



QBE Association Liability 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 BENEFIT FROM YOUR POLICY.”

1. THE PREAMBLE

In consideration of the payment of the premium to QBE Insurance (Malaysia) Berhad (“**QBE**”) and in reliance on the written proposal and/or declaration, any attachments and other information provided to **QBE** in relation to this insurance, which will be deemed to be incorporated into and form the basis of this **Policy**, **QBE** will provide cover as follows.

2. INSURING CLAUSES

2.1. **Officers Indemnity**

QBE will pay on behalf of each **Insured Person** all **Loss** arising from any **Valid Claim**. **QBE** further agrees to cover the **Association** when it is legally required or permitted to indemnify the **Insured Person** for **Loss** arising from any **Valid Claim**.

2.2. **Association Professional Indemnity**

QBE will pay on behalf of the **Insured** against all **Loss** arising from any **Valid Claim**.

2.3. **Entity Employment Practices Indemnity**

QBE will pay on behalf of the **Association** against all **Loss** arising from any **Valid Claim**.

3. AUTOMATIC EXTENSIONS

The following extensions to the **Policy** are included automatically, provided always that each extension is subject to the terms of this **Policy** (unless otherwise stated).

3.1. **Amalgamation / Merger** – If, subsequent to the commencement of the **Period of Insurance**, the **Association** merges, amalgamates with or creates any other association, that undertakes similar activities to the **Association**, **QBE** will cover such association and its members as if they were an **Insured** under this **Policy** PROVIDED THAT:

3.1.1. notice of the merger or acquisition has been given to **QBE** within sixty (60) days of the merger or amalgamation; and

3.1.2. **QBE** will be entitled to any additional information they may require and will have the right to charge an additional premium; and

3.1.3. no cover is provided for **Loss** arising from any **Wrongful Act** committed by such other entity prior to the date of merger or amalgamation; and

3.1.4. cover provided by this extension does not include any takeover or acquisition of the **Association** by any other entity.

3.2. **Continuous Cover** – If any **Claim**, fact or circumstance that should have been notified to **QBE** under an earlier policy, is notified during the **Period of Insurance**, **QBE** will accept the notification PROVIDED THAT:

3.2.1. no cover is available under any other association liability policy or any other policy that provides similar coverage to this **Policy**; and

3.2.2. **QBE** has continuously been the insurer of the **Insured** under an association liability policy between the date when such notification should have been given and the date when such notification was, in fact, given; and

3.2.3. there was neither fraudulent non-compliance with the **Insured’s** duty of disclosure nor fraudulent misrepresentation by the **Insured** in respect of such facts or circumstances; and

3.2.4. the cover available under this extension shall be in accordance with this **Policy**, but the limit of indemnity available shall be no greater than that of the earliest association liability policy to which the **Claim**, fact or circumstance, had it been notified, would have responded; and

- 3.2.5. where **QBE** has been prejudiced by such late notification the liability of **QBE** will be reduced to the amount for which **QBE** would have been liable had the notification been made at the correct time.
- 3.3. **Defamation** – **QBE** will cover the **Insured** for all **Loss** arising from any **Valid Claim** for unintentional defamation.
- 3.4. **Employment Dispute** – Under Insuring Clause 2.1 Officers Indemnity only, and notwithstanding Exclusion 5.6 Insured v Insured, **QBE** will cover the **Insured Person** for all **Loss** arising from any **Valid Claim** made against an **Insured Person** for any actual or threatened claim or grievance by any former, current or prospective **Employee** in connection with that person's previous, current or prospective employment with the **Association**.
- 3.5. **Estate and Legal Representatives / Spousal Liability** – **QBE** will pay all **Loss** arising from a **Valid Claim** made against the:
- 3.5.1. spouse of an **Insured Person** solely based on his or her status as such, which seeks damages recoverable from:
- 3.5.1.1. matrimonial property; or
- 3.5.1.2. property jointly held by the **Insured Person** and the spouse; or
- 3.5.1.3. property transferred from an **Insured Person** to the spouse,
- 3.5.2. estate, heirs, legal representatives or assigns of any deceased, incompetent, insolvent or bankrupt **Insured Person**, in respect of or arising out of a **Valid Claim**.
- PROVIDED THAT the estate, heirs, legal representatives, assigns or spouse will observe and be subject to all the provisions of this **Policy** insofar as they can apply.
- 3.6. **Intellectual Property** – **QBE** will cover the **Insured** for all **Loss** arising from any **Valid Claim** for unintentional infringement of copyright, trademark, registered design or patent, plagiarism or breach of confidentiality, arising directly from **Association Services**.
- 3.7. **Intentional Acts** – **QBE** will cover the **Insured** for **Valid Claims** which would otherwise have been excluded by Exclusion 5.5 Intentional Acts (Fraudulent, Dishonest and Criminal Acts and Statutory Breaches) PROVIDED THAT:
- 3.7.1. the **Insured** is not proven to have committed or condoned the intentional act;
- 3.7.2. in respect of **Claims** involving theft or misappropriation of funds for which the **Insured** is legally liable to account to another, the liability of **QBE** is conditional upon:
- 3.7.2.1. the **Insured** maintaining a separate trust account for such funds, which will be subject to independent audit by a duly qualified accountant at least annually; and
- 3.7.2.2. all cheques drawn by **Insured Persons** on such trust account being signed by two authorised persons; and
- 3.7.2.3. all electronic banking carried out by any **Insured Person** on such trust account being first authorised by an independent duly authorised person;
- 3.7.3. this cover does not extend to the estates, heirs, legal representatives or assigns of any of the **Insured Person** who is proven to have committed or condoned the intentional act.
- 3.8. **Loss of Documents** – **QBE** will cover the **Insured** for all **Loss** arising from any **Valid Claim** for loss of any **Documents** that have been destroyed, damaged, lost or mislaid and after diligent search or attempts to recover them, cannot be found or recovered. PROVIDED THAT such **Documents** were placed in the **Insured** physical custody or control in the ordinary course of business; and

