



# QBE FIDELITY GUARANTEE 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](http://www.pidm.gov.my)).

# QBE FIDELITY GUARANTEE INSURANCE POLICY

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# QBE FIDELITY GUARANTEE INSURANCE POLICY

## A. THE COVER

### 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 your Proposal Form (or when you applied for this insurance) and any other disclosures made by you between the time of submission of your Proposal Form (or when you applied for this insurance) and the time this contract is entered into. The answers and any other disclosures given by you shall form part of this contract of insurance between you and us. In the event of any pre-contractual misrepresentation made in relation to your answers or in any disclosures made by you, it may result in avoidance of your contract of insurance, refusal or reduction of your claim(s), change of terms or termination of your contract of insurance.

This Policy reflects the terms and conditions of the contract of insurance as agreed between you and us.

Now this Policy Witnesseth that in consideration of the payment to the Company of the premium stated in the said Schedule if during the Period of Insurance stated in the said Schedule or any subsequent period in respect of which the Company shall have accepted the premium required for the renewal of this Policy, any such Employee specified in the Schedule shall fraudulently embezzle or fraudulently misappropriate any money or negotiable instrument or goods belonging to the Employer or for which the Employer is legally liable and such fraudulent embezzlement or fraudulent misappropriation be discovered not later than six (6) months after the termination of this Policy or not later than six months after the termination of the employment of such Employee whichever shall have first happened THEN after satisfactory proof of pecuniary loss to the Employer directly resulting from such fraudulent embezzlement or fraudulent misappropriation has been given to the Company, the Company will make good and reimburse to the Employer the amount or value of such pecuniary loss but not exceeding in any case the amount of guarantee stated in the said Schedule and in the aggregate during one Period of Insurance. In the case where guaranteed amount or amounts are set opposite each Employee or category of Employees, then the Company will make good and reimburse to the Employer the amount or value of such pecuniary loss but not exceeding in any case the amount of guarantee set opposite each Employee or category of Employees and in the aggregate during anyone Period of Insurance.

## B. EXCLUSIONS

PROVIDED that the Company shall not be liable under this Policy in respect of or in relation to any Employee referred to in the said Schedule:-

### 1. CONVICTION

For any loss for which the Employer is unable to obtain a conviction at criminal law against the Employee or Employees committing such acts of fraud or dishonesty. The Company's liability (not in any event exceeding the Amount of Guarantee stated in the Schedule hereto) shall be limited to the amount(s) for which judgement is so made.

### 2. SPECIFIC EMPLOYEE

For any loss for which the Employer is unable to designate the specific Employee or Employees committing such acts of fraud or dishonesty.

### 3. SUBSEQUENT LOSS

For any loss arising from fraudulent embezzlement or fraudulent misappropriation committed by such Employee subsequent to discovery by the Employer of any act of fraud or dishonesty on the part of such Employer

### 4. 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 - 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.

## **5. ACTS OVER MORE THAN ONE PERIOD**

For more than the amount of guarantee stated in the said Schedule notwithstanding that fraudulent embezzlement or fraudulent misappropriation was committed by such Employee during more than one Period of Insurance.

## **6. KNOWLEDGE OF DISHONEST ACTS**

For any loss arising from any act or acts of fraud or dishonesty committed by such Employee after the Employer shall reasonably be deemed to have knowledge or information of any act or acts of fraud or dishonesty by such Employee or reasonable cause for suspicion of any such act or any want of integrity on the part of such Employee whether or not committed while in the employ of the Employer.

## **7. DEFAULT OF LOAN PAYMENT**

For any loss arising from the complete or partial non-payment of, or default upon any loan, extension of credit or transaction in the nature of, or amounting to, a loan, obtained from or made by the Employer or by any of the Employees, whether authorized or unauthorised unless such loss results from fraud or dishonesty on the part of any of the Employees.

## **8. 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 Company 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.

## **9. TIME LIMITATION**

For any loss arising from fraudulent embezzlement or fraudulent misappropriation committed more than twelve months prior to the date of receipt by the Company of notice of such loss except that in respect of loss arising from fraudulent embezzlement or fraudulent misappropriation committed during the Period of Insurance and discovered after but within six months of the termination of this Policy or within six months of the termination of the employment of such Employee, the Employer shall be entitled to claim for any such loss which arose within the period of twelve months immediately prior to the date of termination of this Policy or the date of termination of such employment whichever shall have first happened.

## **10. CHANGE IN BUSINESS**

For any loss arising out of such a change or variation in the method of conducting the Employer's business as to make the actual facts differ in some material degree from those or any of them set out in the written Statement and Declaration.

Provided always that the Insurance hereby made is and shall be subject to the Conditions and to the Memoranda, if any, endorsed hereon or attached hereto in like manner as if the same were respectively repeated and incorporated herein; and compliance by the Employer with such Conditions and Memoranda, and each of them, shall be a condition precedent to the liability of the Company hereunder and to the right of the Employer to sue or recover hereunder except so far as they relate to anything which is not capable of being performed until after payment by the Company.

# **C. CONDITIONS**

## **1. DUTY OF DISCLOSURE**

Where you have applied for this Insurance wholly for purposes related to your trade, business or profession, you had a duty to disclose any matter that you know to be relevant to our 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 your contract of insurance, refusal or reduction of your claim(s), change of terms or termination of your contract of insurance.

