



Volume 2 Issue 2 2025

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# Magazine

The official publication of the Asian Institute of Insurance

## EV Insurance: Lessons from China's Rapidly Evolving Market

**Asia's EV Revolution Sparks  
Insurance Challenges and  
Opportunities**

**How Mediation Resolved  
a RM20 million Lawsuit  
Amicably**

**LIAM, AQBA, and Aii:  
A Trifecta for Advancing  
the Life Insurance  
Industry**

**LAMP: Elevating  
Malaysian Insurance  
Expertise**

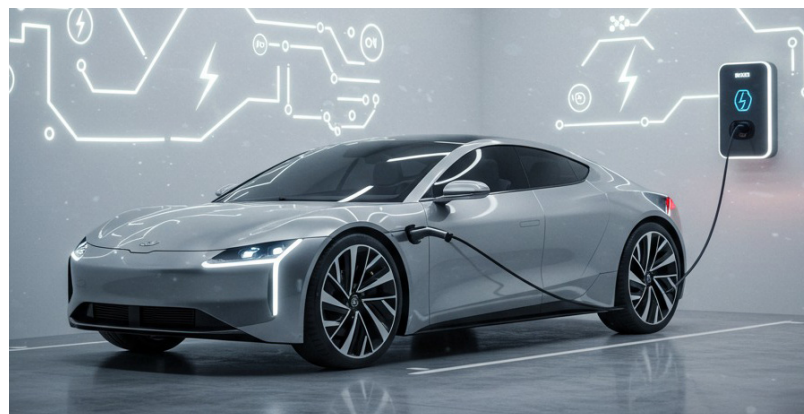
**ASEAN Insurance  
Council and  
Aii Partner  
for Regional  
Advancement**

**Steven Li Gang**  
*Subject Matter Expert in  
EV BMS Claims and Underwriting*



Volume 2 Issue 2

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### A Note from the Editor


## Asia's EV Revolution Sparks Insurance Challenges and Opportunities

The electric vehicle market is rapidly expanding across Asia, fueled by environmental concerns, consumer demand for advanced technology, and supportive government policies. The transition, however, presents unique challenges for insurers in the region.

While electric vehicle (EV) adoption rates vary across Asian countries, the overall trend is upwards. Insurers recognise the need to adapt to this evolving landscape and are exploring new policies to cover EVs. One key concern is accurately pricing EV insurance premiums, given the limited historical data and the rapid depreciation of EV values. "The current EV insurance challenge is not on how to price; it is more on how much to price," said an industry source.

The continuous advancement of battery electric vehicle (BEV) technology is expected to alleviate consumer range anxiety and further drive EV adoption. Sufficient pricing flexibility is needed, potentially through usage-based insurance models and mileage-based programmes, offering discounts for safe drivers and increased

premiums for those with poor driving records. However, insurers must also be aware that even a minor battery scratch can lead to a total loss, given that battery costs can represent 50% to 60% of the vehicle's total value. This increased risk requires further study to refine pricing strategies and claims handling practices.

The uneven development of EV charging infrastructure, particularly outside urban areas, contributes to range anxiety among consumers. This, coupled with concerns about battery degradation, poses further challenges for insurers. To overcome these hurdles, insurers are calling for a centralised data-sharing framework involving stakeholders from government agencies to telematics providers. This would provide access to real-time data necessary for developing effective insurance models. While artificial intelligence (AI)-led solutions hold promise, a statistical-based rating model may be more practical in the short-term due to the lack of mature data needed to train AI algorithms. Collaboration among manufacturers, tech companies, and regulators is crucial for creating new insurance models. 





Cover Story

# EV Insurance: Lessons from China's Rapidly Evolving Market

For electric vehicle (EV) matters, industry players are increasingly looking to the East, in particular, China for leadership — be it technology, vehicle systems and infrastructure or insurance.

China's rapid EV market growth offers valuable insights. Several factors underpin China's success, including strategic government support, substantial investments, and a focus on developing core EV components. This has enabled Chinese manufacturers to offer high-quality EVs with impressive features at competitive prices. China is also rolling out its EV charging infrastructure faster than any other country in the world, which is a big plus to its dominance in the EV industry. Its EV market penetration is largely dominated by state policies, especially financial support and continues to expand rapidly, driven by innovation and strategic government policies. It continues to set a precedent for other nations embracing the electric revolution.

iN Magazine recently spoke to subject matter expert in EV Battery Management System (BMS) claims and underwriting, Steven Li Gang, in China to have a peek at what is to come. With over 20 years of hands-on experience in the motor insurance and vehicle technology industry, Li has worked across the full spectrum of vehicle systems—from traditional ICE (internal combustion engine) cars to the most advanced EVs and battery diagnostics. He spent a decade contributing to large-scale global automotive data systems, focusing on vehicle repair intelligence, diagnostics, and standardisation and also served in a senior advisory role within one of China's most respected insurance institutions, leading transformative work in motor underwriting, claims processing, and the integration of EV-specific innovations such as BMS, EV parts intelligence, and smart workshop ecosystems.

The following are excerpts of the conversation ....



Steven Li Gang

**iN Magazine:** How do electric car insurance rates compare to those ICE (internal combustion engine) cars? It's important for insurers to fully understand if EVs generally cost more or less to insure. Since it is battery-operated, it should technically cost less to insure. Would appreciate it if you could share in detail the mechanics involved in determining the insurance rates for EV cars.

**Li:** Electric vehicle insurance rates are currently higher than those of internal combustion engine vehicles, largely due to elevated repair costs—especially for battery systems—and the limited availability of certified repair facilities. While EVs offer fewer mechanical failures and lower routine maintenance, insurers must factor in high parts replacement costs, specialised labour, and diagnostic tools. Additionally, EV-specific risk data is still maturing, creating uncertainty in pricing models. For insurers, this presents both a challenge and an opportunity: those who invest early in EV-specific underwriting frameworks, repair partnerships, and telematics-based risk assessment will be better positioned to lead as the EV market scales and stabilises.

