



QBE Insurance (Malaysia) Berhad

Reg. No. 161086-D

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QBE SPECIAL CONTINGENCY Insurance

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.”

QBE SPECIAL CONTINGENCY Insurance
Policy

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A. THE COVER

Preamble

WHEREAS the Insured named in the **Schedule** hereto has by proposal and declaration shall be the basis of this Contract and is deemed to be incorporated herein has applied to **QBE Insurance (Malaysia) Berhad** (hereinafter called "the Company") for the insurance hereinafter contained and has paid or agreed to pay the Premium stated in the said Schedule as consideration for such insurance.

NOW THIS POLICY WITNESSETH that in consideration of the Insured having paid or agreed to pay to the Company the premium mentioned in the **Schedule** the Company agrees that if during the Period of Insurance stated in the **Schedule** there shall happen loss or damage to the Property Insured at the Situation described in the **Schedule** caused by fire, lightning, theft consequent upon actual forcible and violent entry or any attempt thereat, accidental damage, or any other contingencies specified in the **Schedule**, THEN the Company will, subject to the terms, exclusions, provisions and memoranda contained in endorsed on or attached to this Policy, indemnify the Insured for such loss or damage.

In event of a loss to the property insured herein, the limit of indemnity of the Company shall be the Insured value or the market value of the insured property, whichever is the lower, subject to the deduction of any excess and amounts which the insured is to bear under the policy. The term Market value shall mean the value of the property insured herein at the time of damage or loss less due allowance for wear and tear and/or depreciation.

PROVIDED that where any of the said property:-

- (a) is owned by the Insured the Company may at its option as far as circumstances permit and in a reasonably sufficient manner repair reinstate or make good such property or pay the amount loss or damage thereto;
- (b) is held trust by the Insured the Company may pay to or on behalf of the Insured the amount of any loss or damage to the said property provided the Insured is legally liable for such loss or damage;

But the liability of the Company shall no case exceed in respect of each item the sum expressed in the **Schedule** to be insured thereon or in the whole the total sum insured thereby or such other sum or sums as may be substituted therefore by endorsement hereon or memoranda attached hereto signed by or on behalf of the Company.

PROVIDED further that the Company shall not be liable for the first amount of any claim specified in the **Schedule** as the Excess.

B. Exclusions

This Policy does not cover, unless expressly provided in the Operative Clause or by endorsement hereon or by memoranda attached hereto, claims for loss or damage:-

1. Cheating

Caused by or attributed to the act of cheating by any person within the meaning of the definition of the offence of cheating set out in the Penal Code;

Cheating as defined in the Penal Code is as follows:-

"Whoever, by deceiving any person, fraudulently or dishonestly induces the person so deceived to deliver any property or intentionally induces the person so deceived to do or omit to do anything which he would not do or omit if he were not so deceived, and which act or omission causes or is likely to cause damage or harm to that person in body, mind, reputation or property, is said to 'cheat'."

2. Consequential loss

For consequential loss of any kind.

3. Contractual Liability

Arising out of any contract of indemnity which imposes on the Insured a liability which the Insured would not otherwise have been under.

4. Criminal Breach of Trust

Caused by or attributed to the act of criminal breach of trust by any person within the meaning of the definition of the offence of criminal breach of trust set out in the Penal Code;

Criminal breach of trust as defined in the Penal Code is as follows:-

"Whoever, being in any manner entrusted with property or with any dominion over property, dishonestly misappropriates or converts to his own use that property, or dishonestly uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or willfully suffers any other person so to do, commits 'criminal breach of trust'".

5. **Date Recognition**

- (a) As a result of any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to:-
- (i) correctly recognise any date as its true calendar date;
 - (ii) capture, save or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
 - (iii) capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date;
- (b) The repair or modification of any part or any electronic data processing system or any part or any device and/or software as listed above in (a);
- (c) Any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly arising from any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in (a) above;
- (d) Any consequential loss resulting from any continuing of the computer and equipment described in (a) above to correctly recognise any date as its true calendar date after the lost or damaged property has been replaced or repaired.

Such loss or damage or any consequential loss referred to in (a), (b), (c) or (d) above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

6. **Depreciation**

Arising depreciation, deterioration, or any process of cleaning or repairing or restoring any of the property insured.

7. **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 and 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.

8. Excluded Perils

Arising during or in consequence of:-

- (a) earthquake, volcanic eruption and subterranean fire
- (b) riot, strike, malicious damage, civil commotion, or
- (c) hailstone, storm, tempest, flood or other act of God or atmospheric conditions
- (d) landslide & landslip

9. Loss of Use

Arising from loss of use, wear and tear, mechanical or electrical derangement or scratching or scorching of any of the property insured.

10. Machinery Breakdown

Caused by or consequent upon explosion machinery breakdown or failure or leakage from any sprinkler or drencher installation.

