



QBE Contractors All Risks Cover POLICY

QBE INSURANCE (MALAYSIA) BERHAD welcomes you as a Policyholder and we take this opportunity to recommend that you thoroughly examine this Document which sets out the limitations and benefits of the insurance. Please store it in a safe place.

Should you have any query, please contact your Registered Agent/Broker or our QBE office, especially if the insurance is not completely in accordance with your intentions.

"WE WOULD REMIND YOU THAT YOU MUST DISCLOSE TO US, FULLY AND FAITHFULLY, THE FACTS YOU KNOW OR OUGHT TO KNOW, OTHERWISE YOU MAY NOT RECEIVE ANY BENEFITS FROM YOUR POLICY."

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 QBE Insurance (Malaysia) Berhad or PIDM (visit www.pidm.gov.my).

QBE CONTRACTORS ALL RISKS COVER POLICY

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QBE CONTRACTORS ALL RISKS COVER POLICY

A. THE COVER

1. PREAMBLE

This Policy is issued in consideration of the payment of premium as specified in the Policy Schedule and pursuant to the answers given in Insured's Proposal Form (or when Insured applied for this insurance) and any other disclosures made by Insured between the time of submission of Insured's Proposal Form (or when Insured applied for this insurance) and the time this contract is entered into. The answers and any other disclosures given by Insured shall form part of this contract of insurance between Insured and QBE INSURANCE (Malaysia) BERHAD (hereinafter called "the Company"). In the event of any pre-contractual misrepresentation made in relation to Insured's answers or in any disclosures made by Insured, it may result in avoidance of Insured's contract of insurance, refusal or reduction of Insured's claim(s), change of terms or termination of Insured's contract of insurance.

This Policy reflects the terms and conditions of the contract of insurance as agreed between Insured and Company.

B. GENERAL EXCLUSIONS

The Company will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or in connection with

1. CESSATION OF WORKS

Cessation of work whether total or partial.

2. ELECTRONIC DATA

For loss or damage as a result of, notwithstanding any provision to the contrary in the Policy or any endorsement thereto.

- a)
 - i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA,
 - ii) error in creating, amending, entering, deleting or using ELECTRONIC DATA, or
 - iii) total or partial inability or failure to receive, send, access or use ELECTRONIC DATA DATA - for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

- b) However, in the event that a peril listed below (being a peril insured by this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this Policy, subject to all its provisions, will insure:
 - i) physical loss of or damage or destruction to Property insured directly caused by such listed peril, and/or
 - ii) consequential loss insured by this Policy

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this policy but for this exclusion) causes any of the matters described in paragraph (a) above:

Fire, Explosion, Lightning, Windstorm, Hail, Tornado, Cyclone, Hurricane, Earthquake, Volcano, Tsunami, Flood, Freezing, Weight of Snow, Impact by Aircraft or other aerial objects dropped therefrom, impact by any Road Vehicle or Animal, Bursting. Overflowing Discharging or Leaking of Water Tanks Apparatus or Pipes, or Theft of Electronic Data solely where such Theft is accompanied by Theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data.

- c) For the purposes of the Basis of Settlement provision in this Policy, a computer systems record includes Electronic Data as defined in paragraph (a) above.

Any terrorism exclusion in this Policy or any endorsement thereto prevails over this endorsement.

3. TERRORISM

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4. RADIOACTIVITY

- i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion No. 4, combustion shall include any self-sustaining process of nuclear fission; or
- ii) nuclear weapons material.

5. WAR, CIVIL COMMOTION AND SEIZURE

War, invasion, act of foreign enemy, hostilities (whether war be declared. or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, or malicious persons acting on behalf of or in connection with any political organisation, expropriation including lawful seizure, resumption, confiscation, commandeering, requisition or destruction of or damage to property by or under order of the government de jure or de facto or by any public authority.

6. WILFUL NEGLIGENCE

Willful act or willful negligence of the Insured, or of his representatives

In any action suit or other proceeding where the Company allege that by reason of the provisions of Exclusion No. 5, above any loss, destruction, damage or liability is not covered by this Insurance, the burden of proving that such loss destruction damage or liability is covered shall be upon the Insured.

C. PERIOD OF COVER

The liability of the Company shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. The Company's liability expires for parts of the insured contract works taken over or put into service.

