



QBE Electronic Equipment Insurance 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 ELECTRONIC EQUIPMENT INSURANCE POLICY

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QBE ELECTRONIC EQUIPMENT INSURANCE 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.

This Policy applies whether the insured items are at work or at rest, or being dismantled for the purpose of cleaning, overhauling or of being shifted within the premises, or in the course of the aforesaid operations themselves, or during subsequent re-erection, but in any case only after successful commissioning.

2. CLAUSES / ENDORSEMENT

The following Clauses / Endorsements only apply when specified in the Schedule.

2.1. LEASING ENDORSEMENT

It is hereby understood and agreed that (as stated in Schedule) (hereinafter referred to as the lessors) are the owners of the property insured by Item(s) (refer policy) and that such property is the subject of a Leasing Agreement made between the lessors of the one part and the insured of the other part and it is further understood and agreed that the lessors are interested in any monies which but for this endorsement could be payable to the insured under this policy in respect of loss of or damage to the property (which loss or damage is not made good by repair reinstatement or replacement under the terms of the policy) and such monies shall be paid to the lessors as long as they are the owners of the property and their receipt shall be a full and final discharge to the company in respect of such loss or damage. Save as by this endorsement expressly agreed nothing herein shall modify or affect the rights and liabilities of the insured or the company respectively under or in connection with this Policy.

2.2. HIRE PURCHASE CLAUSE

It is hereby understood and agreed that (as stated in Schedule) (hereinafter referred to as the Owners) are the owners of the insured property and that the insured property is the subject of a Hire Purchase Agreement made between the Owners of the one part and the Insured of the other part. It is further understood and agreed that any payment made in respect of loss or damage (which loss or damage is not made good by repair reinstatement or replacement) under this Policy shall be made to the Owners as long as they as they are owners of the insured property and their receipt shall be a full and final discharge to the Company in respect of such loss or damage. It is also understood and agreed that notwithstanding any provision in the Hire

Purchase agreement to the contrary this Policy is issued to the Insured namely (as stated in Schedule) as the principal party and not as agent or trustee for the Owners and nothing herein shall be construed as constituting the Insured and agent or trustee for the Owners or as an assignment (whether legal or equitable) by the Insured to the Owners of his rights benefits and claims under this Policy. It is lastly understood and agreed that the insured shall not assign his rights benefits and claims under this Policy without the prior consent in writing of the Company.

2.3. REINSTATEMENT VALUE CLAUSE

It is hereby declared and agreed that in the event of the Property insured under this Policy being lost, the basis upon which the amount payable under this Policy is to be calculated shall be the cost of replacing or reinstatement of the same kind or type but not superior to or more expensive than the Insured's property when new.

2.4. REINSTATEMENT OF LOSS CLAUSE

In consideration of the Insured undertaking to pay an additional premium at the agreed rate on the amount of loss calculated on a pro-rata basis from the date of such loss to the expiry of the current period of insurance, it is agreed that in the event of loss the insurance hereunder shall maintain in force for the full sum insured.

2.5. LOSS NOTIFICATION CLAUSE

Notwithstanding anything contained herein to the contrary, it is agreed that this insurance will not be prejudiced by any inadvertent delays, errors or omission in notifying the Company within thirty (30) days of any circumstances or event giving rise or likely to give rise to a claim under this Policy.

2.6. COVER FOR LOSS OR DAMAGE DUE TO STRIKE, RIOT AND CIVIL COMMOTION (SRCC)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this Policy shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property insured directly caused by

- (a). the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in condition 2 of the Special Conditions hereof.
- (b). the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance.
- (c). the wilful act of any striker or locked-out worker performed in furtherance of a strike or in resistance to a lockout.
- (d). the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

Provided that it is hereby further expressly agreed and declared that

- (e). all the terms, exclusions, provisions and conditions of the Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following Special Conditions, and any reference to loss or damage in the wording of the Policy shall be deemed to include the perils hereby insured against
- (f). the following Special Conditions shall apply only to the insurance granted by this extension, and the wording of the Policy shall apply in all respects to the insurance granted by the Policy as if this Endorsement had not been made thereon.

Special Conditions

This insurance shall not cover

- (a). loss or damage resulting from total or partial cessation of work or the retarding, interruption or cession of any process or operation
- (b). loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- (c). loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.

B. GENERAL EXCLUSIONS

The Company shall not indemnify the Insured in respect of loss or damage directly or indirectly caused by, arising out of or aggravated by

1. 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;

2. 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

3. WILFUL ACT

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

4. TERRORISM

Any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss, notwithstanding any provision to the contrary within this insurance or any endorsement thereto

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.

5. ELECTRONIC DATA

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto, it is understood and agreed as follows:-

(a). This policy does not insure:

- (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 - 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, computer systems records includes Electronic Data as defined in paragraph (a) above.

