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(Licensed under the Financial Services Act 2013 and regulated by Bank Negara Malaysia)  
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## QBE Civil Engineering Completed Risks Cover POLICY

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**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.

CARCER000-Q-0115 (NON-CONSUMER)



## Contents

<b>A. THE COVER</b> .....	1
1. Preamble.....	1
<b>B. GENERAL EXCLUSIONS</b> .....	1
1. War.....	1
2. Radioactivity.....	1
3. Wilful Negligence .....	2
4. Electronic Data.....	2
5. Information Technology Hazard, Computer Data, Program and Storage Media Exclusion.....	2
6. Absolute Asbestos Exclusion .....	3
7. Electro Magnetic Radiation .....	3
8. Terrorism.....	3
9. Inherent Defects, Wear & Tear.....	4
10. Poor State of Repair.....	4
11. Deductible .....	4
12. Consequential Loss.....	4
<b>C. MATERIAL DAMAGE</b> .....	4
1. Scope of Cover: .....	4
2. Provisions:.....	5
Memo 1 – Sum Insured.....	5
Memo 2 – Basis or Settlement .....	5
Memo 3 – Extension of Cover .....	6
<b>D. GENERAL CONDITIONS</b> .....	6
1. Duty of Disclosure .....	6
2. Identification .....	6
3. Compliance .....	7
4. Material Change.....	7
5. Claim Notification .....	7
6. Fraudulent Claim.....	8
7. Subrogation.....	8
8. Admission of Liability.....	8
9. Termination .....	8
10. Arbitration.....	9
11. Sanction Limitation and Exclusion.....	9
12. Other Insurance .....	9
13. Interest Incurred.....	9
14. Premium Warranty .....	9
<b>IMPORTANT NOTICE:</b> .....	10



## **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**

This Policy shall not cover

### **1.War**

damage directly or indirectly occasioned by happening through or in consequence of war, invasion, act of foreign, enemy, hostilities or warlike operations (whether war be declared or not) civil war, mutiny, insurrection, rebellion, revolution, conspiracy, military naval or usurped power Martial Law or State of Siege or any of the events or causes which determine the proclamation of maintenance of Martial Law or State of Siege Confiscation Destruction or Requisition by order of the Government or any Public Authority Riot Civil Commotion Strike Lock-out or directly or indirectly caused by persons taking part in Labour Disturbance or Malicious Persons acting on behalf of or in connection with any Political Organisation. In any action, suit or other proceeding where the Insurers allege that, by reason of the provisions of this exclusion, any loss, destruction, damage or liability is not covered by this Policy, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured;

### **2.Radioactivity**

any accident or any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion combustion shall include any self-sustaining process of nuclear fission.

The indemnity or compensation provided by this Policy shall not apply to nor include any accident loss destruction damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.



### **3. Wilful Negligence**

Wilful act or wilful neglect of the Insured, or of his representative/s.

### **4. Electronic Data**

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto,

- (a). total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA,
- (b). error in creating, amending, entering, deleting or using ELECTRONIC DATA or
- (c). 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.

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), (b) and (c) 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), (b) and (c) above.

Fire, Explosion, Lighting, 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. 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.

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

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

### **5. Information Technology Hazard, Computer Data, Program and Storage Media Exclusion**

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 organization
- (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 organization
- (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 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.

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:

- (i). the use of any computer hardware or software
- (ii). the provision of computer or telecommunication services by the Insured or on the Insured’s behalf
- (iii). the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

#### **6. Absolute Asbestos Exclusion**

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.

#### **7. Electro Magnetic Radiation**

any loss or 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..

#### **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 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.

**9. Inherent Defects, Wear & Tear**

loss or damage or expense caused by, or arising out of, or substantially aggravated by inherent defects, wear and tear, gradual deterioration, expansion or contraction of insured items due to changes of temperature.

**10. Poor State of Repair**

loss or damage caused by, or arising out of, or aggravated by failure of the Insured to keep and maintain the insured items in a thorough state of repair.

**11. Deductible**

deductible stated in the schedule to be borne by the Insured in any one occurrence.

**12. Consequential Loss**

consequential loss or damage of any kind or description

**C. MATERIAL DAMAGE**

**1. Scope of Cover:**

The Company hereby agree with the Insured that if the items or any part thereof entered in the schedule suffer any unforeseen and sudden physical loss or damage caused by

- (a). fire, lightning, explosion, impact of landborne or waterborne vehicles,
- (b). impact of aircraft and other aerial devices or articles dropped therefrom,
- (c). earthquake, volcanism, tsunami,
- (d). storm (air movements stronger than grade 8 on the Beaufort Scale),
- (e). flood or inundation, wave action or water,
- (f). subsidence, landslide, rockslide or any other earth movement,
- (g). frost, avalanche, ice,



(h). vandalism of single persons,

in a manner necessitating repair or replacement and occurring at any time during the period of insurance stated in the schedule or during any subsequent period for which the Insured pays and the Insurers may accept the premium for the renewal of this Policy,

the Insurers will indemnify the Insured for such loss or damage by payment in cash, replacement or repair (at the Insurers' 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 any one event the limit of indemnity, where applicable, and not exceeding in all the total sum expressed in the schedule as insured hereby.

