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.

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.

PIDEXC000-Q-1214 (NON CONSUMER)
QBE PROFESSIONAL INDEMNITY Insurance
EXCESS OF LOSS
POLICY

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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.

SECTION 1 - INSURING CLAUSES

1.1 Insuring Clause: Follow Form
Except as specifically set forth in the terms, conditions and endorsements of this Policy, QBE agrees to indemnify the Insured in accordance with the terms, conditions, exclusions, extensions and endorsements of the primary policy with which this Policy shall run concurrently. However, such indemnity shall apply only after the Primary and/or Underlying Policy or Policies limit of indemnity amounts have been exhausted.

B. EXCLUSIONS

Preamble
QBE shall not be liable under this Policy to indemnify the Insured in respect of any claim against the Insured:

1. Primary Cover Exclusions
which is excluded from the primary policy

2. Pending or Prior
(a) first made, threatened or intimated before the commencement of the Period of Insurance;
(b) directly or indirectly arising out of, in consequence of, or contributed to by any fact or circumstance:
   (i) of which written notice has been given, or ought reasonably to have been given, under any previous policy and/or the Primary and/or Underlying Policy or Policies; or
   (ii) of which the Insured first became aware prior to the Period of Insurance, and which the Insured knew or ought reasonably to have known had the potential to give rise to a Claim under this Policy and/or the Primary and/or Underlying Policy or Policies.

3. Absolute Asbestos
directly or indirectly arising out of, in consequence of, or contributed to by asbestos, asbestos fibres or derivatives of asbestos.

However this exclusion shall not apply to any claim or part of a claim for financial loss arising out of a breach of professional duty where the cause of the breach does not relate to any asbestos exposure.

4. Fines and Penalties
for punitive, aggravated, multiple or exemplary damages and/or damages under companies and/or securities legislation or its equivalent, or any amount which is uninsurable by law.

5. 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 or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

6. Terrorism
directly or indirectly arising out of, in consequence of, or contributed to by any Act of Terrorism.

For the avoidance of doubt, QBE shall not be liable under this Policy to indemnify in respect of any loss, damage, death, injury, illness, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:
(a) any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
(b) any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

7. War
directly or indirectly arising out of, in consequence of, or contributed to by war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition of or damage to property by or under the order of any government or public local authority.
C. CONDITIONS

1. Follow Form
   This Policy is subject to the same policy terms, conditions, exclusions, extensions and endorsements that are contained in the Primary Policy EXCEPT as with regards to the limit of indemnity, the operation of condition C13 Reporting and Notice, the Premium or as otherwise stated herein.

2. Amendments to Primary Cover
   No amendment to the Primary and/or Underlying Policy or Policies, including the limits of indemnity, during the Period of Insurance shall be effective in modifying the terms and conditions of this Policy unless or until otherwise agreed in writing by QBE.

3. Appeal or Review
   In the event that the Insured and the Primary and/or Underlying Insurer or Insurers elect not to appeal against or seek review of any decision or judgement against the Insured which exceeds the limit of indemnity of the Primary and/or Underlying Policy or Policies, QBE shall be entitled to take over and conduct an appeal or review in the name of the Insured, provided that:
   (a) the costs and expenses of the appeal or review shall be borne by QBE and shall not be taken into account in the calculation of the proportion of other costs and expenses for which QBE are liable under this Policy; and
   (b) QBE’s liability under this Policy is still limited to the Limit of Indemnity, even if the result of the appeal or review is that the judgement against the Insured exceeds the Limit of Indemnity.

4. Cancellation
   (a) The Insured may cancel this Policy at any time by notifying QBE in writing and QBE will provide a refund of Premium for the unexpired Period of Insurance with the short-period rate.
   (b) QBE may cancel this Policy by giving thirty (30) days notice in writing to the Insured at the Insured’s last known address and QBE will provide a pro-rata refund of Premium for the unexpired Period of Insurance.

5. Defence and Settlement
   (a) The Insured shall not settle any claim or admit any liability with respect to any claim which may exceed the limit of indemnity of the Primary and/or Underlying Policy or Policies without QBE’s written consent, such consent not to be unreasonably withheld. QBE shall not be liable for any settlement to which it has not consented. QBE shall not, however, refuse to consent to any settlement proposed by the Insured unless a Legal Counsel (to be mutually agreed upon by the Insured and QBE) shall advise that the settlement proposed is inappropriate in all the circumstances.
   (b) Notwithstanding anything to the contrary in the conditions incorporated into this Policy, QBE shall not be entitled to take over or conduct any proceedings arising out of or relating to any claim under this Policy unless:
      (i) the Primary and/or Underlying Insurer or Insurers have admitted liability to indemnify the Insured for the full amount of the limit of indemnity of the Primary and/or Underlying Policy or Policies; or
      (ii) such Primary and/or Underlying Insurer or Insurers consent to QBE taking over or conducting the proceedings.

6. Insured’s Obligation to Consult
   In the event that any claim appears likely to exceed 50% of the total limit of indemnity (for each and every claim and/or in the aggregate) of the Primary and/or Underlying Policy or Policies, the Insured shall keep QBE fully informed of all significant developments and shall consult QBE in relation to any significant step proposed to be taken in the defence or settlement of the claim.

7. Insured’s Right to Contest
   In the event that QBE recommends settlement in respect of any claim and the Insured does not agree that such claim should be settled, then the Insured may elect to contest such claim. PROVIDED ALWAYS THAT QBE’s total liability in connection with such claim shall not exceed the amount for which the claim could have been so settled plus the costs and expenses incurred with QBE’s written consent up to the date of such election.