- 3.8.1. the loss was discovered during the **Period of Insurance** and **Insured** reported this loss to **QBE** during the **Period of Insurance**; and
- 3.8.2. **QBE** will cover the **Insured** for the reasonable costs of replacement incurred with **QBE** prior written consent but not for any consequential loss, which includes:
 - 3.8.2.1. loss of income, profits or business; and
 - 3.8.2.2. loss of opportunity; and
 - 3.8.2.3. damage to the goodwill and the reputation of the **Association**;
 however arising.
- 3.8.3. **QBE** will not cover **the Insured** for:
 - 3.8.3.1. the theft, **corruption** or erasure of any data by a computer virus or **Insured** former **Employee**, partner or principal; or
 - 3.8.3.2. damage to **Documents** caused by gradual deterioration, wear and tear, or the actions of moths, vermin or insects.
- 3.8.4. the **Deductible** applicable for this extension shall be RM1,000 for each and every **Valid Claim**.
- 3.9. **Official Investigations and Inquiries** – **QBE** will pay for any costs and expenses reasonably incurred with **QBE's** prior written consent in the official investigation or enquiry of any complaint or notification PROVIDED THAT:
 - 3.9.1. any such official investigation is in relation to a breach of professional duties in the conduct of **Association Services**; and
 - 3.9.2. the investigation, examination or enquiry, or notice of intended investigation, examination or enquiry is commenced during the **Period of Insurance** and is notified by **Insured** to **QBE** during the same **Period of Insurance**; and
 - 3.9.3. **QBE** shall be entitled, at **QBE's** discretion, to appoint legal representation to represent **Insured** in the investigation, examination or enquiry; and
 - 3.9.4. the maximum indemnity provided by this extension shall not exceed RM200,000 in the aggregate under this **Policy**.

For the purpose of this extension, an official investigation includes an investigation, examination or enquiry by way of a royal commission or coronial enquiry or conducted by a regulatory authority such as a Monetary Authority or Securities Commission or equivalent or any disciplinary committee of any association or professional body of which **Insured** is a member.

- 3.10. **Preservation of Indemnity** – If an **Insured Person** is unable to enforce a right to indemnity against the **Association** to which he or she is entitled, whether at common law, under statute or otherwise, by reason only of the **Association** being placed in liquidation (other than voluntary liquidation) or similar closure process, and therefore having insufficient funds available to indemnify the **Insured Person**, then **QBE** will cover the **Insured Person** against **Loss** arising from any **Valid Claim**. The **Deductible** applicable to Insuring Clause 2.1 Officers Indemnity will apply.

The burden of establishing satisfactory proof to obtain the benefit of this extension will rest entirely with the **Insured Person** and will include the production of documentary evidence of the **Association's** assets and liabilities and any official statements issued by the liquidator or accountant.

- 3.11. **Public Relations Expenses** – QBE will pay for any costs and expenses reasonably incurred with QBE's prior written consent when the Insured engages the services of a public relations consultant for the sole purpose of protecting the Insured's reputation that has been brought to question as a direct result of a **Valid Claim** covered under this **Policy**, provided that:
- 3.11.1. the **Insured** notifies **QBE** within thirty (30) days of first being aware of the **Insured's** reputation being brought into question and provides **QBE** with full written details outlining the circumstances surrounding the event;
 - 3.11.2. **QBE's** maximum liability for all such public relations expenses shall not exceed RM50,000 for any one **Claim** and in the aggregate under this **Policy**;
 - 3.11.3. the **Deductible** applicable for this extension shall be RM1,000 for each and every **Valid Claim**.
- 3.12. **Retired Officers** – If the **Insured** does not renew this **Policy**, a discovery period of twelve (12) months after the date of such non-renewal will be provided under Insuring Clause 2.1 Officers Indemnity of this **Policy**, during which time written notice may be given to **QBE** of any **Claim** first made against any **Insured Person** who ceased to act as an **Insured Person** before the date of non-renewal and otherwise covered by this **Policy**. This extension does not apply if Optional Extension 4.2 Extended Reporting Period is exercised.
- 3.13. **Trade Practice and Related Legislation** – QBE will cover the **Insured** for all **Loss** arising from any **Valid Claim** for compensation made against the **Insured** alleging breach of any consumer protection, competition, fair trading or any equivalent legislation.

