

PRODUCT DISCLOSURE SHEET

Bond Insurance

Date: 04/2026

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your Bond insurance.

Other customers have read this PDS and found it helpful; **you should read it too.**


1 What is Bond Insurance?

A Bond is an irrevocable guarantee undertaken by an Insurance Company to pay an agreed sum to the principal in the event the contractor fails to perform its obligations or liabilities upon the presentation of written demand.


2 Know Your Coverage

The total premium that you have to pay may vary depending on the underwriting requirements of the Insurance Company	
The policy of the following Bond covers:	This policy excludes :
<p>Bid or Tender Bond To provide irrevocable guarantee to the principal of a project that the bidder will honour their bid and fulfil the contract if awarded the project.</p> <p>Advance Payment Bond To provide irrevocable guarantee to the principal of a project that they will be financially compensated as a result of a failure to recoup the advance money paid to the contractor as per terms of the contract.</p> <p>Supply Bond To provide irrevocable guarantee to the principal of a project that they will be financially compensated as a result of failure of the suppliers to deliver materials or equipment according to the contract terms.</p> <p>Performance Bond To provide irrevocable guarantee to the principal of a project that they will be financially compensated as a result of failure of the contractor to complete the project as per terms of the contract. A Performance Bond is required in the event a contractor's tender has been accepted by the principal and a Letter of Award is issued. A performance bond is required by the contractor to complement the related projects insurance for the same project such as contractor all risks, erection all risks or workmen compensation.</p>	<p>Not applicable.</p>


If you have any questions or require assistance on your insurance coverage, you can:




Call us at
1-800-888-458



Visit us at
www.progressiveinsurance.com.my



Email us at:
customer care@progressiveinsurance.com.my



Scan the
QR Code above

3 Know Your Obligations

The total premium that you have to pay may vary based on the bond value and the insurer's assessment of the Contractor's financial standing	
You also have to pay the following fees and charges:	
(+) Service Charges	Depending on Progressive' agreement with the Bank
(+) Bank Charges (for Bank Guarantee)	Depending on Progressive's agreement with the Bank
(+) Cash collateral	Subject to Bond amount and financial strength of the Contractor and Guarantor (if required)
(+) Stamp Duty	The prevailing stamp duty charges are as follows: i) Bond – RM10.00 ii) Letter of Indemnity – RM10.00 each
(+) Service Tax	8% of gross premium
Commission paid to the insurance intermediaries (if any)	10% of gross premium

4 Other Key Terms

- **Duty of Disclosure:** You must disclose all material facts which is known or ought to know, that would affect our underwriting consideration of your proposal, such as your insurance and loss history. You must disclose all relevant facts truthfully and completely in your insurance application form.
- **Bond Amount:** You must ensure that the bond amount is adequate and in accordance with the requirements of the contract or the principal. The bond amount represents our maximum liability under the bond.
- **Your Obligation to Indemnify Us:** You are required to indemnify us for any amount paid under the bond, including any costs, expenses, or legal fees incurred. This is in accordance with the Indemnity Agreement executed by you in our favour.
- **Premium:** The premium must be paid in full and received by Progressive Insurance Berhad prior to the issuance and release of the bond.

Note: This list is **non-exhaustive**. You should refer to the policy for the full list of terms and conditions.

? Can I cancel my policy?

No. Once the Bond is released, it cannot be cancelled before its expiry date, and a letter of discharge must be obtained from the principal of the Bond.

The benefits payable under eligible Policy is(are) protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact Progressive Insurance Bhd or PIDM (visit www.pidm.gov.my)