**“Those who invest early in EV-specific underwriting frameworks, repair partnerships, and telematics-based risk assessment will be better positioned to lead as the EV market scales and stabilises.”**

**iN Magazine:** What specific factors influence the insurance premium for an EV? For example, battery replacement costs, specialised repair networks, availability of spare parts. Some quarters say that consumers are worried about the rapid depreciation of Battery Electric Vehicles [BEVs], and the insurance industry also faces challenges because of this.

**Li:** There are several key factors that influence EV insurance premiums, including the vehicle itself, the owner's usage habits, and broader market and policy conditions. The most significant is the battery—once damaged, replacement can

be extremely costly, sometimes accounting for a large portion of the car's total value. EVs also require specialised repair skills and equipment, and not every repair workshop is qualified yet, which drives up repair costs. In addition, parts supply is limited—some components are hard to source, leading to longer repair times and higher expenses.

Many consumers are also concerned about the rapid depreciation of EVs, which affects how insurers calculate payouts and increases the complexity of risk assessment. So, even though EVs are mechanically simpler, these practical issues keep premiums relatively high for now. But as the market matures and the repair ecosystem improves, we can expect insurance costs to gradually come down.

**“As the market matures and the repair ecosystem improves, we can expect insurance costs to gradually come down.”**

**iN Magazine:** Will an EV insurance policy cover the car's battery? Specifically, what are the conditions for battery replacement or repair coverage due to accidents, fire, or other damage? Some manufacturers may expect the EV car owner to insure the battery, while others may replace or repair it themselves at no extra cost. What would your view be?

**Li:** Whether an EV insurance policy covers the battery depends on the policy details and the ownership model. In most cases, if the battery is damaged due to an insured event—like an accident, fire, or natural disaster—it's covered under the comprehensive policy. However, the terms can vary. Some manufacturers offer warranties or even take full responsibility for the battery, meaning the owner might not need separate coverage. That said, if the battery is leased or treated as a separate component, some insurers may require it to be insured specifically, or offer it as an add-on. It's important for EV owners to understand whether their battery is owned outright, leased, or under a manufacturer's care plan.

In my view, battery coverage should be clearly defined and ideally included by default in



EV insurance, since it's the most valuable and vulnerable component of the vehicle. Transparency between manufacturers, insurers, and consumers is key to avoiding confusion and ensuring proper protection.

**“Battery coverage should be clearly defined and ideally included by default in EV insurance.”**

**iN Magazine:** What type of coverage is available for the charging equipment (home charger, charging cables, etc.)? Will an EV insurance policy cover damage or theft of charging equipment, both at home and in public charging locations?

**Li:** In China, EV insurance can cover charging equipment like home chargers and cables, but usually through optional add-ons. For example, there are riders for home charger damage, third-party liability during charging, and theft or damage of cables in public places. These aren't included by default, so EV owners need to select them when buying insurance. Also, damage from poor installation or misuse is usually excluded. So yes, charging equipment can be covered—at home and in public—but it depends on the insurer and the specific coverage selected.



**iN Magazine:** Are there any specific discounts or incentives for insuring an EV via a legal business entity like a company? Some insurers offer better EV-specific discounts or other benefits.

**Li:** In China, insuring an electric vehicle under a legal business entity—like a company—can sometimes come with specific benefits, but it largely depends on the insurer and the company's profile. Some insurers offer EV-specific incentives such as fleet discounts, premium reductions for bulk policies, or tailored coverage for commercial EV usage like logistics or ride-hailing. Government-backed incentives may also indirectly support lower insurance costs, especially for companies operating green or energy-efficient fleets. In certain cities, companies using EVs may qualify for local subsidies, which can be reflected in the total cost of ownership, including insurance.

That said, there isn't yet a standardised nationwide discount for EV business users, and most benefits are negotiated case by case, especially for large fleets. So, it's important for companies to consult insurers directly and explore custom corporate EV packages.

**“There isn't yet a standardised nationwide discount for EV business users, and most benefits are negotiated case by case, especially for large fleets.”**

**iN Magazine:** How does the limited availability of EV repair facilities impact claims processing and repair costs? Given that EVs require specialised expertise, it's essential to understand how this affects the insurance process. At the moment, most or all EV car repairs are done by the manufacturers.

**Li:** Currently, in China, the limited number of EV repair facilities directly affects claims and repair costs. Most EV repairs—especially for batteries—must be done by manufacturer-authorised centres, which means longer wait times, higher labour costs, and fewer available parts.



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This makes the claims process slower and less flexible for insurers, as they have to work with OEM channels instead of regular workshops. Some insurers are now partnering with EV brands or certified networks to speed things up. But overall, EV repairs remain specialised, costly, and centralised—for now. And as with most things, as the market matures, we expect faster and more efficient claims handling.

**“Some insurers are now partnering with EV brands or certified networks to speed things up.”**

**iN Magazine:** What safety features in an EV qualify the owner for lower insurance premiums? For example, automatic emergency braking (AEB), lane departure warning.

**Li:** Advanced safety features in EVs—like AEB, lane departure warning, and blind spot detection—can help lower insurance premiums, especially for fleet or usage-based insurance in China.

While these discounts are not standardised yet, some insurers offer better rates for EVs with ADAS (Advanced Driver-Assistance Systems), strong safety ratings, or real-time telematics. This is more common in commercial fleets and smart insurance programmes. As EV technology becomes more common, safety features will play a bigger role in pricing risk.

**iN Magazine:** Since the battery is the “core” of an EV, what is the procedure for handling a claim if the accident involves battery damage or fire? It’s important for car owners and insurers to know the steps involved and potential challenges in such scenarios.

**Li:** If an EV accident involves battery damage or fire, the claims process is more complex due to safety concerns. First, the vehicle must be powered off immediately to prevent secondary risks like electric shock or thermal runaway.