4. **OPTIONAL EXTENSIONS**

The following extensions are optional, and are not included in this **Policy** unless specifically noted under Optional Extensions in the **Schedule**. PROVIDED THAT each extension is subject to the terms of this **Policy** (unless otherwise stated).

- 4.1. **Automatic Reinstatement** – If a **Valid Claim** or **Valid Claims** exhausts the **Limit of Indemnity** (in whole or in part) due to payments by **QBE** under this **Policy**, **QBE** agrees to one reinstatement only of the **Limit of Indemnity** PROVIDED THAT **QBE's** total liability under this **Policy** will not exceed:
- 4.1.1. the **Limit of Indemnity**, in respect of any one **Valid Claim** or all related **Valid Claims**; and
 - 4.1.2. twice the **Limit of Indemnity**, in respect of all **Valid Claims** which are not related.

This extension will only apply to Insuring Clause 2.2 Association Professional Indemnity.

For the purpose of this extension, **Valid Claims** are related if they arise out of the same, identical or a series of acts, errors, omissions or conduct, or arise out of or are attributable to the same originating source or cause.

- 4.2. **Extended Reporting Period** – If **QBE** or the **Association** refuses to renew this **Policy** for any reason other than non-payment of premium the **Association** will have the right to extend the specified expiry date for a twelve-month period PROVIDED THAT:
- 4.2.1. the right to such extension is exercised within thirty (30) days after the effective date of the specified expiry date; and
 - 4.2.2. this **Policy** will not provide cover in respect of any **Wrongful Act** alleged to have occurred on or after the effective date of cancellation or of the specified expiry date; and
 - 4.2.3. the **Limit of Indemnity** available under this extension is part of and not in addition to the **Limit of Indemnity**; and
 - 4.2.4. an additional premium of 50% of the expiring annual premium has been paid.

4.3. **Outside Directorships** – If an **Insured Person** has been, now is or becomes a director or officer of an **Outside Entity**, and holds that position as a representative of the **Association**, this **Policy** will extend to include **Loss** alleged in respect of a **Wrongful Act** in their capacity as a director or officer of the **Outside Entity**, subject to all other terms of this **Policy** PROVIDED THAT:

4.3.1. this cover will be specifically excess of any payment received from any other applicable insurance in force in respect of the **Outside Entity** and any payment received as indemnification by such **Outside Entity**; and

4.3.2. if the **Outside Entity** holds insurance provided by **QBE** then the **Limit of Indemnity** for all **Loss** covered by this **Policy** will be reduced by the limit of indemnity of such other insurance provided by **QBE**; and

4.3.3. cover will not apply to any **Claim** brought:

4.3.3.1. by a director or officer of the **Outside Entity**; or

4.3.3.2. by or on behalf or in the name of the **Outside Entity** at the instigation of or in solicitation, co-operation or enticement of or with a director or officer of the **Outside Entity**; and

4.3.4. cover will not extend to the **Outside Entity** or to any of its other directors, officers, or employees.

5. **EXCLUSIONS**

QBE will not be liable in respect of any **Claim**:

5.1. **Asbestos** –directly or indirectly arising out of, in consequence of, or contributed to by asbestos, asbestos fibres or derivatives of asbestos.

5.2. **Bodily Injury / Property Damage** – alleging or in respect of:

5.2.1. death, bodily injury, or illness however this exclusion will not apply to mental injury, mental anguish or emotional distress; or

5.2.2. damage to or destruction of any tangible property, whether or not it is damaged or destroyed, including loss of its use.

However, 5.2.1 and 5.2.2 will not apply to any **Claim** under Insuring Clause 2.2 Association Professional Services PROVIDED ALWAYS that no cover will be provided to any **Claim** arising from the provision of any medical service.

5.3. **Defamation by Insured Persons** – Notwithstanding Exclusion 5.6 Insured v Insured, directly or indirectly arising out of, in consequence of, or contributed to by any defamation committed by any **Insured Person** against another **Insured Person**.

5.4. **Fines and Penalties** – for any fines and/or penalties.

5.5. **Intentional Acts (Fraudulent, Dishonest and Criminal Acts and Statutory Breaches)**

5.5.1. directly or indirectly arising out of, in consequence of, or contributed to by an actual act or omission by **Insured Person** which was fraudulent, dishonest, malicious or criminal; and

5.5.2. directly or indirectly arising out of, in consequence of, or contributed to by any wilful breach of any statute, regulation, contract or duty by **Insured** or **Insured Person**.

