) **Claim** first made during the **Insurance Period** or the **Discovery Period**, if applicable; and (ii) any **Privacy Breach, Data Breach** or **Security Event** which is first **Discovered** during the **Insurance Period** or the **Discovery Period**, if applicable which are reported to the Insurer in accordance with this Policy's provisions.

All covered costs including Defence costs are part of and not in addition to the aggregate Limit or Indemnity.

This insurance is underwritten by ABC General Insurance Berhad

The benefits payable under eligible policy is protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact ABC General Insurance Berhad or PIDM (visit www.pidm.gov.my).

ABC General
Insurance Berhad

1. **Call for action statement** placed at the cover page or the page where the insurance product is referred to for the first time; and
2. Call for action statement placed close to that part of the policy document that is dealing with the insurance product, or the name of the IM.

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

SAMPLE: STATEMENT TO THE POLICY OWNER OF AN INVESTMENT-LINKED POLICY

ABC LIFE INSURANCE BERHAD

Dear Mr. XYZ

Investment-linked Sustainability Notification

Plan Name : ABC LIFESELECT
Policy Number : 1234567
Policy Owner : XYZ
Insured : XYZ
Maturity Date : 29/11/2030

In relation to the requirements in managing the sustainability coverage of the investment-linked insurance policy, ABC Life Insurance Berhad is required to conduct a sustainability test to ensure that your policy will continue to be sustainable until the maturity date.

We wish to inform you that upon our 2022 review, your policy is able to sustain until maturity. We will continue to observe the movements of your investment-linked policy.

Should you need further information, please contact our customer service representatives.

Sincerely

Policy Servicing Department
ABC Life Insurance Berhad

PROTECTION BY PIDM ON BENEFITS PAYABLE FROM THE UNIT PORTION OF THIS POLICY IS SUBJECT TO LIMITATIONS. Please refer to PIDM's TIPS Brochure or contact ABC Life Insurance Berhad or PIDM (visit www.pidm.gov.my).

Call for action statement placed close to that part of the annual statement that is dealing with the takaful product, or the name of the IM.

SAMPLE: CORRESPONDENCES THAT ARE NOT SUBJECT TO DISCLOSURE REQUIREMENTS

ABC INSURANCE

COVER NOTE

INSURED: _____

MAILING ADDRESS: _____

This is to certify that the undersigned has procured insurance coverage as hereafter specified from certain companies and/or underwriters.


EFFECTIVE: _____ **PIRATION:** _____

COVERAGE: Professional Liability for Specified Professions

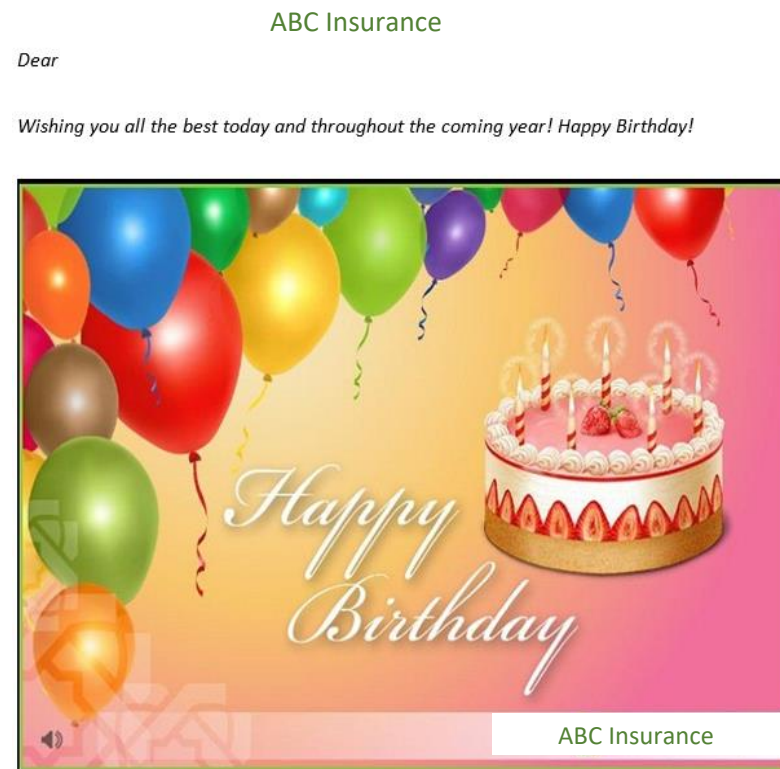
- Profession: Real Estate Appraiser
- Claims Made Form: MPL#26901 (9/87)
- Retroactive Date:**
- Limits: Per Occurrence: \$1,000,000 Annual Aggregate: \$1,000,000
- Deductible: \$1,000