If the battery looks fine, routine checks can proceed. But if there’s visible damage—like leaks or deformation—the battery must be removed at a certified facility by trained personnel. In water-related accidents, insulation

tests are done, and if abnormal, the battery is disconnected, dried, repaired, and retested.

In fire cases, water is used to extinguish and cool the battery for at least 30 minutes. All procedures require high-voltage protective gear. These extra steps make the process slower and more technical, but they ensure safety before claims can move forward.



**iN Magazine:** Will the EV insurance policy cover damage caused by electrical surges during charging?

**Li:** In China, EV insurance may cover damage from electrical surges during charging—but it depends on the cause and policy terms. If the surge is due to a fault in external charging equipment, vehicle damage may be covered under own damage insurance.

However, insurers may first check liability. If the issue comes from the charging station or power grid, they might seek compensation from the responsible party instead of paying directly. Some policies exclude surge or lightning damage unless you’ve added specific riders, like surge protection. So, coverage is possible but not guaranteed—it’s important to review your policy details and protection set-up in advance.



**iN Magazine:** How is the residual value of the electric car factored into the insurance coverage, especially in case of a total loss? Consumers worry about the depreciation of EVs, and the insurance industry faces trouble because of the imperfection of commercial insurance for Battery Electric Vehicles (BEVs).

**Li:** In China, when an EV is declared a total loss, insurers assess its residual value—mainly from the battery, body, and salvageable parts. This value is deducted from the actual cash value (ACV), and the difference is paid to the owner. The battery usually holds the highest value. If the SoH (State of Health—the difference between used/fresh batteries) is above 70%, it may be reused. Otherwise, it will be recycled for materials like lithium and cobalt. The body is priced as scrap metal, and undamaged parts like motors or sensors have second-hand market value. Brands like Tesla or BYD usually have higher residual value, especially in major cities.

This evaluation will be done by third-party appraisers. While the process is more transparent now, fast depreciation and market volatility still make total loss claims a challenge. 📌

## EV Insurance: What You Need to Know in 2025

**How do insurance rates for electric vehicles (EVs) compare to internal combustion engine (ICE) vehicles?**

Electric vehicles typically carry higher insurance premiums than traditional gasoline powered vehicles. In 2023, premiums for EVs averaged around 21% higher. This is driven by higher claim frequencies, increased complexity in repairs—especially involving battery systems—and the cautious approach insurers take due to limited long-term data on EV performance.

**What specific factors influence the insurance premium for an EV?**

Insurance premiums are shaped by multiple layers of risk:

- Vehicle-specific factors: high battery costs, complex electronics, and rapid depreciation.
- Driver profile: mileage, driving behaviour, and previous claims.
- Market maturity: infrastructure, service network, and parts availability.

**Are EV batteries covered under standard insurance policies?**

Yes, but coverage is conditional. Most comprehensive policies include battery damage from accidents or fires. However, insurers may require certified diagnostics due to the cost and risk of battery-related claims.

**Is EV charging equipment covered by insurance?**

Yes. Home chargers may be insured under homeowner policies, while public charging equipment is usually covered by the service provider’s commercial insurance.

**Are there incentives for insuring EVs under a business or legal entity?**

Yes. Businesses can enjoy group discounts, cashback offers, and value-added services like roadside assistance, inspection, and battery diagnostics. 📌



## Case Study

# How Mediation Resolved a RM20 million Lawsuit Amicably

By L F Ong, LL.B (Hons) (London), CL, ACII, AMII, MCI Arb, MMI Arb.



## Introduction

The intention of this case study is to share that in a dispute, effective mediation is a creature of balance and compromise to reach a win-win result for all parties.

If you heard about a mediation that amicably resolved a RM20 million legal dispute for one million — less than 5% of the original cost — you would be forgiven for raising an eyebrow.

A mediator must be fully equipped, not only with qualifications, but with practical mediation skills and techniques, and a knowledge of mediation law [1], practice and procedure, including the ability to stretch the imagination and solve problems creatively [2].

## Role of the Mediator

The role of mediator [3] is prescribed in the Malaysian Mediation Act (2012) as follows: Section 9:

1. A mediator shall facilitate a mediation and determine the manner in which the mediation is to be conducted.
2. A mediator may assist the parties to reach a satisfactory resolution of the dispute and suggest options for the settlement of the dispute.

3. For the purpose of subsection (1), the mediator shall act independently and impartially.

This narrative will illustrate the procedural approaches utilised in mediation, the result of which achieved mutual satisfaction and win-win benefits for the parties involved.

## Outline of the Claims

Multiple claims were triggered between 2016 and 2017 when a row of 20 units of terraced, single-story private dwellings owned by individual claimants sustained varying degrees of damage due to their situation adjacent to an ongoing construction project.

For obvious reasons of confidentiality and privacy, the particulars of the parties, locations, district, township, construction project and other vital information cannot be divulged.

This case study is solely and principally concerned with the mediation process undertaken.

## Aftermath of the Damage

The claimants in this case jointly and severally appointed a legal firm to represent them in a class action suit against the main contractor

(R1) and the developer (R2), jointly referred to as “the respondents”.

The respondents chose to remain unrepresented by counsel. Instead, R1 took a leading role in the mediation by appointing an executive director (person in charge of the project), a project engineer and a site supervisor as representatives.

Shortly after being appointed, counsel for the claimants issued a seven-page Letter of Demand to the respondents asserting that they were responsible for the alleged property damage amounting to RM20 million in aggregate for specific performance, general damages, special damages and of course, costs.

The letter also strongly demanded an assurance that the unstable ground under the properties be stabilised. It effectively stated that if the ground had not been stabilised, there would be no point continuing discussions to resolve the dispute given the high chance of further damage being sustained.



## Appointment of the Mediator

On receipt of the counsel's letter, R1 replied by proposing mediation [4], and agreement was secured from the counsel on behalf of the claimants. R1 then nominated a sole mediator

who was also accepted.