Notwithstanding 5.5.1 and 5.5.2 above, **QBE** will advance defence costs and expenses to the **Insured** prior to the final disposition or until the final non-appealable adjudication of any **Claim** as mentioned above. If **QBE** advances such defence costs and expenses to the **Insured**, **QBE** retains its rights to stop any such advancement and to recover such defence costs and expenses from the **Insured** once it has been determined that the **Insured** was not entitled to cover under this **Policy**.

- 5.6. **Insured v Insured** – brought by an **Insured** however this exclusion will not apply:
- 5.6.1. in respect of cover provided under Insuring Clause 2.1 Officers Indemnity and Insuring Clause 2.3 Entity Employment Practices Indemnity;
 - 5.6.2. to any **Claim** brought or maintained by an **Insured** for contribution or indemnity, if the **Claim** directly results from another **Claim** covered under this **Policy**;
 - 5.6.3. to any **Claim** that is a derivative action brought or maintained on behalf of the **Association** by one or more persons who are not **Insured Persons** and who bring and maintain such **Claim** without the solicitation, assistance or participation of any **Insured**.

5.7 **Liability Assumed**

- 5.7.1. alleging or in respect of any promise, guarantee, condition or representation that the **Insured's** services will meet a particular level or standard, or timeframe, or produce a particular result. However, this exclusion will not apply to liability that would have attached in the absence of such promise, guarantee, condition or representation.
 - 5.7.2. in respect of liability incurred by or on behalf of the **Insured** arising from an agreement, where liability would not otherwise have existed in the absence of the agreement.
 - 5.7.3. in respect of a trading debt or a trading liability incurred, or financial or other guarantee granted by the **Insured**.
 - 5.7.4. in respect of which the **Insured** has, without the written consent of **QBE**, surrendered or waived any right of contribution or indemnity to which the **Insured** might otherwise have been entitled.
- 5.8. **Nuclear** – directly or indirectly arising out of, in consequence of, or contributed to by ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of any nuclear fuel.
- 5.9. **Pollution** – alleging or in connection with or arising from or by reason of or directly or indirectly caused by the actual, alleged or threatened discharge, release, escape or dispersal of **Pollutants** into or on real or personal property, water or the atmosphere, or any direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any voluntary decision to do so, including but not limited to any **Claim** for financial loss to the **Association** or its beneficiaries.

For the purpose of this exclusion, **Insured** will include any **Outside Entity**.

5.10. **Prior or Pending**

- 5.10.1. made, threatened or in any way intimated prior to the commencement of this **Policy**; or
 - 5.10.2. arising from any circumstance of which the **Insured** had, or should have, become aware, prior to the commencement of this **Policy**, and which the **Insured** or a reasonable **Insured** should have considered may give rise to a **Claim**, whether notified under any other insurance or not.
- 5.11. **Punitive Damages** – any punitive damages and/or exemplary damages and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages.
- 5.12. **Refund of Fees** – For a refund of professional or membership fees, by way of damages or otherwise.
- 5.13. **Supply of Goods** – Under Insuring Clause 2.2 Association Professional Indemnity, alleging or arising from the sale, supply, installation, efficacy or manufacture of goods by or on behalf of the **Insured**.

- 5.14. **Terrorism** – Alleging or in respect of loss, damage, death, injury, illness, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:
- 5.14.1. any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss; or
 - 5.14.2. any action taken in controlling, preventing, suppressing or in any way relating to any **Act of Terrorism**.
- 5.15. **War** – Alleging or directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, military rising, rebellion, revolution, insurrection, military or usurped power, martial law or looting or pillaging in connection therewith, strike, lock-out, riot, civil commotion, mutiny, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority or any act or condition incidental to any of the above except to the extent that such an order arises as a result of any **Wrongful Act** committed by an **Insured Person**.

6. **CONDITIONS**

- 6.1. **Advancement of Defence Costs** – QBE will pay the **Defence Costs** as and when they are incurred PROVIDED THAT QBE reserves the right to recover any **Defence Costs** from the **Insured**, severally according to their respective interests, in the event and to the extent that it is subsequently established by judgement, settlement or other final adjudication that the **Insured** was not entitled to the **Defence Costs** so advanced.

- 6.2. **Apportionment** – If the allegations against an **Insured**, or an investigation or inquiry:

6.2.1. includes both insured and uninsured allegations; and/or

6.2.2. are also directed at uninsured parties (including the **Association** itself),

then QBE will:

6.2.2.1. pay all the **Defence Costs** – that is solely attributable to the **Insured's** defence of a **Valid Claim**;

6.2.2.2. not be liable to pay any of the costs or expenses solely attributable to the **Insured's** defence of uninsured allegations and/or to the defence of uninsured parties;

6.2.2.3. pay 70% of the common costs or expenses attributable to the **Insured's** defence of insured and uninsured allegations and/or to the defence of insured and uninsured parties.