CONDITIONS:

- Real Estate Agent/ Broker Referral Indemnity
- Knowledge of Wrongful Act Exclusion
- Pending and/or Prior Litigation Exclusion
- Defense within Policy Limit
- Deductible includes Loss Adjustment Expenses

DATE: _____ **BY:** 

Insurance, when effected shall be subject to all terms and conditions of policy (ies) which will be issued, and in the event of any inconsistency herewith, the terms and provisions of the policy prevail.

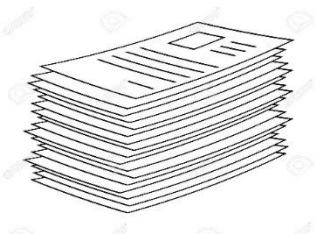


Please click [here](#) to view the interactive e-card.

From the management of ABC Insurance

More illustrations are also available from page 46 – 68 of [TIPS information Guidelines](#)

Treatment for existing supplies of advertisements, certificate or policy documents and correspondences



Printed documents or materials



- An IM may maintain pre-printed membership representation
- An IM may affix a stamp or a sticker bearing the relevant call for action statement(s) on that printed document. An IM is to remove or strikethrough any existing pre-printed prescribed statement (for advertisement)



Electronic documents or materials



- An IM is to display the membership representation and the relevant call for action statement(s), where applicable, in accordance with the relevant disclosure requirements

IMs are to provide timely and accurate information on PIDM’s protection to their prospective and existing customers at every “teachable moment” to empower informed and sound decision-making

IMs are to convey information to their prospective or existing customers

Make clear representation about their membership in PIDM

1

Disclose whether or not takaful/ insurance benefits are protected by PIDM

2

Provide accurate information on PIDM’s protection

3



Upon commencement of takaful or insurance business
To inform certificate or policy owners about the availability of PIDM’s protection



Contractual process for the sales of takaful or insurance product
To facilitate information gathering and informed decision-making by prospective certificate or policy owners, and promote continuous awareness of existing certificate or policy owners



Supported by the IMs’ internal processes
To ensure readiness of the IM’s, including their employees, agents and intermediaries, in complying with the disclosure requirements

Training for IMs' employees and agents are necessary to prevent misrepresentation or dissemination of misleading information in relation to TIPS

Training

Attend by

The agents and IM's employees who deal directly with customers or prospective customers

Intermediaries of the IMs

Frequency

At least once upon implementation

Upon subsequent review of the regulations

For agents with more than one (1) principal

Only required to attend once

Agents & employees in appointment / employment **as at** 1 June 2024

Agents & employees in appointment / employment **after** 1 June 2024 (i.e 2 June 2024 onwards)

Intermediaries

By 31 December 2025

Within **six (6) months** from the date of appointment or employment

Make available training sessions to intermediaries, at no cost and encourage intermediaries to attend its training session

An IM shall conduct an annual review of its compliance and the compliance by its agents. The manner in which the review is conducted, including the scope, depth and frequency, is commensurate with the level and impact of risk faced by the IM.

Annual Compliance Review

Perform by

Internal audit function (or external auditor) of the IMs

Frequency

Annually, and cover a 12-month period

Submission to PIDM

Report on the IM's compliance and detailed action plans (if any)

The first report covering compliance over a 7-month period, from 1 June to 31 December 2024, shall be submitted to PIDM by **30 April 2025**.