At the latest, the Insurance shall expire on the date specified in the Schedule. Any extensions of the Period of Insurance are subject to the prior written consent of the Company.

D. SECTION 1

1. PROPERTY INSURED (MATERIAL DAMAGE)

The Company hereby agrees with the Insured that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause other than those specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in anyone event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as insured hereby.

The Company will also reimburse the Insured for the cost of clearance of debris following upon any event giving rise to a claim under this Policy provided a separate sum therefore has been entered in the Schedule.

2. EXCLUSIONS (SECTION I)

The Company shall not, however, be liable for:

- a) the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
- b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- c) loss or damage due to faulty design;
- d) the cost of replacement repair or rectification of defective material and/or workmanship but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss or damage to correctly executed items resulted from an accident due to such defective material and/or workmanship;
- e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- f) mechanical and/or electrical breakdown or derangement of construction plant, equipment and construction machinery;
- g) loss of or damage to vehicles licensed for general road use or water borne vessels or aircraft;
- h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds evidences of debt, notes, securities, cheques;
- i) loss or damage discovered only at the time of taking an inventory.

3. PROVISIONS

MEMO 1 - Sum Insured

It is a requirement of this insurance that the amounts of insurance stated in the Schedule shall not be less than

for item 1:	the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues and materials or items supplied by the Principal;
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for items 2 and 3:	the replacement value of construction plant, equipment and construction machinery; which shall mean the cost of replacement of the insured items by new items of the same kind and same capacity;
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and the Insured undertakes to increase or decrease the amounts of insurance in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Company.

If, in the event of loss or damage, it is found that the sums insured are less than the amounts required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured.

Every object and cost item is subject to this condition separately.

MEMO 2 - Basis of Loss Settlement

In the event of any loss or damage the basis of any settlement under this Policy shall be:

- i) in the case of damage which can be repaired - the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
- ii) in the case of a total loss - the actual value of the items immediately before the occurrence of the loss less salvage.

however, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with. The Company will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) above.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

MEMO 3 - Extension of Cover

Extra charges for overtime, nightwork, work on public holidays, express freight are covered by this insurance only if previously and specially agreed upon in writing.

E. SECTION 2

1. COVERAGE

1.1 Liability

The Company will pay to or on behalf of the Insured all sums which the Insured shall become legally liable to pay by way of compensation in respect of:

- (a) bodily injury (which expression includes death and illness)
- (b) property damage (which expression includes loss of property)

happening within the immediate vicinity of the Project Insured under the policy, during the period of insurance caused by an Occurrence in connection with the contract specified in the Schedule.

1.2 Law Costs And Expenses

With respect to the indemnity afforded by this policy, the Company will:

- (a) defend in the name of and on behalf of the Insured any suit against the Insured alleging such bodily injury, property damage and seeking damages on account thereof even if such suit is groundless, false or fraudulent, and the Company may make such investigation, negotiation and settlement of any claim or suit as the Company may deem expedient;

- (b) pay all expenses incurred by the Company, all costs taxed or awarded against the Insured in any suit and all interest accruing after entry of judgement until the Company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the Company's liability as specified in the Schedule;
- (c) reimburse the Insured for all reasonable expenses, other than loss of earnings, incurred with the consent of the Company;

Provided that

- (d) the Company shall not be obliged to pay any claim or judgement or to defend any suit after the limit of liability has been exhausted by payment of judgments or settlements;
- (e) if a payment exceeding the limit of liability has to be made to dispose of a claim, the Company's liability to pay any law costs and expenses in connection therewith shall be limited to such proportion of the law costs and expenses as the limit of liability bears to the amount paid to dispose of the claim.

The amounts thus incurred, except payments in settlement of claims, suits, all costs awarded against the Insured and non-manual workers or supervisors of work travelling in the United States of America or the Dominion of Canada, are payable by the Company in addition to the limit of liability specified in the Schedule.

2. LIMIT OF LIABILITY

- 2.1 The maximum liability of the Company in respect of any claim or any series of claims for bodily injury and/or property damage caused by or arising out of one Occurrence shall not exceed the Limit of Liability specified in the Schedule. All bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one Occurrence.
- 2.2 The total aggregate of the Company during any one period of insurance for all claims arising out of the Insured's Products shall not exceed the limit of liability specified in the Schedule.