8. Legal Costs Contribution
   In the event of a claim being admitted to which QBE may be liable to contribute, no legal costs shall be incurred on their behalf without their consent being first obtained and if QBE shall consent they shall only contribute the proportion that their share of the claim as finally settled bears to the total amount payable.
   If, however, a settlement of the claim be practical prior to the claim proceeding to determination by a court of law whether by compromise or otherwise for an amount not exceeding the limit of indemnity of the Primary and/or Underlying Policy or Policies no legal costs shall be payable by QBE.

9. Legal Counsel Clause
   (a) QBE shall not require the Insured to contest any claim unless a Legal Counsel shall advise that such claim should be contested.
   (b) In formulating such advice, Legal Counsel shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs and expenses and the prospects of the Insured successfully defending the claim.
10. **Limit of Indemnity**
QBE’s total liability under this Policy for all claims shall not exceed the aggregate Limit of Indemnity.

11. **Maintenance of Underlying Policy or Policies/Drop-Down Provisions**
The Insured agrees that the Primary and/or Underlying Policy or Policies shall be maintained in full effect during the Period of Insurance except for any reduction in the aggregate limit solely by payment of claims made during the Period of Insurance.

The failure of the Insured to comply with the foregoing shall not invalidate this Policy but in the event of such failure, QBE shall only be liable to the same extent as if the Insured had complied with this condition.

In the event of the exhaustion of any aggregate limit whether partial or total of the Primary and/or Underlying Policy or Policies by reason of payment of claims thereunder this Policy shall:

(a) in the event of partial exhaustion pay in excess of the reduced Primary and/or Underlying Policy or Policies;
(b) in the event of total exhaustion continue in force as the Primary and/or Underlying Policy or Policies on the same policy conditions, exclusions, extensions and endorsements of the primary policy EXCEPT as otherwise stated herein.

12. **Policy Construction and Interpretation**
(a) The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with the law of the state, territory or country in which this Policy is issued, and any disputes relating thereto shall be submitted to the exclusive jurisdiction of the courts of such state, territory or country.

(b) The marginal notes and titles of paragraphs in this Policy are included for descriptive purposes only and do not form part of this Policy for the purpose of its construction or interpretation.

(c) Under this Policy, the masculine includes the feminine, and the singular includes the plural and vice versa.

13. **Reporting and Notice**
The Insured shall as a condition precedent to their right to be indemnified under this Policy shall give written notice to QBE of the following:

(a) any claim made against the Insured;
(b) the receipt of notice from any person of an intention to make a claim against the Insured;
(c) any circumstances of which the Insured shall become aware during the Period of Insurance which is likely to give rise to a claim against the Insured;

irrespective of the Insured’s views as to the validity of the claim.

Any subsequent claim or claims arising out of the circumstances first notified to QBE (whether such circumstances are notified as part of an actual claim made against the Insured or any intimation thereof or otherwise) during the Period of Insurance shall be deemed to have been made during the same Period of Insurance in which such notice was given irrespective as to whether such subsequent claim or claims are made after the expiry of this Policy.

14. **Subrogation**
In the event of any payment under this Policy, QBE shall be subrogated to the extent of such payment to all the Insured’s rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable QBE effectively to bring suit in the name of the Insured.

15. **Premium Warranty**
It is fundamental and absolute special condition of this Policy that the Premium due must be paid to and received by QBE within sixty (60) days of the inception date of this Policy/endorsement/renewal certificate. If this condition is not complied with, this Policy is automatically cancelled and QBE shall be entitled to pro rata premium for the period QBE have been on risk.

Where the Premium payable pursuant to this condition is received by an authorized agent of QBE, the payment shall be deemed to be received by QBE for the purposes of this condition and the onus of proving that the Premium payable was received by a person, including an insurance agent, who was not authorize to receive such Premium shall lie on QBE.

**D. DEFINITIONS**

1. **“Act of Terrorism”** shall mean 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.

2. **“Insured”** shall mean the entity specified as the Insured in the Schedule and shall incorporate the definition of the "Insured" applying in the Primary and/or Underlying Policy or Policies.

3. **“Limit of Indemnity”** shall mean the limit of QBE’s total liability under this Policy as specified in the Schedule.

4. **“Period of Insurance”** shall mean the period specified in the Schedule.
5. “Policy” shall mean:
   (a) the Schedule, terms, conditions, definitions and exclusions contained herein;
   (b) any endorsement attaching to and forming part of this Policy either at inception or during the Period of Insurance;
   (c) the Proposal.

6. “Premium” shall mean the Premium specified in the Schedule or in any endorsement to the Schedule.

7. “Primary and/or Underlying Policy or Policies” shall mean the primary and other subsequent layer professional indemnity policy or policies effected in connection with the placement of the Insured’s professional indemnity insurance program and which are intended to provide indemnity to the Insured in respect of any one claim before any indemnity which may be available to the Insured under this Policy.

8. “Primary and/or Underlying Insurer or Insurers” shall mean the insurers to the Primary and/or Underlying Policy or Policies effected in connection with the placement of the Insured’s professional indemnity insurance program.

9. “Proposal” shall mean the written Proposal made by the Insured to QBE containing particulars and statements which, together with other information relating to the Insured are the basis of this Policy and are considered as incorporated herein.

10. “QBE” shall mean QBE Insurance (Malaysia) Berhad.

11. “Schedule” shall mean the Schedule to this Policy.

IMPORTANT NOTICE:
The following are channels available for complaints on insurance related matters. You can contact our Complaint Unit for assistance at 03-7881 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