IMs shall ENSURE that its appointed agents comply with the relevant requirements

Requirements applicable to the IM's agents¹



Compliance

- Comply with the relevant requirements;
- Make adequate and accurate disclosure that they are agents of the IM; and
- Make true, correct and complete disclosure on the takaful and insurance benefits protection.



Prohibition

- Represent itself, directly or indirectly, as a member of PIDM²;
- Display or use any form of membership representation²; and
- Display or use any statement or material relating to PIDM's protection (except for materials supplied by the IMs or approved by the IMs).

1. Agent means a person who does all or any of the following: (a) solicits or obtains a proposal for takaful certificate or insurance on behalf of an IM; (b) offers or assumes to act on behalf of an IM in negotiating a takaful certificate or policy; or (c) does any other act on behalf of an IM in relation to the issuance, renewal or continuance of a takaful certificate or policy. It may include a bancatakaful or bancassurance partner (including their appointed third party service provider), corporate agent, business partner (such as hypermarket, convenience store and grocery shop), platform partner or Perlindungan Tenang partner.
2. Unless the agent is a bancatakaful or bancassurance partner that is a member bank of PIDM.

IMs shall INFORM its intermediaries to comply with the relevant disclosure requirements

Requirements applicable to the IM's intermediaries¹



Compliance

- Comply with the relevant requirements; and
- Make true, correct and complete disclosure on the takaful and insurance benefits protection.



Prohibition

- Represent itself, directly or indirectly, as a member of PIDM²;
- Display or use any form of membership representation²; and
- Display or use any statement or material relating to PIDM's protection (except for materials supplied by the IMs or approved by the IMs).

1. Intermediary refers to a person involved in the marketing and selling of a takaful or insurance product, and may include an takaful or insurance broker, financial adviser and takaful or insurance aggregator, but excludes a takaful agent or an insurance agent.
2. Unless the intermediary is a member bank of PIDM.

Key timelines to be observed in 2025 and observation after the effective date



Findings from PIDM's thematic review of the disclosures at the insurer members' corporate website and social networking sites

- Broadly, insurer members are in compliance with the disclosure requirements
- Areas for continuous enhancement includes display mechanism of PIDM's membership representation and brochure, e.g. incorrect hyperlink, incorrect decal / logo / positioning, lack of visibility / clarity
- Encourage continuous engagement with PIDM to clarify expectations

- *TIPS Info Regulations : Malaysia Deposit Insurance Corporation (Provision of Information on Takaful and Insurance Benefits Protection) Regulations 2022*
- *TIPS Info Guidelines : Guidelines on Provision of Information on Takaful and Insurance Benefits Protection*
- *TTT: Train the trainers*

Reference to the relevant documents which are available at PIDM website

01

[Information Regulations 2022](#)

02

[Information Guidelines 2022](#)

03

[Information materials](#)

(This page provides material information on disclosure requirements (e.g. membership representation, TIPS Brochure, TIPS Handbook and training slides)

04

[Malaysia Deposit Insurance Corporation \(Protected Benefits\) Regulations 2020](#) & [Malaysia Deposit Insurance Corporation \(Protected Benefits Limit\) Order 2020](#)

(These documents provide more information about TIPS protection scope and limits. You may also refer to the [FAQ](#) on protection scope and limits, and as well as examples of benefits under protected benefits category for [general takaful / insurance](#) and [family takaful life insurance](#)

How to contact PIDM?

Queries relating to TIPS Information Regulations and TIPS Information Guidelines can be directed via email to:



Policy Department



policytips@pidm.gov.my

General enquiries can be directed through these communication channels:



1-800-88-1266 (*Toll-free*)

• 8.30 am – 5.30 pm Mon-Fri

03-2173 7436 (*General Line*)

03-2265 6565 (*General Line*)



03-2173 7527

03-2260 7432



Corporate Communication Department
Perbadanan Insurans Deposit Malaysia
Level 9, Bangunan AICB,
10, Jalan Dato' Onn,
50480 Kuala Lumpur



info@pidm.gov.my

www.pidm.gov.my

Thank you