3. DEDUCTIBLE

When specified in the Schedule, each Occurrence arising under this policy is subject to the deductible shown and such deductible is to apply to Law Costs and Expenses.

4. EXCLUSIONS TO SECTION 2

This policy does not cover liability in respect of:

4.1 Injury to Employees

- 4.1.1. bodily Injury to any employees of the Insured arising directly or indirectly out of or in the course of their employment in the Business of the Insured;
- 4.1.2. any liability the Insured may have in respect of bodily injury sustained to any person who is, pursuant to any legislation relating to Workers' Compensation, deemed or defined to be an employee of the Insured;
- 4.1.3. any liability in respect of which the Insured is entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any legislation relating to Workers' Compensation including any legislation of any State, Territory or Province and whether or not the Insured is party to such contract of insurance;
- 4.1.4. any liability imposed by the provisions of any Workers' Compensation legislation or any industrial award or agreement or determination.

4.2 Property in Care, Custody or Control

Property damage to:

4.2.1 property owned by or leased or rented to the Insured

4.2.2 property in the physical or legal control of the Insured.

But this exclusion shall not apply to liability for property damage to:

4.2.3 premises (including landlord's fixtures and fittings) which are leased or rented to the Insured;

4.2.4 premises (and the contents thereof) not owned, leased or rented by the Insured but temporarily occupied by the Insured for work therein but no indemnity is granted for damage to that part of the property on which the Insured is working and which arises out of such work;

4.2.5 vehicles (not belonging to or used by or on behalf of the Insured in the physical or legal control of the Insured) where such property damage occurs whilst any such vehicles are in a carpark owned or operated by the Insured. This section 4.2.5 does not apply if the Insured owns or operates the car park for reward;

4.2.6 employee's property.

4.3 Aircraft and Watercraft

Claims arising out of the ownership, maintenance, operation or use by the Insured of:

4.3.1 any aircraft or hovercraft; or

4.3.2 any watercraft exceeding 7.5 metres in length

4.3.3 claims arising out of the Insured's Products that are used with the Insured's knowledge in aircraft or aerial devices

4.4 Vehicles

Bodily injury or property damage arising out of the ownership, maintenance, possession or use by the Insured of any vehicle:

4.4.1 which is registered or is required under any legislation to be registered;

4.4.2 in respect of which insurance is required to be effected by or on behalf of the Insured by or under any legislation of any State, Territory or Province whether or not such insurance is affected.

Exclusion 4.4 does not apply to bodily injury or property damage:

(a) caused by or arising from the delivery or collection of goods to or from any vehicle where such bodily injury or property damage occurs beyond the limits of any carriage way or thoroughfare;

(b) arising out of the loading or unloading of or the delivery or collection of goods to or from any vehicle used in work undertaken by the Insured or on the Insured's behalf but not in the Insured's physical or legal control.

4.5 Contractual Liability

Liability assumed by the Insured under any contract or agreement except to the extent that such liability would have been implied by law. This exclusion shall not apply to:

4.5.1 liability assumed by the Insured under any contract or lease of real or personal property;

4.5.2 those written contracts specified in the Schedule.

4.6 Professional Liability

The rendering of or failure to render professional advice or service by the Insured or any error or omission connected therewith but this exclusion does not apply to the rendering or failure to render professional medical advice by medical persons employed by the Insured to provide first aid and other medical services on the Insured's premises.

4.7 Pollution

4.7.1. Bodily injury or property damage caused by or arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere, or any water course or body of water. Provided this exclusion 4.7.1 does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place;

4.7.2. Any costs and expenses incurred in the prevention, removing, nullifying or cleanup of such contamination or pollution. Provided this exclusion 4.7.2 does not apply to clean-up, removal or nullifying expenses, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in bodily injury or property damage.

4.8 Territorial Limits

Claims made and actions instituted outside Malaysia.

4.9 Absolute Asbestos Exclusion

It is hereby understood and agreed that this policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

4.10 Faulty Workmanship

The cost of performing, completing, correcting or improving any work undertaken by the Insured.

4.11 Vibration

Bodily injury or property damage in respect of damage to any land or fixed property arising directly or indirectly from vibration.

4.12 Design

Bodily injury or property damage caused by or arising out of any defective design or error in specification or formula of any of the Insured's Products. However this exclusion will not apply where the Insured does not manufacture the product but purely sells supplies or distributes.