In respect of any particular claim, the **Insured** and QBE may agree on a global apportionment of total costs and expenses in a manner that fairly reflects the allocations in 6.2.2.1 to 6.2.2.3 above. However, in the absence of such agreement, the separate allocations in 6.2.2.1 to 6.2.2.3 above will apply.

QBE will pay the **Defence Costs** and its allocated share of the common costs or expenses as and when they are incurred.

- 6.3. **Assignment of Interest** – No change in, or modification of, or assignment of interest under this **Policy** shall be effective except when made by written endorsement to this **Policy** and signed by an authorised employee of QBE.

- 6.4. **Cancellation** – the **Insured** may cancel this **Policy** at any time by notifying QBE in writing and QBE will allow a pro-rata refund of premium for the unexpired **Period of Insurance**. However, if this **Policy** is cancelled within the first three (3) months of the **Period of Insurance**, only 75% of the premium will be refunded.

If a **Claim** and/or circumstance has been notified to **QBE** under this **Policy**, **QBE** will be entitled to the entire premium and no refund of premium will be made. If the **Insured** withdraws such a **Claim** and/or circumstance and subsequently cancels this **Policy**, **QBE** will allow a refund of premium for the unexpired **Period of Insurance** on the same basis as described above.

QBE will not cancel this **Policy** except on the grounds of non-payment of premium.

6.5. **Cessation of Entities (Automatic Run-off)** – In the event that the **Association** ceases to exist or operate or is consolidated with, merged into or acquired by another entity, the cover provided to such **Association** will automatically be limited to cover civil liability incurred prior to the effective date on which such entity ceased to exist or operate or was consolidated with, merged into or acquired by another entity, unless otherwise agreed in writing by **QBE**.

6.6. **Deductible**

6.6.1. In respect of Insuring Clause 2.1 Officers Indemnity the amount of the **Deductible** for each and every **Claim** against the **Insured Person** is payable by the **Association** with regard to all **Loss** for which the **Association** has indemnified or is permitted or required to indemnify the **Insured Person**. Otherwise, no **Deductible** will apply. **QBE** will only be liable for the amount beyond the **Deductible** up to the amount of the **Limit of Indemnity**.

6.6.2. In respect of Insuring Clause 2.2 Association Professional Indemnity and Insuring Clause 2.3 Entity Employment Practices Indemnity the amount of the **Deductible** for each and every **Claim** against the **Insured** is payable by the **Insured** and **QBE** will only be liable to indemnify the **Insured** for the amount beyond the **Deductible** up to the amount of the **Limit of Indemnity**.

Any costs and expenses incurred by **QBE** to determine whether **QBE** has a liability to indemnify the **Insured** under this **Policy** will not be subject to the **Deductible** but will be borne by **QBE**.

For the purpose of this condition, "Claim" means any and all **Valid Claims**, which arise by reason of the same or interrelated **Wrongful Acts**.

6.7. **Defence and Settlement of a Claim** – The **Insured** will not admit liability for or settle any **Claim** or incur any **Defence Costs** without the written consent of **QBE**, whose consent will not be unreasonably withheld. **QBE** has the duty to conduct in the name of the **Insured** the defence or settlement of any **Claim** and any counterclaim.

6.8. **Insured's Co-operation** – The **Insured** will take all reasonable steps to avoid or diminish any **Loss** in relation to any possible **Claim**, and will immediately disclose all information and give assistance to **QBE** to enable it to investigate and defend the **Claim** or determine its liability under this **Policy**.

QBE may, upon receipt of notice from the **Insured** of any request for indemnity under this **Policy**, take whatever action that it considers appropriate to protect the **Insured's** position in respect of the **Claim**, and such action by **QBE** will not be regarded in any way as prejudicing the **Insured's** or its own position and will not be an admission of the **Insured's** entitlement to indemnity.

The **Insured** irrevocably waives all claims to legal professional privilege between themselves and any solicitor retained by **QBE** to act on the **Insured's** behalf in relation to any **Claim**. The **Insured** will allow the solicitor to disclose to **QBE** and its reinsurers any information obtained in the course of his/her duties.

6.9. **Insured's Right to Contest** – If the **Insured** refuses to consent to any settlement recommended by **QBE** and elects to contest or continue any legal proceedings, **QBE's** liability will not exceed the amount for which the **Claim** or circumstance could have been settled, less any **Deductible**, plus the **Defence Costs** incurred up to the date of such refusal.

6.10. **Interpretation of Words** – Headings in this **Policy** are included for reference only and do not affect interpretation of the **Policy**. The singular includes references to the plural and vice versa and any gender includes inference to all other genders.