As statutorily required, the mediator issued a written request for consent [5] to act as the appointed mediator and declared his impartiality and the absence of financial or personal conflict of interest in relation to the outcome of the mediation [6].

In line with the parties' consent [7], the mediator formulated an agreement [8] which when signed by the parties, formalised the process. As part of this agreement, R1 consented to bear the full cost of the mediation [9]. A preliminary meeting with the parties at a neutral venue enabled the submission of relevant documents [10], aptly dubbed “the background information”. Here, it was emphasised that this documentation would not be used in a court of law.

This initial step was also essential to ensure that all involved had a locus standi, or a legitimate proprietary interest, in the matter.

Preliminaries for submission included:

1. The Contract of Agreement vis-à-vis the project,
2. A list of the project's stakeholders,
3. R1's Contractor's All Risks (CAR) insurance policy (Third Party Liability: Section II)
4. Dilapidation Survey Report [11]
5. The houses (drawings)
6. Claimants/registered owners' identity cards and land title deeds (grants)
7. Statements of claims by the claimants supported by estimated cost of repairs

No useful purposes will be served to extrapolate on the importance of the aforesaid documents, apart from the fact that they were exceedingly useful reference materials to understand the identities of the parties, the registered property ownership details, and the extent of damages to individual houses as experienced by the parties.

Finally, the mediator dealt with the claimants' overriding concerns about whether “the instability of the ground on which the houses rested had been contained”. Here, R1 provided an independent expert's report on the stability of the site where the houses were located which was accepted, without issue from the claimants. This resolved the matter of specific performance, a pre-condition for accepting mediation [12].

Throughout the preliminary meeting, the parties displayed a respectful demeanour, decorum and professionalism, without any untoward incidents.



### Proximate Cause

In the absence of other probable, cogent or plausible explanations, the proximate cause of the damages to the claimants' houses, which had suffered compromised, weakened and lost foundations [13] was attributed to the 120-storey, super-structure project, housing four levels of underground car parks, premised directly adjacent to the claimants' properties.

The contract price of the project was RM800 million. Given the distance between the project's perimeter and the claimants' houses was approximately six metres [14], probable cause of the damage was unrefuted.

On a side matter, the insurer [15] of the project and their loss adjuster were invited to attend the proceedings but declined having promptly settled R1's Contractors' All Risks (CAR) third party liability policy claim in the sum of RM3.8 million, paid direct, one month before the mediator was officially appointed.

A critical point of observation is that the insurer, having decided to opt out of the matter, suggested without much doubt that they believed R1 was responsible for the damage.

Proximate cause was therefore not within the scope of mediation.

### Mediation Context

At the onset, one of the claimants failed to produce Document 6 relating to ownership of the damaged properties, which negated his locus standi. His claim of RM1 million was set aside, leaving a balance of RM19 million. The attending counsel accepted, without protest, the deletion of this claimant from the list.

Next, R1 confirmed the absence of a dilapidation survey report (Document 4), making it difficult to establish any pre-existing damage to the properties prior to the commencement of the project.

The parties appreciated the mediator's explanation regarding the importance of a dilapidation survey report, more so, for the project of this magnitude, given its close proximity to the surrounding properties.

According to the land office's records, the claimants' houses had been erected some 50 years ago on underdeveloped and virgin jungle land. Fast forward, the site had become a busy, modern, commercial township complete with infrastructure. The burden of proof, therefore, rested with the claimants to demonstrate, on balance of probability, that there was no pre-existing damage at the material time that the project commenced.

This was an onerous and uphill task, given the age of the houses and potential rate of settlement, defined as "the downward movement of a structure, such as a railway bridge, dam or building due to compression or movement of the soil below it" [16].

It was crystal clear that the claimants encountered difficulties establishing the pre-existing and post-project damage. As such, the documents marked 7 were not reliable or conclusive.

### Proceedings Get Underway

A caucus [17] aiming to break the deadlock was held with counsel for the claimants during which a list of the damaged properties was produced categorising them as Group A and Group B to reflect so-called "minor" and "major" damage, respectively.

However, in the eyes of the mediator, the lack of

precise information provided rendered the list vague and ambiguous. In fairness, the details were shared with R1 for their records. Following protracted discussion with R1, a monetary compensation of RM10,000 per homeowner was proposed, embracing general and special damages in full and final settlement of the claim, without prejudice to liability.

At the resumption of the mediation, R1 were not able to demonstrate a justification or rationale for this proposal, hence, it was a non-starter.

Further, the counsel's contention that the cost of remedial works for the houses marked "major damages" undoubtedly exceeded RM10,000 per house, remained unchallenged by R1. All facts considered, the damage, whether pre-existing or otherwise, sustained by these houses was subjective, which could potentially result in a dead end — a nightmare of fruitless argument to be avoided at all costs.

Mindful that the cessation of mediation is not an option in a dispute resolution, the mediator next arranged a caucus with R1, to review their proposal.



### Salient Arguments

During the subsequent caucus discussion, it became apparent that R1 had failed to consider

many vital factors. Pursuant to Section 9 (2) [18] of the MA2012, the mediator drew R1's attention to the following salient facts [19], all of which were not in their favour:

1. Proximate cause [20] was 100% attributable to the project, with no question of contributory negligence on the part of the claimants, who had enjoyed their properties for over 50 years, without incident. Without doubt, in the absence of evidence to the contrary, R1 was fully liable for the causation of damage to these houses.
2. It is not uncommon for a claimant or claimants to seek an equitable remedy by way of a pre-trial injunction [21] subject to the discretion of the court.

The application for an injunction can be made at any point in time, independently, without needing to be part of a claim [22]. An injunction, once granted, would have the effect of stopping construction at the site, either temporarily or permanently, resulting in a delay to the delivery of the project and giving rise to liquidated damages, accruing on a daily basis, payable to R2.