4.13 Fines, Penalties

Fines, penalties or liquidated damages.

4.14 Punitive Damages

Punitive damages and/or exemplary damages and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages.

4.15 Offshore Gas And Oil Platforms

Work performed on offshore gas and oil platforms.

4.16 Pharmaceutical Manufacturers And Importers

Bodily injury or property damage arising from the sale or distribution of pharmaceuticals imported or manufactured by the Insured. Provided that this exclusion does not apply to those vitamins available without a prescription.

4.17 Date Recognition

It is hereby noted and agreed that this policy is amended as follows: -

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury), expenses incurred or any consequential loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to :
1. correctly recognise any date as its true calendar date ;
 2. capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
 3. capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in (A).
- C. It is further understood that the Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury) expenses incurred or any consequential loss directly or indirectly arising from any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in (A) above.
- D. It is further understood that the Company will not pay for any consequential loss resulting from any continuing inability of the computer and equipment described in (A) above to correctly recognise any date as its true calendar date after the lost or damaged property has been replaced or repaired.

Such loss or damage, injury (including bodily injury), expenses incurred or any consequential loss referred to in (A), (B), (C) or (D) above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

4.18 Electro Magnetic Radiation

The coverage under this policy does not include any loss, damage, cost, liability or obligation, actual or alleged, directly or indirectly arising from Electro Magnetic Radiation.

Electro Magnetic Radiation shall include but is not limited to magnetic energy, waves, fields or forces generated, produced, distributed, transmitted or maintained by charges, currents, frequencies, energy or forces of electricity.

4.19 Information Technology Hazards, Computer Data, Program And Storage Media Exclusion

This Policy does not cover liability in respect of

- 4.19.1 Personal Injury or Property Damage arising, directly or indirectly, out of, or in any way involving the Insured's "Internet Operations".

This exclusion does not apply to Personal Injury or Property Damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

"Internet Operations" means the following:

- (a) use of electronic mail systems by the Insured or the Insured's employees, including part-time and temporary staff, contractors and others within the Insured's organisation;
- (b) access through the Insured's network to the world wide web or a public internet site by the Insured's employees, including part-time and temporary staff, contractors and others within the Insured's organisation;
- (c) access to the Insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for customers of the Insured or others outside the Insured's organisation; and
- (d) the operation and maintenance of the Insured's web site.

Nothing in this exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in the absence of this exclusion.

4.19.2 Property Damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:

- (a) the use of any computer hardware or software;
- (b) the provision of computer or telecommunication services by the Insured or on the Insured's behalf;
- (c) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

5. DEFINITIONS

5.1. **"INSURED"** each of the following is deemed to be an Insured under this policy to the extent set forth:

- 5.1.1. the named Insured specified in the Schedule;
- 5.1.2. all the subsidiary companies (now or hereafter constituted) of the named Insured if their places of incorporation are within Malaysia;
- 5.1.3. every Director, Executive Officer, Employee, Partner or Shareholder of the Insured or of a company designated in paragraph 5.1.2 above but only whilst acting within the scope of their duties in such capacity;
- 5.1.4. every principal, in respect of the liability of such principal arising out of the performance by the Insured or by a company designated in paragraph 5.1.2 above, of any contract or agreement for the performance of work for such principal, to the extent required by such contract or agreement, but limited in all to the extent of coverage and limit of liability as provided for in this policy.
- 5.1.5. every office bearer or member of sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with the consent of the Insured (other than an Insured designated in paragraph 5.1.4) in respect of claims arising from their duties connected with the activities of any such club;
- 5.1.6. any director or senior executive of the Insured in respect of private work undertaken by the Insured's employees for such director or executive.

"Insured" does not include the interest of any other person other than as described in 5.1.1 to 5.1.6 above.