- 6.11. **Jurisdictional Limitation** – The cover provided by this **Policy** shall apply to **Claims** brought anywhere in the world, except **Claims** made directly or indirectly based upon, attributable to, or in consequence of:
- 6.11.1. any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (USA) and amendments thereto; or
 - 6.11.2. any actual or alleged violation of the Securities Act of 1933 (USA), the Securities Exchange Act of 1934 (USA), any rules or regulations of the Securities and Exchange Commission (USA) promulgated thereunder, and any federal, country, state, local or provincial statute in the United States of America or the Dominion of Canada or their territories or possessions relating to **Securities**, or any rules or regulations promulgated thereunder, all as amended; or
 - 6.11.3. the **Association**, having American Depository Receipts of Level 2 and above, or having shares traded in the security exchange or market of the United States of America or Dominion of Canada; or
 - 6.11.4. the **Association** having any manufacturing facilities in the United States of America or the Dominion of Canada or their territories or possessions.
- 6.12. **Legal Counsel** – Neither **QBE** nor the **Insured** will require each other to contest any legal proceedings in respect of any **Claim** against the **Insured**, unless legal counsel (to be mutually agreed upon by the **Insured** and **QBE** or, in default of agreement, nominated by **QBE**) recommends that such proceedings should be contested.

In formulating such recommendation, counsel will take into account the economics of the matter – the damages and costs that are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of the **Insured** successfully defending the action. The cost of counsel's opinion will, for the purpose of this **Policy**, be regarded as part of the **Defence Costs**.

In the event that counsel recommends that, having regard to all the circumstances, the matter should not be contested but should be settled, provided that settlement can be achieved within limits which, in counsel's opinion, are reasonable, then the **Insured** will not object to any such settlement and will cooperate with **QBE** to effect such settlement in accordance with this **Policy**, subject to Condition 6.9 Insured's Right to Contest.

- 6.13. **Limit of Indemnity** – The total **Limit of Indemnity** payable by **QBE** for all **Loss** in respect of any one **Valid Claim** (including all legal costs and expenses for which the Insured will become legally liable to the claimant), or all such **Valid Claims** in the aggregate, including any Automatic Extensions, will not exceed the **Limit of Indemnity**. Where Optional Extension 4.1 Automatic Reinstatement has been provided, **QBE's** maximum liability under this **Policy** for claims under Insuring Clause 2.2 Association Professional Indemnity, including costs and expenses, during the **Period of Insurance**, will not exceed two times the aggregate **Limit of Indemnity**.
- 6.14. **Notices to the Insured** – any written notice that **QBE** gives to the **Association** will be deemed to have been given to all of the **Insureds** and shall be effective immediately on receipt by the **Association** of a personal delivery or electronic communication sent from **QBE** or in the case of notices by post, three (3) business days after having been posted by **QBE** to the **Insured's** last address known to **QBE**.
- 6.15. **Notices to QBE** – Notice of any **Claim** or circumstance must be given as soon as practicable and in writing to:

Claims Manager
QBE Insurance (Malaysia) Berhad
No. 638, Level 6, Block B1
Leisure Commerce Square
No. 9, Jalan PJS 8/9
46150 Petaling Jaya, Selangor Darul Ehsan

Such notice must be given to **QBE** within the **Period of Insurance** or the extended reporting period where Optional Extension 4.2 Extended Reporting Period is provided and is exercised.

- 6.16. **Notification of Circumstances Leading to a Claim** – The **Insured** will notify **QBE** as soon as practicable in writing of any fact or circumstance which may reasonably lead to a **Claim** that the **Insured** becomes aware of during the **Period of Insurance**. Any **Claim** which subsequently arises out of this fact or circumstance will be deemed to have been made during the **Period of Insurance**. In this context, a "circumstance" must be sufficiently specific that the **Insured** can and does provide to **QBE** details of name(s) of potential claimants and potential wrongful acts/omissions.
- 6.17. **Other Insurance** – The **Insured** will, as soon as possible, advise **QBE** of any other insurance or indemnity from which they are entitled to receive any benefit in respect of any notified **Claim** or circumstance.

This **Policy** will only cover the part of the loss which exceeds the amount of indemnity payable under such other insurance or indemnity – even if the other insurance or indemnity has a term to that effect. However, this will not apply if the other insurance or indemnity is a specific excess layer cover over this **Policy**.