## **2.Provisions:**

### **Memo 1 – Sum Insured**

It shall be a requirement of this Policy that the sums insured stated in the schedule are not less than the cost of replacement of the insured items by new items of the same kind and capacity, inclusive of all materials, wages, freight, customs duties and dues.

The Insured shall undertake 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 takes effect only after the same has been recorded in this Policy by the Insurers.

If in the event of loss or damage it is found that the sums insured are less than the amount required to be insured, 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 item entered in the schedule shall be subject to this condition separately.

### **Memo 2 – Basis of Settlement**

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

- (a). 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 (excluding the cost of clearance of debris),
- (b). in the case of a total loss
  - i). the replacement costs of the insured items if the loss occurs within the period stated in the schedule,
  - ii). the actual value of the items immediately before the occurrence of the loss less salvage, such actual value to be calculated by deducting proper depreciation from the replacement value of the items, 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 Insurers 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.



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 under (b) above.

The Insurers shall also reimburse the Insured for the cost of clearance of debris following upon any event giving rise to a claim under this Policy in accordance with Memo 3, provided a separate sum therefor has been entered in the schedule.

The cost of any provisional repairs shall be borne by the Insurers 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**

In consideration of the Insured having paid the additional premium agreed upon with the Insurers, indemnification for loss or damage otherwise covered under this Policy shall be extended to include the cost of clearance of debris forming part of the insured items including the cost of removal or demolition of any portion of the insured items no longer useful for the purpose for which it was intended, but only if a valid law or ordinance requires the Insured to effect such removal or demolition and only up to an amount not exceeding in any one event the limit of indemnity specified therefore in the schedule.

## **D. 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 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 Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule 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 or damage and comply with statutory requirements and manufacturers' recommendations. The liability of the Company under this Policy in respect of any insured item shall cease if the said item insured is not kept in good order or condition.

### **4. Material Change**

- (a). Representatives of the Company shall at all reasonable times have the right to inspect and examine the plant 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 in writing of any material change in the risk and cause such additional precautions to be taken as circumstances may require to ensure safe operation of the insured machinery, 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 of damage is increased, unless the continuance of the Insurance is 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;

The Company shall on no account be liable for loss or damage of which no notice has been received by the Company within fourteen (14) days of its occurrence.

Upon notification being given to the Company under this condition, the Insured may carry out repairs of any minor damage or replace items which have sustained 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 adequate under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement.

Nothing contained herein shall prevent, the Insured from taking such steps as are absolutely necessary for the upkeep of operations.



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

#### **6.Fraudulent Claim**

- (a). If the proposal or declaration of the Insured is not true in any material respect, or if any claim made be fraudulent or substantially exaggerated, or if any false declaration or statement be 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 be not commenced within three (3) months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 10 of this Policy) within three (3) months after the Arbitrators or Umpire shall have made their award all benefit under this Policy in respect of such claim shall be forfeited.

#### **7.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 right 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 subrogated upon their paying for or making good of any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.

#### **8.Admission of Liability**

No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled if they so desire to take over and conduct in the name of the Insured the defence or settlement of any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

#### **9.Termination**

This Insurance 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 the Policy has been in force. This Insurance 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 shall 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.

#### **10. 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.

#### **11. 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.

#### **12. Other Insurance**

If at the time any claim arises under this Policy there be 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.

#### **13. Interest Incurred**

The Company shall not be liable to pay interest other than interest for default.

#### **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:**

The following are channels available for complaints on insurance related matters. You can contact our Complaint Unit for assistance at 03-7861 8400 or the following authorised bodies:

**FINANCIAL MEDIATION BUREAU (FMB)**

LEVEL 25, DATARAN KEWANGAN DARUL TAKAFUL  
NO. 4 JALAN SULTAN SULAIMAN  
50000 KUALA LUMPUR  
TEL: 03-2272 2811 FAX: 03-2274 5752

**DIRECTOR**

LAMAN INFORMASI NASIHAT DAN KHIDMAT (LINK)  
TINGKAT BAWAH, BLOK C  
BANK NEGARA MALAYSIA  
TINGKAT 14B PETI SURAT 10922, 50929 KUALA LUMPUR  
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