- 5.2. **"OCCURRENCE"** means:
an event, including continuous or repeated exposure to substantially the same general conditions which results in bodily injury or property damage, neither expected nor intended from the standpoint of the Insured.
- 5.3. **"INSURED'S PRODUCTS"** means:
any goods, products or property after they have ceased to be in the possession or under the control of the Insured, manufactured, constructed, erected, installed, repaired, serviced, treated, sold, supplied, distributed by the Insured (including any container thereof other than a vehicle).
- 5.4. **"VEHICLE"** means:
any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.
- 5.5. **"WATERCRAFT"** means:
any vessel, craft or thing made or intended to float on or in or travel on or through water.
- 5.6. **"AIRCRAFT"** means:
any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
- 5.7. **"POLLUTANTS"** means:
any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
- 5.8. **"POLICY"** means:
this document and each memorandum issued by the Company and attached, or intended to be attached, to it.
- 5.9. **"BUSINESS"** shall include:
the provision and management of canteens, social, sports and welfare organisations for the benefit of the Insured's employees and first aid, fire and ambulance services and maintenance of the Insured's premises.

6. CONDITIONS TO SECTION 2

6.1 Joint Insureds

Where more than one party comprises the Insured, each of the parties shall be considered as a separate and distinct unit and the word Insured shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of the said parties provided that nothing in this clause shall result in an increase of the Company's Limit of Liability in respect of any Occurrence or period of insurance.

6.2 Notices

Notice in writing shall be given as soon as possible to the Company of:

- 6.2.1 every Occurrence, claim, writ, summons, proceedings, impending prosecution, inquest and all information in relation thereto which may result in a claim under the policy, whether or not the Insured believes any claim amount might fall below any deductible stated in the Schedule;
- 6.2.2 every change materially varying any of the facts or circumstances existing at the commencement of this policy that shall come to the knowledge of the Insured.
- 6.2.3 any notice given in writing by the Company to the first named Insured in the Schedule shall be deemed to be notice given to each of the parties comprising "the Insured".

- 6.2.4 service of notice by the Company shall be effective immediately on receipt by the first named Insured of a telex or facsimile transmission sent from the Company or in the case of notices by post, three business days after having been posted by the Company.

6.3 Discharge Of Liabilities

The Company may at any time pay to the Insured in respect of all claims against the Insured arising directly or indirectly from one source or original cause the amount of the "Limit of Liability" or such other limit specified in respect thereof (after deduction of any sum or sums already paid as compensation in respect thereof), or any lesser sum for which the claim or claims can be settled and upon such payment the Company shall relinquish conduct or control of and be under no further liability under the policy in connection with such claims except for costs, charges and expenses;

- 6.3.1 recoverable from the Insured for all or part of the period prior to the date of such payment;

- 6.3.2 incurred by the Company;

6.4 Reasonable Care

The Insured shall:

- 6.4.1 exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition and;

- 6.4.2 take all reasonable precautions to

(a). prevent bodily injury and property damage liability and

(b). prevent the manufacture, sale or supply of defective products and

(c). comply and ensure that its employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed;

i) by all relevant public authorities

ii) for the safety of persons or property

iii) for the disposal of waste products

iv) for the handling, storage or use of inflammable liquids or substances, gases or toxic chemicals.

- 6.4.3 At its own expense take reasonable action to trace recall or modify any Insured's Products containing any defect or deficiency of which the Insured has knowledge or has reason to suspect, including (but not limited to) any Insured's Products subject to governmental or statutory ban.

F. GENERAL CONDITIONS (APPLICABLE TO ALL SECTIONS)

1. DUTY OF DISCLOSURE

Where Insured have applied for this Insurance wholly for purposes related to Insured's trade, business or profession, Insured had a duty to disclose any matter that Insured know to be relevant to Insured and Company decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant otherwise it may result in avoidance of Insured's contract of insurance, refusal or reduction of Insured's claim(s), change of terms or termination of Insured's contract of insurance.

Insured also have a duty to tell Company immediately if at any time after Insured's contract of insurance has been entered into, varied or renewed with Company any of the information given in the Proposal Form (or when Insured applied for this insurance) is inaccurate or has changed.

2. IDENTIFICATION

The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.

3. COMPLIANCE

The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.

4. MATERIAL CHANGE

- (a). Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
- (b). The Insured shall immediately notify the Company by facsimile and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the insurance be confirmed in writing by the Company.

5. CLAIM NOTIFICATION

In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall:

- (a). immediately notify the Company by telephone or facsimile as well as in writing, giving an indication as to the nature and extent of loss or damage;
- (b). take all steps within his power to minimise the extent of the loss or damage;
- (c). use its best endeavours to preserve all property, products, appliances and plant and all other things which may assist in the investigation or defence of a claim or in the exercise of rights of subrogation and so far as may be reasonably practicable no alteration or repair shall be effected without the consent of the Company until the Company shall have had an opportunity of inspection;
- (d). furnish all such information and documentary evidence as the Company may require;
- (e). inform the police authorities in case of loss or damage due to theft or burglary.
- (f). not without the consent in writing of the Company make any admission, offer, promise or payment in connection with any occurrence or claim and the Company if it so desires, shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim;

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its occurrence.