- 6.18. **Policy Interpretation** – In the event of any dispute, the interpretation of any term in this **Policy** will be governed by the laws of the state, administrative region, territory or country in which this **Policy** is issued and any dispute relating thereto shall be submitted to the exclusive jurisdiction of the courts of such state, administrative region, territory or country.
- 6.19. **Premium Payment Warranty** – Any premium due must be paid and received by **QBE** within sixty (60) days of the inception of this **Policy**. In the event that **QBE** does not receive such payment, this **Policy** will be automatically cancelled and **QBE** will be entitled to the pro-rata premium for the time for which **QBE** was on risk.
- 6.20. **Severability and Non-Imputation** – It is agreed that:
- 6.20.1. the written proposal form completed in application for this insurance will be construed to be a separate proposal for indemnity under this **Policy** in respect of each **Insured Person** and any fact or misstatement in the proposal pertaining to or known by any **Insured Person** will not be imputed to any other **Insured Person** for the purpose of determining indemnity under this **Policy**; and
 - 6.20.2. failure by one **Insured Person** to observe and fulfil the terms of this **Policy** will not prejudice this insurance in relation to any other **Insured Person**; and
 - 6.20.3. no fact pertaining to, or knowledge possessed by, or conduct of, or dishonesty or **Wrongful Act** of any **Insured Person** will be imputed to any other **Insured Person** for the purpose of determining the applicability of the exclusions.

6.21. **Statutory Compliance**

If any provision in this **Policy** is inconsistent with the law of the country state or territory applying to any **Claims** made or actions instituted:

- 6.21.1. where such provision can be read in a manner to make it valid and enforceable, it shall be read to the extent to achieve that result; or
 - 6.21.2. in any other case, such provision shall be deemed deleted from this **Policy** in order to make this **Policy** valid and enforceable.
- 6.22. **Subrogation** – If any payment is made under the **Policy** in respect of a **Loss**, **QBE** is subrogated to all the **Insured's** rights of recovery in any way related to the **Claim**. The **Insured** will give all such assistance in the exercise of rights of recovery as **QBE** may reasonably require. Any such recovery will be applied first to **QBE's** defence costs incurred, regardless of how the recovery may be described in any settlement agreement between the **Insured** and the claimant.

However, **QBE** will not exercise any subrogated rights of recovery against:

- 6.22.1. the **Association**; or
 - 6.22.2. any **Insured Person** to whom protection is afforded under this **Policy** provided that if such **Insured Person** is protected from such **Loss** by any other collectable policy of insurance, the right of subrogation is not waived to the extent and up to the amount of payment from such other policy.
- 6.23. **Termination of Appointment / Alteration to Risk** – The **Insured** will give immediate notice in writing to **QBE** should there be any material alteration to the risk, facts or circumstances and **QBE** will be entitled to amend the terms and conditions of the **Policy** and/or charge additional premium if **QBE** deems there has been an increase in risk exposure.

If the **Insured** does not accept **QBE's** terms, this increased risk exposure will not be covered by the **Policy**.

- 6.24. **Territorial Limitation** – The cover provided by this **Policy** shall apply to civil liability incurred anywhere in the world.

7. **DEFINITIONS**

Headings used in the **Schedule** that are also defined below are reference words only and do not affect interpretation of the definition. Otherwise, in this **Policy**, including any endorsements, unless specifically stated to the contrary:

- 7.1. “**Act of Terrorism**” means an act, including but not limited to the use of force or violence and/or 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) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- 7.2. “**Association**” means the organisation specified as the **Insured** in the **Schedule**.
- 7.3. “**Association Services**” means the services or activities conducted by the **Association** as specified in the **Schedule**.
- 7.4. “**Claim**” means:
 - 7.4.1. legal or arbitral proceedings instituted and served on the **Insured** claiming damages caused by a **Wrongful Act**; or
 - 7.4.2. any allegation of a **Wrongful Act** by the **Insured** or for which the **Insured** is legally liable, together with a demand for damages; or
 - 7.4.3. any administrative or regulatory proceeding, official investigation, official examination or official inquiry or criminal prosecution, regarding a specified **Wrongful Act** of any **Insured**.
- 7.5. “**Deductible**” means the amount of **Deductible** specified in the **Schedule**.
- 7.6. “**Defence Costs**” means:
 - 7.6.1. all necessary and reasonable legal costs, disbursements, witness costs, assessor costs or expert costs incurred by **QBE** solely in investigating, defending or settling any **Valid Claim**;
 - 7.6.2. all necessary and reasonable expenses (other than loss of earnings or profits) incurred by the **Insured** with the prior written consent of **QBE** solely in assisting **QBE** or its solicitors in the investigation, defence or settlement of any **Valid Claim**;
 - 7.6.3. any interest accruing after the date of entry of judgement against the **Insured** and until the date **QBE** pays, tenders or deposits in court the judgement sum or such part of that judgement sum as is required to satisfy **QBE's** liability to the **Insured** in terms of the **Limit of Indemnity**.