Ultimately, R2 would be liable for liquidated damages to compensate the buyers for late delivery of units sold to them. The liquidated damages for such a mammoth project would likely to be prohibitive and mind-boggling, a situation best avoided by R1.

3. In the worst-case scenario, a court's anticipated decision would likely favour the claimants based on the available facts relating to proximate cause and the circumstances of the damage.

Undoubtedly, the court would be cognisant of the fact that the claimants, mostly retirees, who owned the houses classified as having suffered "major damages" had been forced to vacate their private dwellings due to the risk of weakened and fractured structure that might collapse.

As a result, the court may well exercise its discretion to award each claimant a substantial compensation for general, aggravated and exemplary damages, with an allocated mandatory sum for the special damage, all of which might amount to a



figure much greater than that originally claimed.

Additionally, the court would likely award costs [23] to the claimants, meaning R1 would be forced to bear their own legal costs, whereas, in mediation, they would not incur legal fees unless they chose to be represented.

4. R1's insurer had acted pre-emptively by unilaterally paying funds directly into R1's account under their CAR policy. An insurer is not an arbiter of damages.

Technically speaking, third party liability provides indemnity to the named insureds, in this case, the developer as principal (R2) and the main contractor (R1), in respect of their legal liability in the course of the contract works during the period of insurance.

However, the claimants had not filed a formal legal action in court at the time the insurance proceeds were made to R1 and as such, legal liability, or the negligence, of the two Rs had not yet been judicially determined.

While it is possible that the insurer decided to accept R1's legal liability for the damage to the claimants' properties based on the loss adjuster's report, the norm for settlement in a third-party liability claim is the issue of a third-party discharge voucher from the insurer to be jointly signed by the claimants, after which, the insurance proceeds are directly credited to the solicitor's account for distribution to the respective claimants.

In this instance, R1 was credited with the insurance proceeds "in full satisfaction and discharge of all claims made or to be made ... in connection with [the] policy in respect of damaged third parties' residences on [date stated]".

In summary, R1, who lost nothing, were paid for the claimants' losses. Needless to say, the insurer's action was a Pandora's box [24].

5. In the event that the mediation failed, the next course of action for the claimants would have been to file a legal suit naming R1 and R2 as well as the insurer as defendants. In such circumstances,

the claim discharge voucher signed by R1 would be a meaningless document insofar as the court and claimants were concerned.

It follows that the insurer would then have to recant the claim settlement with R1 and seek a refund of the payment arising from their ill-conceived action.



### Mediator's Suggested Option

At the end of the caucus, R1 agreed the mediator's litany of potential adverse consequences could play out as described, and the outcome would be dire for the construction project's stakeholders.

R1, therefore, requested the mediator's advice and the following was proposed:

- Each claimant receive monetary compensation of RM45,000
- R1 repair the damaged houses within three months, regardless of pre-existing damage.
- R1 pay the claimants' counsel in the amount of RM60,000 for legal services rendered.

R1 agreed to the mediator's proposal, which was then presented to the claimants who, after discussion with their counsel also accepted, thus resolving the dispute by Mediation Settlement Agreement (MSA).




### Conclusion

The essence of mediation is to amicably resolve a dispute as expeditiously and as practicably, without debating or determining fault. Parties mutually agree to mediation with a common intention to resolve their dispute in privacy.

Occasionally, where one or more parties is not able to reach an amicable settlement, "a mediator may end the mediation if, in his or her opinion, further efforts at mediation would be unlikely

contribute to a satisfactory resolution ..." [25]

Having initiated the mediation, the respondents succeeded in avoiding adverse publicity for their landmark project and gained substantial savings.

The claimants, meanwhile, succeeded in obtaining reasonable compensation, including repairs from the respondents, thus, avoiding long, stressful due process and substantial legal costs of a court trial. 

### References

- [1] For the purpose of this mediation, reference was made to the Malaysian Mediation Act 2012 (Act749) (MA2012).
- [2] Section 9 (2) of MA2012 provides "...mediator may assist ...and suggest option for the settlement of the dispute".
- [3] Section 9 of MA2012; The Australian MA 1997 is silent on the role of mediator; Part 2, Section 8, of the UK Mediation Act 2017 has a provision on the role of mediator.
- [4] Section 5 of MA2012
- [5] Section 7 (6) of MA2012
- [6] Section 7 (7) of MA2012
- [7] Section 5 (4) of MA2012
- [8] Section 6 of MA2012
- [9] Section 17 (2) of MA2012
- [10] Section 10 of MA2012
- [11] A Dilapidation report is a record of pre-existing condition of the buildings, with photographs, compiled prior to the commencement of the project.
- [12] Specific performance was a pre-condition of the claimants to accept mediation.
- [13] The CAR policy, Third Party Liability: Section II, was extended to cover "Vibration, Removal or Weakening of Support", subject to a deductible.
- [14] 1 foot = 0.3048m
- [15] Subsequently, it transpired that the insurer had decided to opt out of the matter by way of settlement of the claims in the sum of \$3.8 million direct with R1 under the Third Party Liability Section II of the CAR policy.
- [16] The Penguin Dictionary of Civil Engineering (Third edition) at page 239 by John S Scott defines "Settlement" as the "downward movement of a structure, such as a railway bridge, dam or building due to compression or movement of the soil below it" (emphasis in bold added)
- [17] A caucus is a confidential and private meeting between the mediator and claimants or the mediator and respondents in a separate session, with the view to resolve the dilemma.
- [18] Ibid [2]
- [19] This caucus was conducted on an off the record basis
- [20] Ibid. [4] & [5]
- [21] Special Relief Act 1950 (SRA 1950)
- [22] Order 29 Rule 1 Rules of Court 2012
- [23] General rule: Costs follow the event
- [24] Oxford English dictionary at page 605 defines Pandora's box as "a process that once begun creates many problems"
- [25] Section 11 (3) of MA2012



## Industry

## LIAM, AQBA, and Aii: A Trifecta for Advancing the Life Insurance Industry



The Life Insurance Association of Malaysia (LIAM) is deepening its focus on promoting professional integrity and ethical advancement within the life insurance industry through its continued collaboration with the Asian Quality Business Award (AQBA). LIAM recognises AQBA as a crucial platform for celebrating and benchmarking quality business practices across Asia.

