

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take up the Product. Be sure to also read the general terms and conditions. Seek clarification from us if you do not understand any part of this documents or general terms. The information provided in this Product Disclosure Sheet is valid as at 01.08.2022.

Product Name: Performance Bond

1. What is this product about?
Bond is an instrument to guarantee the performance of the Contractor in fulfilling the contractual obligations/responsibilities as required by the principal.
Bond is issued in the form of a Bank Guarantee.
2. What are the coverage and exclusions provided?
In the event of default by the Contractor, the Principal shall be paid by the Insurer the amount guaranteed. The Insurer, in turn, shall recover the losses from the Contractor and the guarantors.
Duration of cover is in accordance with the contract period and for most government projects, with additional one month.
3. How much premium do I have to pay?
A premium rate of between 2.5% to 4.0% of the guarantee amount per annum is charge. A full year premium applies for a guarantee period of eight months and above.

Note: This guarantee is subject to minimum premium of BND100.00.

4. What are the fees and charges that I have to pay?
 - Stamp duty BND5.00
 - Bank charges of between 2 – 3.0% of the guarantee amount per annum
 - Collateral of up to 50% on guaranteed amount (depending on the amount of guarantee) – Collateral is refundable upon expiry and return of the original guarantee to us for our cancellation. We may, however, utilize this cash deposit or such portion thereof as may be necessary to discharge your liabilities to us under your Letter of Indemnity.
 - When we sell a policy through insurance agent or broker, the insurer pays a percentage of commission from the total premium to the insurance agent or broker.
5. What are some of the important notes that customer should know?
 - a) Duty of Disclosure – Statement Pursuant to Section 37(4) of the Insurance Order 2006 – You are to disclose in this proposal form fully and faithfully all the facts which you know or ought to know, otherwise the policy issued hereunder may be invalidated.
The above duty of disclosure shall continue until the time your contract of insurance is entered into, varied or renewed with us. You also have a duty to tell us immediately if at any time after your contract of insurance has been entered into, varied or renewed with us, any of the information given is inaccurate or has changed.
 - b) You must inform your insurance intermediary or us in writing on any material changes during the policy period so that the necessary amendments are endorsed to your policy.
 - c) This insurance is subject to 60 days Premium Warranty, i.e. the premium due must be paid and received by the insurer within sixty (60) days from the inception date of this policy/endorsement/renewal certificate. Failure to pay the premium within this period, the contract is automatically cancelled and insurer is entitled to the pro-rata premium on the period they have been on risk.

- d) Policy Renewal – Depending on the circumstances of the loss or claims made during the term of policy, we may review the policy terms and conditions upon renewal or decline renewal.
- e) Claims – Upon the happening of an accident which gives rise to a claim, you shall notify us immediately.

Note: This list is non-exhaustive. Please refer to the policy contract for the full list of terms and conditions under this policy.

6. What do I need to do if there are changes to my contact details?
It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.
7. What happens in the event of cancellation?
You cannot cancel the bond unless original bond is returned. If original returned, the premium charge will be calculated based on pro-rata for the period of the guarantee which has been in force subject to a minimum premium of \$100.00. no refund on the bank charges.
8. What is a notice of expiry?
A notice of expiry is a reminder to notify that your policy is due for renewal
9. What happens in the event that insurance agent ceases to operate?
You may get your insurance needs from any authorized agent or directly from the insurer
10. What are the documents that I need to submit to apply for this product?
You will need to submit the duly completed Counter Indemnity Form, original Company Registration & Form X or Section 16 & 17, a copy passport/IC the Directors signing the Indemnity Form and the letter of award of the project.
11. Where can I get assistance and redress?
If you have difficulties, you must contact us at the earliest possible. You may contact us at:
Head Office: Units 12 & 13, Block A Regent Square
Spg 150, Kg Kiarong
Bandar Seri Begawan BE1318
Negara Brunei Darussalam
Fax: (673) 2 454277 Tel: (673) 2 226222, 2233999
E-mail: insurance@national.com.bn

Branch Office: Unit 20, Block C, Lot 8989
Jalan Pandan Tujuh, Kuala Belait KA1931
Fax: (673) 3 342191 Tel: (673) 3 331222, 3 336468
E-mail: kb@national.com.bn

If your query or complaint is not satisfactorily resolved by us, you may contact Financial Consumer issues, Brunei Darussalam Central Bank via e-mail at fcf@bdcdb.gov.bn or walk-in at their address as follows:
Financial Consumer Issues
Brunei Darussalam Central Bank
Level 7, Ministry of Finance and Economy Building
Commonwealth Drive BB3910
Brunei Darussalam
Tel: (673) 2 380007
12. Where can I get further information?
Should you require additional information about our Fire Insurance or any other types of insurance product, you can contact us at our Head Office or our branch office or our insurance agents or visit www.national.com.bn

The terms and conditions indicated in this Product Disclosure Sheet are indicative and not binding on us. The final terms and conditions are as stipulated in the insurance policy after our assessment.