The Company shall have full discretion in the conduct of any proceedings in connection with any claim and the Insured shall give all information and assistance as the Company may require in the prosecution, defence or settlement of any claim.

Upon notification being given to the Company under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Company does not carry out the inspection within a period of time which could be considered as adequate under the circumstances, the Insured is entitled to proceed with the repairs or replacement.

The liability of the Company under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

The Company shall be entitled to prosecute in the name of the Insured at its own expense and for its own benefit any claim for indemnity or damages or otherwise;

6. SUBROGATION

The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Company shall be or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are to become necessary or required before or after the Insured's indemnification by the Company.

7. ARBITRATION

If any difference arises as to the amount of any loss or damage such difference shall independently of all other questions be referred to the decision of an Arbitrator, to be appointed in writing by the parties in difference, or, if they cannot agree upon a single Arbitrator, to the decision of two disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two (2) calendar month after having been required so to do in writing by the other party.

In case either party shall refuse or fail to appoint an Arbitrator within two (2) calendar month after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator; and in case of disagreement between the Arbitrators, the difference shall be referred to the decision of an Umpire who shall have been appointed by them in writing before entering on the reference, and who shall sit with the Arbitrators and preside at their meetings.

The death of any party shall not revoke or affect the authority or powers of the Arbitrator, Arbitrators or Umpire respectively; and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed.

The costs of the reference and of the award shall be in the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss or damage if disputed shall be first obtained.

8. FRAUDULENT CLAIM

If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in case of arbitration taking place as provided herein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.

9. SANCTION LIMITATION AND EXCLUSION

The (re)insurer shall not provide cover nor be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the insurer or any member of the insurer's group to any sanction, prohibition or restriction under United Nations resolutions, Australian autonomous sanctions, or the trade or economic sanctions, laws or regulations of any country.

10. OTHER INSURANCE

As soon as is reasonably practical but within 15 days after entering into any other contract of insurance, the Insured shall notify the Company of, and shall give the Company full details of, any such other insurance which provides indemnity, in full or in part, for any of the liabilities insured hereunder.

If at the time any claim arises under the Policy there is any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability.

IMPORTANT NOTICE:

1. **You** need to read this **Policy** carefully, and if any error or incorrect description is found herein, or if the cover is not in accordance with your wishes, you should inform the **Company** immediately and return this **Policy** to the **Company** for alteration.
2. If you are not satisfied with the course of action taken by the **Company** or decision made by the **Company**, you may seek recourse through the **Company's** Complaints Management Unit and alternatively, may seek redress or assistance from the Financial Markets Ombudsman Service or approach Bank Negara Malaysia's Laman Informasi Nasihat dan Khidmat (LINK) addressed below:

A) COMPLAINTS MANAGEMENT UNIT

QBE INSURANCE (MALAYSIA) BERHAD

No. 638, Level 6, Block B1, Pusat Dagang Setia Jaya,
(Leisure Commerce Square),
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor
Tel: +603-7861 8400
Fax: +603-7873 7430

B) FINANCIAL MARKETS

OMBUDSMAN SERVICE

Company No: 200401025885
(formerly known as Ombudsman for Financial Services)
Level 14, Main Block,
Menara Takaful Malaysia,
No. 4, Jalan Sultan Sulaiman,
50000 Kuala Lumpur
Tel: +603-2272 2811

C) LAMAN INFORMASI NASIHAT DAN KHIDMAT (LINK)

Tingkat Bawah, Blok C
Bank Negara Malaysia
Peti Surat 10922
50929 Kuala Lumpur
Tel : 1-300-88-5465
Fax : +603-2174 1515

CONTACT DETAILS

QBE Insurance (Malaysia) Berhad

Reg. No.: 198701002415 (161086-D) Part of QBE Insurance Group
(Licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia)

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Phone: +603-7861 8400 Fax: +603-7873 7430
SST Reg No: B16-1808-31042744
www.qbe.com/my

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