11. Neglect

Caused by the neglect of the Insured to use all reasonable means for the safeguarding of the property insured.

12. Over Running

Caused or occasioned by or arising from over running, excessive pressure, short circuiting, self heating, arcing or leakage of electricity.

13. Radioactivity

To any property whatsoever or any loss or expenses whatsoever resulting for arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from:-

- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only combustion shall include any self-sustaining process of nuclear fission.
- (ii) nuclear weapons material.

14. Stocktaking

Discovered at the time of stocktaking or inventory check.

15. 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.

16. Theft

Caused by arising out of theft or any attempt thereat by any member of the Insured's family or person whilst lawfully on the premises.

17. War

From any consequences of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

18. **Wilful Act**
Caused by the wilful act of the Insured or any person acting with the Insured's knowledge or consent; abscondement.

C. CONDITIONS

1. **Meaning**

This Policy and the **Schedule** shall be read together as one contract and 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 specific meaning wherever it may appear.

2. **Written Notice**

Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company.

3. **Inspection**

The Company shall have access at all reasonable times to the property insured for the purpose of inspection.

4. **Cessation of Policy**

If the property insured be removed to any building or place or there is a change in situation of the property insured the Policy shall cease immediately unless the Policy is endorsed and the endorsement delivered to the Insured. Furthermore the Company reserves the right to conduct surveys and the right to decide on the continuance of the Policy.

5. **Notification of Loss**

The Insured shall:-

- (a) give notice in writing to the head or any branch office of the Company immediately after the occurrence of any accident, loss or damage with full particulars thereof. Every letter or process in connection with any such accident, loss or damage shall be notified or forwarded to the Company immediately on receipt thereof.
- (b) furnish to the Company all such particulars and evidence, documentary or otherwise including evidence of ownership and execute and do all such assurances and things make such declarations and give all such access as the Company may reasonably require to substantiate a claim.
- (c) if the loss or damage is caused by burglary, housebreaking or theft, report it to the Police.

6. **Rights of Company**

On the happening of any loss or damage in respect of which a claim is or may be made under this Policy the Company and every person authorised by the Company may without thereby incurring any liability and without diminishing the right of the Company to rely upon any condition of this Policy enter take or keep possession of the building premises or place where the loss or damage has happened and may take possession of or require to be delivered to them any of the property insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and license of the Insured to the Company so to do. If the Insured or anyone acting on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in doing any of the abovementioned acts then all benefit under this Policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession by the Company or not.

7. **Consent to Repair, Reinstate or to Dispose**

The Insured shall not without the consent of the Company authorise the repair reinstatement or disposal of any of the property insured which is the subject of a claim under this Policy.

8. **Admission of Liability**

No false declaration or statement shall be made in support of any claims under this Policy. 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 which shall be entitled if it so desires to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for its own benefit any claim for indemnity or damages 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. **Reinstatement of Sum Insured**

Immediately upon the happening of any loss destruction or damage the Total Sum Insured and the Sum Insured upon the various descriptions of Property which have been lost destroyed or damaged shall be reduced by the amount of the loss destruction or damage and such reduced Sum Insured shall be the limits of the Company's liability in respect of any further losses destruction or damage occurring during the current Period of Insurance unless the Company consent upon payment of an additional premium to reinstate the full Sum Insured.

10. **Average**

It is understood and agreed that in the event of the total value at risk of the property being at the time of any loss within the meaning of this Policy is of greater value than the sum insured as specified in the **Schedule** the Insured shall be considered as being their own insurers for the difference and shall bear a rateable proportion of the loss accordingly.

11. **Contribution**

If at the time any claim arises under this Policy there is any other existing policy indemnifying the Insured in respect of the same loss damage or liability the Company shall not be liable to pay or contribute more than its rateable proportion of any loss or damage.

12. **Cancellation**

The Company may cancel this Policy by sending seven day's notice by registered letter to the Insured at his last known address and in such event will return to the Insured the premium paid less the pro-rata portion thereof for the Policy has been in force or the Policy may be cancelled at any time by the Insured on seven days' notice and (provided no claim has arisen during the then current Period of Insurance) the Insured shall be entitled to a return of premium less premium at the Company's short period rates for the period the Policy has been in force.

13. **Waiver of Policy Conditions**

No provision or requirement of this Policy requiring any matter or thing to be done by the Insured or to be endorsed hereon or attached hereby by the Company shall be deemed waived by reason of any alleged notice or waiver which has not been expressly written or endorsed hereon or attached hereto by the Company; nor shall the Company be deemed to have waived any provision or condition of this Policy or any forfeiture there under by any requirement act or proceeding on its part relating to the appraisalment of any alleged Loss under such provision condition or forfeiture be expressly stated in writing by the Company to be so waived.

14. **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.

15. **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 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 Insurer 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 Insurer, 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 insurer.

SPECIMEN

IMPORTANT NOTICE:

1. 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:

(a) 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

(b) 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