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

In any action suit or other proceeding where the Company allege that by reason of the provisions of Exclusion No. 1 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. SECTION 1 – MATERIAL DAMAGE

1. SCOPE OF COVER

The Company hereby agree with the Insured that if at any time during the period of insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Company may accept the premium for the renewal of this Policy, the items or any part thereof entered in the Schedule 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 the Company's option) up to an amount not exceeding in anyone year of insurance in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as insured hereby.

2. SPECIAL EXCLUSIONS TO SECTION 1

The Company shall not, however, be liable for

- (a). the deductible stated in the Schedule to be borne by the Insured in anyone occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single deductible applicable to such items
- (b). loss or damage directly or indirectly caused by or arising out of earthquake volcanic eruption, tsunami, hurricane, cyclone or typhoon.
- (c). loss or damage directly or indirectly caused by theft.
- (d). loss or damage caused by any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Company or not.
- (e). or electricity service or supply.

- (f). loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitations, erosion, corrosion, incrustation) or of gradual deterioration due to atmospheric conditions.
- (g). any costs incurred in connection with the elimination of functional failures, unless such failures were caused by an identifiable loss of or damage to the insured items.
- (h). any costs incurred in connection with the maintenance of the insured items, such exclusion also applying to parts exchanged in the course of such maintenance operations.
- (i). loss or damage for which the manufacturer or supplier of the insured items is responsible either by law or under contract.
- (j). loss of or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or
- (k). maintenance agreement.
- (l). loss of or damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves or fabrics, or any operating media. (e.g. lubrication oil, fuel, chemicals)
- (m). aesthetic defects, such as scratches on painted, polished or enameled surfaces.

In respect of the parts mentioned under l) and m) above, the Company shall be liable to provide compensation in the event that such parts are affected by an identifiable loss of or damage to the insured items.

3. PROVISIONS APPLYING TO SECTION 1

3.1. MEMO 1 - SUM INSURED

It shall be a requirement of this insurance that the sum insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their replacement costs including, e.g., freight, customs duties and dues, if any, and erection costs. If the sum insured is less than the amount required to be insured, the Company shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

3.2. MEMO 2 - BASIS OF INDEMNITY

- (a). In cases where damage to an insured item can be repaired, the Company shall pay expenses necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and reerection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the Insured, the Company shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account.

If the costs of repairs as detailed hereinabove equal or exceed the actual value of the insured items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

- (b). In cases where an insured item is destroyed, the Company shall pay the actual value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection, customs duties and dues, if any, to the extent such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Company shall also pay any normal charges for the dismantling of the item destroyed, but the value of any salvage shall be taken into account. The destroyed item shall no longer be covered under this Policy, and all necessary data on the relevant substitute item shall be indicated for its inclusion in the Schedule. (the Company may agree to extend this insurance to cover reimbursement of the full replacement value, by application of the relevant endorsement.)

As from the date of an identifiable occurrence the sum insured shall be reduced for the remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated. Any extra charges incurred for overtime, night work, work on public holidays or express freight shall be covered by this insurance only if especially agreed in writing. The costs of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy. The costs of any provisional repairs shall be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses. The Company shall 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.

D. SECTION 2 – EXTERNAL DATA MEDIA

1. SCOPE OF COVER

The Company hereby agree with the Insured that if the external data media entered in the Schedule inclusive of the information stored thereon, which can be directly processed in EDP systems, suffer any material damage identifiable under Section 1 of this Policy, the Company will indemnify the Insured, as hereinafter provided, in respect of such loss or damage up to an amount not exceeding in anyone year of insurance in respect of each of the data media specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum insured hereby, provided always that such loss or damage occurs during the period of insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Company may accept the premium for the renewal of this Policy. The cover applies while the insured data media are kept on the premises.

2. SPECIAL EXCLUSIONS TO SECTION 2

The Company shall, however, not be liable for

- (a). the deductible stated in the Schedule to be borne by the Insured in anyone occurrence.
- (b). any costs arising from false programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media, and from loss of information caused by magnetic fields.
- (c). consequential loss of any kind or description whatsoever.

3. PROVISIONS APPLYING TO SECTION 2

3.3. MEMO 1 - SUM INSURED

It shall be a requirement of this insurance that the sum insured is the amount required for restoring the insured external data media by replacing lost or damaged data media by new material and reproducing lost information.

3.4. MEMO 2 - BASIS OF INDEMNITY

The Company shall indemnify any expenses that can be proved to have been incurred by the Insured within a period of 12 months as from the date of the occurrence strictly for the purpose of restoring the Insured external data media to a condition equivalent to that existing prior to the occurrence and necessary for permitting data processing operations to be continued in the normal manner

If it is not necessary to reproduce lost data or information, or if such reproduction is not effected within 12 months alter the occurrence, the Company shall only be liable to indemnify the expenses incurred for replacing the lost or damaged data media themselves by new material.

As from the date of an identifiable occurrence the sum insured shall be reduced for the remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated.