- 7.7. **“Documents”** means deeds, wills, agreements, maps, plans, books, letters, policies, certificates, forms and documents of any nature whatsoever, whether written, printed or reproduced by any method including computer records and electronic data material but shall not include bearer bonds or coupons, stamps, bank currency notes or any other negotiable instrument.
- 7.8. **“Employee”** means any person employed by the **Association** under a contract of service or apprenticeship, on a full-time, part-time, seasonal or voluntary basis.
- 7.9. **“Family Member”** means:
- 7.9.1. any spouse or domestic partner; or
 - 7.9.2. any parent or parent of the spouse; or
 - 7.9.3. any sibling or child;
- of the **Insured**.
- 7.10. **“Insured”** means:
- 7.10.1. In respect of Insuring Clause 2.1 Officers Indemnity - the **Insured Person**.
 - 7.10.2. In respect of Insuring Clause 2.2 Association Professional Indemnity – the **Insured Person** and the **Association**.
 - 7.10.3. In respect of Insuring Clause 2.3 Entity Employment Practices Indemnity – the **Association**.
- 7.11. **“Insured Person”** means any person who:
- 7.11.1. was, is or may become a director, secretary, officer, trustee, committee member or **Employee** of the **Association**, on a full-time, part-time, seasonal or voluntary basis; or
 - 7.11.2. is acting on behalf of the **Association** at the direction of an officer or board of directors or board of trustees or committee of management of the **Association**; or
 - 7.11.3. is an appointed member of a **Secondary Committee**,
 - 7.11.4. but excludes any externally appointed officers such as receivers, managers, liquidators, administrators, mortgagees in possession or the like.
- 7.12. **“Limit of Indemnity”** means the **Limit of Indemnity** specified in the **Schedule**.
- 7.13. **“Loss”** means the amount payable in respect of any **Claim** made against the **Insured** for a **Wrongful Act**, including **Defence Costs**.
- 7.14. **“Outside Entity”** means:
- 7.14.1. any non-profit organisation; or
 - 7.14.2. any other entity that is specified in the **Schedule** under ‘Outside Directorships’ or endorsed onto the **Policy**.
- 7.15. **“Period of Insurance”** means the **Period of Insurance** specified in the **Schedule**.
- 7.16. **“Policy”** means this wording, the **Schedule** and any endorsements.
- 7.17. **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, radioactive material of any sort, chemicals and waste. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed.
- 7.18. **“QBE”** means QBE Insurance (Malaysia) Berhad.

7.19. "**Retroactive Date**" means the **Retroactive Date** specified in the **Schedule**.

7.20. "**Schedule**" means the current **Schedule** to this **Policy**.

7.21. "**Secondary Committee**" means:

7.21.1 any auxiliary committee, foundation, trust, charity, or fund raising committee;

7.21.2. any disciplinary, examining or research body or committee;

7.21.3. any social club or social sporting committee

7.21.4. established by the **Insured** in support or connection with its **Association Services**.

7.22 "**Wrongful Act**" means:

7.22.1 In respect of Insuring Clause 2.1 Officers Indemnity:

any actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, omission, breach of warranty, breach of contract, or other act done or attempted by any or all **Insured Persons** in the course of his or her duties to or on behalf of the **Association**.

7.22.2. In respect of Insuring Clause 2.2 Association Professional Indemnity:

any act, error, omission or conduct actually or allegedly committed or attempted by the **Insured** in the course of rendering or failing to render advice or services in connection with **Association Services**.

7.22.3. In respect of Insuring Clause 2.3 Entity Employment Practices Indemnity:

any actual or alleged wrongful or unfair dismissal; defamation in relation to wrongful or unfair dismissal; sexual harassment; discrimination; erosion of status protected under applicable law; denial of natural justice; adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another; misleading representations or misleading advertising involving employment with the **Association**, but NOT including:

7.22.3.1. the modification of the **Association's** premises to comply with any legal obligation to accommodate or facilitate the access, use or enjoyment of such premises by disabled or physically impaired persons;

7.22.3.2. the breach of any express or implied obligations under applicable employment legislation or specific contract of employment in respect of owed or outstanding wages, bonus payments, retirement benefits, share schemes or other in-kind non-cash benefits as a result of redundancy, lay-off or termination of employment.

All causally connected **Wrongful Acts** will be deemed interrelated **Wrongful Acts** and will jointly constitute a single **Loss** under this **Policy**.

7.23. "**Valid Claim**" means any **Claim**:

7.23.1. first made against the **Insured** during the **Period of Insurance**; and

7.23.2. notified in writing by the **Insured** to **QBE** during the **Period of Insurance** or within thirty (30) days from the effective date of expiry of the **Period of Insurance**; and

7.23.3. alleging a **Wrongful Act** that occurred subsequent to the **Retroactive Date**.

Any **Claims** that do not satisfy 7.23.1, 7.23.2 and 7.23.3 of this definition will not be covered under this **Policy**.

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:

1. 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
2. LAMAN INFORMASI NASIHAT DAN KHIDMAT
(LINK)
BANK NEGARA MALAYSIA
P.O BOX 10922
50929 KUALA LUMPUR
TEL: 1-300-88-5465 (LINK)
FAX: 03-2174 1515