“Participating in AQBA is crucial for Malaysian life insurers and agency leaders as it highlights our dedication to delivering exceptional customer experiences, building a trusted brand, and fostering long-term relationships,” said Ben Ng, chief executive officer of AIA Malaysia, who spoke with iN Magazine in an interview

recently. Ng, who is also LIAM president said the AQBA underscores LIAM’s unwavering commitment to professionalism, client value, and ethical growth.”

LIAM actively supports AQBA to ensure that industry/professional recognition aligns with values that drive long-term success in the insurance sector. By encouraging participation, LIAM aims to reinforce the fundamental purpose of insurance: to provide financial security, protect families, and empower individuals.

AQBA’s categories, including persistency, policy count, and sum assured, are meaningful measures that reflect the true value delivered to customers. Persistency reflects client trust and satisfaction, policy count demonstrates the reach and effectiveness of service, and sum assured represents the level of financial protection provided.

LIAM emphasizes that awards like AQBA play a crucial role in promoting trust and integrity within the industry. By recognising ethical performance, AQBA reinforces the values of trust, transparency, and responsibility. LIAM can leverage the AQBA platform to promote a values-driven culture, spotlighting role models who exemplify ethical behaviour and professionalism.

Below are more of iN Magazine’s discourse with Ben Ng, President of LIAM ....

**iN Magazine:** Why is it important for Malaysian life insurers and agency leaders to take part in AQBA? How does LIAM support this?

**Ng:** The AQBA provides a unique platform to celebrate and benchmark quality business across Asia. For Malaysian life insurers and agency leaders, participating in AQBA is crucial as it reinforces our industry’s unwavering commitment to professionalism, client value, and ethical growth. This award highlights our dedication to delivering exceptional customer experiences, building a trusted and quality

brand, and fostering long-term relationships through post-sales services.

LIAM collaborates with AQBA to ensure that recognition aligns with values that drive long-term success. By encouraging participation in AQBA, LIAM helps reinforce the fundamental purpose of insurance: to provide financial security, protect families, and empower individuals to navigate life’s challenges. This alignment with AQBA’s principles ensures a brighter future for both customers as well as insurance professionals — fostering a culture of excellence within the Malaysian insurance industry.

**“Encouraging participation in AQBA, LIAM helps reinforce the fundamental purpose of insurance: to provide financial security, protect families, and empower individuals to navigate life’s challenges.”**

**iN Magazine:** AQBA award categories include persistency, policy count, and sum assured. What is LIAM’s perspective on this?

**Ng:** This excellent approach shifts the focus from short-term sales to long-term impact, emphasizing the true value delivered to customers. Persistency reflects client trust and satisfaction, showcasing the ability to maintain long-term relationships and provide on-going support. Policy count demonstrates the reach and effectiveness of service, highlighting the ability to cater to a diverse customer base. Sum assured represents the level of financial protection provided, ensuring that individuals and families are adequately safeguarded against life’s uncertainties.

These indicators are meaningful measures of the work done — aligning with AQBA’s principles of delivering quality business, building a trusted and quality brand, and retaining customers through post-sales services.



Ben Ng, President of LIAM

**iN Magazine:** How can AQBA raise industry standards in service, need-based selling, and professionalism?

**Ng:** AQBA has set clear benchmarks that reward advisers and companies not just for selling, but for delivering true value to clients. By focusing on client retention, right-fit products, and holistic coverage, AQBA encourages the industry to prioritise long-term customer relationships and meaningful insurance solutions.

This approach drives better training for advisers, ensuring they are equipped with the knowledge and skills to provide exceptional service and meet clients’ needs effectively. It also promotes clearer compliance with ethical standards, reinforcing the importance of integrity and transparency in all interactions. Additionally, AQBA fosters stronger client engagement by emphasizing the importance of ongoing support and value beyond the initial sale.

By setting these high standards, AQBA helps elevate everyday practices across the industry, ensuring that all stakeholders benefit from improved service, need-based selling, and professionalism.



**iN Magazine:** Can awards like AQBA promote trust and integrity in the industry? How can LIAM use this platform?

**Ng:** Yes, absolutely. Awards like AQBA play a crucial role in promoting trust and integrity within the insurance industry. By recognising ethical performance, AQBA reinforces the values we want the industry to stand for — trust, transparency, and responsibility. This recognition helps to highlight the importance of ethical practices and encourages all stakeholders to prioritise these values in their daily operations.

LIAM can leverage the AQBA platform to promote a values-driven culture within the industry. By spotlighting role models who exemplify ethical behaviour and professionalism, LIAM can inspire others to follow suit. Additionally, LIAM can support initiatives that help advisers grow ethically while meeting clients' changing needs, ensuring that the focus remains on delivering true value and building strong, long-term relationships.

**“Awards like AQBA play a crucial role in promoting trust and integrity within the insurance industry.”**

**iN Magazine:** What defines an “award-winning” insurer or agency today, especially in a rapidly evolving digital and customer-first world?

**Ng:** An award-winning insurer or agency today is one that leverages digital tools to enhance — not replace — human connection. In a digital, customer-first world, it's crucial to tailor solutions based on individual customer needs, ensuring that each interaction is personalised and meaningful. An award-winning insurer invests in technology and supports his/her talents to leverage on technology and digital media to provide exceptional service anytime, anywhere.

Building an advisory culture of professional service and sustainability is key. This simply

means prioritising ethical practices, customer-centricity, and long-term growth. It's not just about the volume of sales; it's also about the value delivered to customers. An award-winning agency focuses on delivering quality business, building a trusted and quality brand, and retaining customers through post-sales services.