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 in the Proposal Form (or when you applied for this insurance) is inaccurate or has changed

## **2. 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.

### **3. CESSATION**

Unless the written consent of the Company shall have been previously obtained, this Policy ipso facto ceases to be in force

- (a) if any check or precaution described in the within-mentioned Proposal and Declaration is not duly and faithfully performed or observed by the Employer, or
- (b) if the method of conducting the Employer's business shall be so changed or varied as to make the actual facts differ in some material degree from those or any of them described in the within-mentioned Proposal and Declaration, or
- (c) as regards any employee the amount of whose remuneration shall be reduced other than by variation of an award or whose duties shall be so changed or varied as to make the actual facts differ in some material degree from those or any of them described in the within-mentioned Proposal and Declaration, or
- (d) if the interest of the Employer herein shall pass from him (except by will or operation of law, in either of which cases notice and full particulars shall be submitted to and approved by the Company previous to the next following Renewal).

### **4. CLAIM PROCEDURE**

Upon the discovery of any circumstances giving rise or likely to give rise to a claim under this Policy the Employer shall

- (a) forthwith give notice thereof to the Company explaining fully all such circumstances
- (b) within fourteen (14) days from the date of such notice (unless the Company has in writing agreed to extend such period) deliver to the Company a detailed statement in writing of the loss sustained
- (c) at all reasonable times permit the Company or its agents to enquire into, investigate and examine the circumstances of the alleged loss by the Employer, and the claim in respect thereof, and the Employer shall, at his own expense, upon being required so to do by the Company or its agents, produce all books, vouchers, correspondence, documents, receipts, and all entries relating to the alleged loss in his possession or control, and shall furnish copies of such of them and otherwise give all possible assistance as may be required by the Company so far as they relate to such claim or may in any way enable the Company or its agents to ascertain the correctness thereof or the liability of the Company under this Policy
- (d) if and when required by the Company (but at the expense of the Company if a conviction be obtained), use all diligence in prosecuting or assisting to prosecute any Employee to conviction for any fraudulent embezzlement or fraudulent misappropriation in respect of which a claim shall have been made under this Policy.

### **5. OTHER INSURANCE**

The Employer shall notify the Company of any other Policy, Security, or Guarantee held by him against loss also covered by this Policy, and shall notify the Company of any limitation, discharge or termination thereof and the Company shall only be liable to pay or contribute its rateable proportion of any loss after taking into account the value of any such other Policy, Security or Guarantee.

## **6. PREMIUM WARRANTY**

It is a fundamental and absolute and 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 an authorised agent of the Company receives the premium payable pursuant to this warranty, the payment shall be deemed to be received by the Insurer 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.

## **7. SUBROGATION**

The Company shall have the right of subrogation in respect of all rights or remedies which the Employer may have against any Employee or any other party or parties and the Employer shall at the expense of the Company, do, take and permit to be done and taken in his name, all such acts, things, and proceedings as the Company may consider necessary or require for the purpose of enforcing or exercising all or any such rights, whether such acts, things or proceedings shall be considered necessary or required before or after any loss has been paid or made good.

## **8. TERMINATION**

This Policy may be terminated at any time at the request of the Employer in which case the Company will retain the Company's short period rate for the time the Policy has been in force. The Company may cancel this Policy at any time by giving written notice to the Employer. Such notice may be delivered personally or posted to the Employer at the address last notified to the Company and the cancellation of the Policy shall be effective on the delivery of the said notice or if posted from the time the said notice should be delivered in the ordinary course of post. After cancellation by the Company as aforesaid the Company will refund to the Employer the proportionate part of any premium received in respect of the unexpired period of the Policy.

## **9. STATEMENT AND DECLARATION INFORMATION**

This Policy shall be void if the within-mentioned Statement and Declaration of the Employer be untrue in any respect, or if any material fact affecting the risk be incorrectly stated therein or omitted therefrom, or if this Policy or any renewal thereof shall have been obtained through any misstatement, misrepresentation or suppression on the part of the Employer, or if any claim made shall be fraudulent or exaggerated, or if any false declaration or statement shall be made in support thereof.

## **10. WAIVER OF POLICY CONDITIONS**

No provision or requirement of this Policy requiring any matter or thing to be done or to be written or endorsed hereon, shall be deemed waived by reason of any alleged notice of waiver which has not been expressly written or endorsed hereon; nor shall the Company be deemed to have waived any provision or Condition of this Policy unless such provision or Condition be expressly stated in writing to be waived by the Company. Upon the happening of any loss or alleged loss which may be or is claimed to be covered by this Policy the Company may at any time thereafter until the liability or non liability of the Company is determined without thereby admitting or incurring any liability, exercise all or any of the rights, powers and privileges conferred upon it by any of the provisions or Conditions of this Policy, and nothing done by the Company in the exercise of any such right, power or privileges, shall be pleaded or operate by way of estoppels against the Company so as to prevent the Company subsequent to the exercise of any such right, power or privilege, from relying upon each and every provision and Condition of the Policy in resisting any claim wholly or in part.

## **11. RETENTION OF MONEYS**

In the event of any claim being made under this Policy, the Employer shall to the extent allowed by law retain all salary, commission, money or assets the property of any Employee, in respect of whom a claim is made, which may be in or come into the Employer's hands or under his control and shall apply the same towards making good the amount of any default due to acts insured against under this Policy.



## 12. WRITTEN NOTICE

Every notice or communication to the Company shall be in writing and sent to the office of the Company at which this Policy is issued, and notice or knowledge of anything relating to this Policy or any claim hereunder, or with reference to the risk insured hereunder, shall not be deemed to be notice to or within the knowledge of the Company unless so given. Any Agent or Officer of the Company who may on behalf of the Employer write any statement which the Employer signs, or authorises to be signed, shall for the purposes thereof, be deemed to be the Employer and not of 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)

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

#### Branch:

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- Kota Kinabalu • Sandakan