E. SECTION 3 – INCREASED COST OF WORKING

1. SCOPE OF COVER

The Company hereby agree with the Insured that if material damage identifiable under Section 1 of this Policy gives rise to a total or partial interruption of operation of the EDP equipment entered in the Schedule, the Company will indemnify the Insured, as hereinafter provided, for any additional expenditure incurred for the use of substitute EDP equipment not covered under this Policy up to an amount not exceeding the agreed indemnification per day and not exceeding in all sum insured in any one year of insurance, provided always that such interruption occurs during the period of insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Company accept the premium for the renewal of this Policy.

2. SPECIAL EXCLUSIONS TO SECTION 2

The Company shall, however, not be liable for any additional expenditure incurred as a result of

- (a). restrictions imposed by public authorities concerning the reconstruction or operation of the EDP equipment insured.
- (b). the necessary funds not being available to the insured in time for repairing or replacing damaged or destroyed equipment.

3. PROVISIONS APPLYING TO SECTION 2

3.1. SUM INSURED

It shall be a requirement of this insurance that the sum insured stated in the Schedule is the amount which the Insured would have to pay as additional expenditure for 12 months' use of substitute EDP equipment of similar performance to the EDP equipment insured. The sum insured shall be based on the amounts agreed per day and per month as specified in the Schedule.

3.2. BASIS OF INDEMNITY

In the event of failure of the EDP equipment insured the Company shall be liable for the additional expenditure that can be proved to have been incurred for the period during which the use of substitute EDP equipment is essential, but at the most for the indemnity period agreed.

The indemnity period shall commence as soon as the substitute equipment is put into use.

The Insured shall bear that proportion of each claim which corresponds to the time excess agreed.

If it is found following an interruption of the operation of the EDP equipment insured that the additional expenditure incurred during the period of interruption is higher than the proportionate share of the annual sum insured which is applicable to this period, the Company shall only be liable to indemnify the Insured in respect of that proportion of the agreed annual sum insured which is applicable to the period of interruption, duly taking into account the indemnity period agreed.

Any savings in cost shall be taken into account when calculating the indemnity amount to be paid by the Company. As from the date of an identifiable occurrence the sum insured shall be reduced for the remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated.

F. GENERAL CONDITIONS

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 insured item shall cease if said item is kept in operation after a claim without being repaired to the satisfaction of the Company, or if temporary repairs are carried out without the Company's consent.

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 AND REPUDIATION

- (a). If the proposal or declaration of the Insured is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Company shall not be liable to make any payment hereunder.
- (b). In the event of the Company disclaiming liability in respect of any claim and if an action or suit is not commenced within three months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three months after the arbitrators or umpire have made their award, all benefit under this Policy in respect of such claim 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

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

11. TERMINATION

This Policy may be terminated at the request of the Insured at any time, in which case the Company will retain the customary short-period rate for the time this Policy has been in force. This Policy may equally be terminated at the option of the Company by seven (7) days' notice to that effect being given to the Insured, in which case the Company will be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Company may have incurred and less any long-term discount on premiums granted.

12. BENEFICIARY

Under an insurance for a third party's account the Beneficiary shall be entitled to exercise, in his own name, the rights of the Insured. Without obtaining the Insured's approval, the Beneficiary shall further have the right to receive any indemnity paid under this Policy and to transfer the Insured's rights even if the Beneficiary is not in possession of this Policy. Upon payment of an indemnity the Company may require evidence of the Beneficiary having given his consent to the insurance and of the Insured having given his consent to the receipt of an indemnity by the beneficiary.

13. PAYMENT OF CLAIM

The indemnity shall be payable one month after determination by the Company of the full amount due. Notwithstanding the above, the Insured may, one month after the Company have been duly notified of the loss and have acknowledged their liability, claim as an installment the minimum, amount payable under the prevailing circumstances. The running of the periods shall be suspended for the time during which the indemnity is unascertainable or not payable due to reasons within the Insured's control.

The Company shall be entitled to withhold indemnification

- (a). if there are doubts regarding the Insured's right to receive the indemnity, pending receipt by the Company of the necessary proof.
- (b). if in connection with the claim an examination by the police or an inquiry under criminal law has been instituted against the Insured, pending completion of such examination or inquiry.

14. PREMIUM WARRANTY

It is a fundamental and absolute special condition of this contract of insurance that the premium due must be paid and received by the Company within sixty (60) days from the inception date of this policy/endorsement/renewal certificate.

If this condition is not complied with then this contract is automatically cancelled and the Company shall be entitled to the pro rata premium for the period they have been on risk.

Where the premium payable pursuant to this warranty is received by an authorised agent of the Company, the payment shall be deemed to be received by the Company for the purposes of this warranty and the onus of proving that the premium payable was received by a person, Including an Insurance agent, who was not authorised to receive such premium shall lie on the Company.

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)

No. 638, Level 6, Block B1, Leisure Commerce Square,
No. 9, Jalan PJS 8/9, 46150 Petaling Jaya,
Postal Address P.O. Box 10637, 50720 Kuala Lumpur, MALAYSIA.
Phone: +603-7861 8400 Fax: +603-7873 7430
SST Reg No: B16-1808-31042744
www.qbe.com/my

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