This approach aligns perfectly with the principles celebrated by AQBA. AQBA recognises agencies that excel in providing exceptional customer experiences, fostering long-term relationships, and ensuring financial protection for individuals and families. By celebrating these values, AQBA helps elevate industry standards and promotes a brighter future for both customers and insurance professionals.



**iN Magazine:** How can LIAM encourage greater participation in AQBA? What are the benefits of such recognition?

**Ng:** LIAM will lead by educating its members on the strategic value of these awards. AQBA recognition plays a crucial role in brand building, talent attraction, and market positioning. By highlighting these benefits, LIAM can demonstrate how participating in AQBA can significantly enhance an insurer's reputation and competitive edge.

Recognition from AQBA boosts morale within organisations, setting benchmarks for excellence and motivating teams to strive for higher standards. It showcases that quality business practices are not only ethically sound but also beneficial for long-term success. This alignment with AQBA's principles of delivering quality business, building a trusted and quality brand, and retaining customers through post-sales services underscores the importance of ethical and customer-centric practices.



integrate AQBA achievements into their employer branding, recruitment messaging, and internal recognition strategies. By highlighting AQBA recognition in these areas, companies can showcase their dedication to excellence, ethical practices, and customer-centricity. This not only attracts top talent but also fosters a culture of continuous improvement and professional development within the organization.

**“Helping members integrate AQBA achievements into their employer branding, recruitment messaging, and internal recognition strategies.”**

**iN Magazine:** What message would you share with those considering applying for AQBA?


**Ng:** If you're building a business based on quality, trust, and client value — AQBA is for you. This award is not just a recognition; it's a mark of a purpose-driven leadership and a testament to your commitment to excellence. Whether you are a large agency or an emerging team, AQBA offers a unique opportunity for you to stand out, inspire your people, and showcase the best of Malaysian excellence to the region.

**iN Magazine:** Can AQBA recognition help attract and retain top talent? How can LIAM support this?

**Ng:** That goes without saying. AQBA recognition signals that a company values quality and invests in its people, which is crucial for attracting and retaining top talent. Today's workforce is looking for purpose, mentorship, and growth opportunities. Being recognised by AQBA demonstrates a commitment to these values, making the company more appealing to high-calibre individuals who seek a meaningful and rewarding career.

LIAM can support this by helping members

By applying for AQBA, you demonstrate your dedication to delivering exceptional customer experiences, building a trusted and quality brand, and fostering long-term relationships through post-sales services. This shows you prioritise meaningful insurance work, ensuring financial security and protection for individuals and families.

Take this opportunity to elevate your business, motivate your team, and contribute to raising industry standards. Show the region what it means to be a leader in the Malaysian insurance industry and join the movement towards a brighter future for both customers and insurance professionals beyond Malaysia. 



## Industry

# LAMP: Elevating Malaysian Insurance Expertise



At its very core, the Asian Institute of Insurance (Aii)'s Life Administration Management Programme (LAMP) is about cultivating a proficient and adaptable workforce for Malaysia's rapidly evolving insurance industry. LAMP's emphasis on local relevance, coupled with its embrace of future-oriented skills and Aii's collaboration with the Life Insurance Association of Malaysia (LIAM) positions Malaysian insurance professionals for sustained success in a dynamic market. "LAMP ensures that our workforce is not only technically proficient but also deeply understands the unique aspects of the Malaysian insurance landscape," Mark O'Dell, LIAM's chief executive officer told *iN Magazine* recently.

### Localised Expertise: A Key Advantage

LAMP's strength lies in its localised approach, ensuring that the insurance workforce is equipped with practical, real-world knowledge that aligns with Malaysia's regulatory framework, market realities, and customer expectations. This localised focus bridges the gap between technical understanding and local application, making professionals more effective in their roles from day one. While global programmes offer a broad foundation, O'Dell said LAMP gives professionals a sharper edge by aligning its training with Malaysia's unique insurance landscape — including compliance, consumer behaviour, Takaful, and distribution models. This makes the workforce more agile, more confident, and better prepared to add value in the local market.

### Supporting Growth in the Takaful Sector

LIAM fully recognises the significance of Takaful in Malaysia's insurance ecosystem. LAMP's integrated approach ensures that the workforce is fluent in both conventional and Takaful concepts, operations, and ethical models. This promotes cross-sector understanding and allows professionals to serve a wider range of clients with confidence. With the Takaful sector growing rapidly, this integrated approach is crucial for supporting the industry's overall expansion.

### Future-Proofing Skills for a Digital Age

Recognising the rapid changes in the insurance

landscape, LAMP now includes "future skills" like digital literacy and customer-centric thinking, O'Dell added. "These skills help professionals adapt to digital transformation, personalise client engagement, and respond to new customer expectations. These competencies are no longer optional — they're critical for staying competitive, compliant, and relevant in a fast-moving market."


### Strategic Collaboration with Aii to Elevate Malaysian Expertise

LIAM also collaborates closely with Aii to ensure that the industry stays ahead of the curve. Aii's international presence gives LIAM a strong platform to showcase Malaysian insurance expertise. Together, O'Dell pointed out that LIAM can play a key role in supporting talent mobility, regional benchmarking, and cross-border collaboration. "It can promote the FAii (Fellow of the Asian Institute of Insurance) designation and Malaysian training models as benchmarks of professional excellence throughout ASEAN and beyond."

### Responsible AI Adoption and Continuous Learning

As AI becomes more common in underwriting and claims, O'Dell said LIAM encourages responsible AI adoption by working with member companies to set ethical guidelines, promote transparency, and safeguard data privacy. "LIAM advocates for a balance between automation and human oversight, so that technology enhances — rather than replaces — professional judgment and fairness in decision-making," O'Dell added. Furthermore, LIAM promotes lifelong learning through on-going education, industry certification, and collaboration with Aii. Whether it is compliance, customer service, or technology skills, LIAM encourages every professional to stay curious, stay prepared, and stay competitive.

### The FAii Designation: A Mark of Excellence

O'Dell also said LIAM is committed to recognising and promoting the FAii mark across the industry, helping employers value it as a standard of excellence and individuals use it as a stepping stone to professional leadership and growth. The FAii pathway — from Associate to Fellow — is a powerful symbol of professional credibility and career commitment. As O'Dell succinctly put it: "The mark represents not only knowledge but also integrity and leadership." 

## Industry

# Aii Fellows: Celebrating Indonesian Insurance Leaders



The Asian Institute of Insurance (Aii) conferred certificates and fellowship pins upon 10 distinguished professionals who have successfully attained the prestigious Fellowship of the Asian Institute of Insurance (FAii), in Jakarta Indonesia on February 10, 2025. The FAii is a recognised professional qualification within the insurance industry. The FAii recipients occupy senior leadership and executive roles within their organisations and have exemplified the highest standards of excellence, ethical conduct and industry leadership. Their individual accomplishment reflects a strong commitment to continuous professional development underscoring learning as an ongoing and essential journey for sustained success and advancement in the sector.


### What Is the Aii Fellowship (FAii)?

The FAii is an advanced insurance qualification programme, representing the highest and most prestigious level of professional achievement in the insurance industry. The programme provides comprehensive knowledge of the insurance and financial services industry. The rigorous programme assesses candidates through research-based projects, major accomplishments, and case studies, culminating in the award of the "Fellow" designation and a digital badge—a mark of distinction recognised across Asia.

### Why Aii Fellows Stand Out?

**Comprehensive Expertise:** Aii Fellows possess deep, research-backed knowledge of insurance, risk management, and financial services, having completed advanced modules such as ethics in business, major essays or projects, and a portfolio of published works.

**Leadership and Integrity:** The programme emphasizes ethical leadership, strategic thinking, and the ability to drive organisational and industry-wide change. Fellows are often entrusted with greater responsibilities, shaping company policies and mentoring the next generation of professionals.

**Commitment to Lifelong Learning:** Maintaining the Fellowship status requires on-going professional development. This is to ensure that Aii Fellows remain at the forefront of industry trends and best practices. 

**"My involvement in the Fellowship Programme has seen me transformed into an agent of real change – creating a pathway for my staff to not only become more competent, but also to achieve higher professional qualifications. This has benefited both my company and the wider industry."**

– Aii Fellowship Graduate



## Industry

# ASEAN Insurance Council and Aii Partner for Regional Advancement



An opportunity for the newly rebranded Asian Insurance Institute (Aii) to meet up with its Indonesian colleagues. Paul Low Hong Ceong (Chief Executive Officer), Fiona Chew (Chief Business Officer) and Lydia Teh (Senior Vice-President, Business Development and Services) met ASEAN Insurance Council (AIC) Secretary-General Christian Wanandi, AAUI Chair Budi Herawan and AAJI Executive Director Togar Pasaribu on February 11, 2025.

This engagement marks a significant step in cultivating collaboration, knowledge-sharing, and the strengthening of the insurance industry.

Through meaningful discourse, Aii looks forward to continually drive innovation and sustainable growth in the ASEAN insurance sector.

## Health Protection: Bridging the Gap with Innovation

The ASEAN Insurance Training & Research Institute (AITRI) held a webinar to address the pressing issue of health protection gaps on March 5, 2025.

The event attracted 132 participants from 12 countries, highlighting the region's pro-active engagement in innovative health insurance solutions.

The global healthcare landscape faces a critical challenge: health protection gaps. These gaps — ranging from insufficient access to medical care to financial exposure due to inadequate insurance — pose a significant risk to individuals, communities, and economies. Closing these gaps is not only a societal imperative but also an opportunity for innovation and growth.

Digital health and telemedicine have emerged as powerful enablers in this space.

By leveraging advanced technologies, these innovations are transforming healthcare delivery, making services more accessible and efficient.

From remote consultations to real-time health monitoring, telemedicine bridges geographical barriers and enhances the patient experience, particularly in underserved regions.

Complementing these technological advancements is the evolution of health insurance product development. Insurers are

increasingly adopting data-driven approaches to create flexible and tailored solutions that meet diverse healthcare needs.

These products are designed to provide comprehensive coverage while ensuring affordability, thus addressing financial vulnerabilities and empowering individuals to seek timely care.

The webinar provided a high-level overview of these critical topics, exploring how innovation and strategic product development can work in tandem to close health protection gaps and pave the way for a more resilient healthcare ecosystem.

## AITRI Virtual Regulators Programme: Catastrophe Risk Insurance Programme for Insurance Supervisor

The ASEAN Insurance Training & Research Institute (AITRI), in collaboration with Toronto Centre, conducted this five half-day virtual programme on April 14-18, 2025.

The objective of this programme is to enhance the capacity of ASEAN supervisors to effectively oversee catastrophe risk insurance, while promoting change that supports availability, access to a full range of insurance products and services, and sustainable and inclusive economies in the long run.

This programme provides the necessary tools for participants to access catastrophe risks mitigation by insurance companies based on real-life experience.

It is also designed to reflect the current context globally and to support aligning supervisory frameworks with developmental landscapes:

- Providing supervisory information and tools about catastrophe risk insurance
- Equipping supervisors with techniques like action planning for managing stakeholders, scenario analysis and stress testing as well as dealing with catastrophe risk products

- Formulating and crafting appropriate supervisory responses to support catastrophe risk mitigation
- Collecting and analysing relevant data to support monitoring catastrophe risk insurance

**CATASTROPHE RISK INSURANCE PROGRAM FOR INSURANCE SUPERVISORS**

**VIRTUAL**

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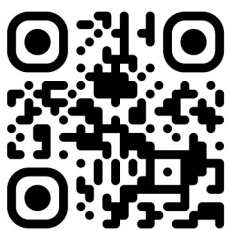
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