



**QBE Insurance (Malaysia) Berhad**

Reg No.: 161086-D

No. 638, Level 6, Block B1, Leisure Commerce Square, No 9, Jalan PJS 8/9, 46150 Petaling Jaya

Postal Address P.O. Box 10637, 50720 Kuala Lumpur. Phone: 03 7861 8400 Fax: 03-7873 7430

[www.qbe.com.my](http://www.qbe.com.my) Email: [info.mal@qbe.com](mailto:info.mal@qbe.com)

---

---

# **QBE PROFESSIONAL INDEMNITY**

## **(For Financial Advisors)**

---

**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 PROFESSIONAL INDEMNITY (FOR FINANCIAL ADVISORS)

## Contents

<b>A.</b>	<b>THE COVER</b>	<b>1</b>
	SECTION 1 - INSURING CLAUSES	1
	1.1 Acts, Errors or Omissions	1
	1.2 Costs and Expenses	1
	SECTION 2 - AUTOMATIC EXTENSIONS	1
	2.0 PREAMBLE	1
	2.1 Estates and Legal Representatives	1
	2.2 Former Insured Persons	1
	2.3 Intellectual Property	1
	2.4 Joint Venture Liability	1
	2.5 Libel and Slander	1
	2.6 Loss of Documents	1
	2.7 Newly Created or Acquired Entity or Subsidiary	1
	2.8 Run-Off Cover for Insured Entity	2
<b>B.</b>	<b>EXCLUSIONS</b>	<b>2</b>
	1. Prior or Pending	2
	2. Absolute Asbestos	2
	3. Assumed Duty or Obligation	2
	4. Bankers Bond Insurance	2
	5. Billings	2
	6. Breach of Investment Mandate	2
	7. Conflict of Interest	3
	8. Corporate or Merchant Banking Services	3
	9. Fines and Penalties	3
	10. Fraud and Dishonesty	3
	11. Government	3
	12. Insolvency of the Insured or Financial Institution	3
	13. Investment Performance	3
	14. Nuclear	3
	15. Provision of Legal Services	4
	16. Retroactive Date	4
	17. Related or Associated Entities	4
	18. Shareholder Actions	4
	19. Supply of Goods	4
	20. Terrorism	4
	21. War	4
<b>C.</b>	<b>CLAIMS CONDITIONS</b>	<b>4</b>
	1. Reporting and Notice	4
	2. Claims Mitigation and Co-operation	4
	3. Defence and Settlement	4
	4. Insured's Right to Contest	5
	5. Legal Counsel Clause	5
	6. Notification of Circumstance	5
	7. Subrogation	5
<b>D.</b>	<b>GENERAL CONDITIONS</b>	<b>5</b>
	1. Accreditation of Advisors	5
	2. Alteration to Risk	5
	3. Assignment of Interest	5
	4. Cancellation	5
	5. Deductible	5
	6. Jurisdictional Cover	6
	7. Limit of Indemnity	6
	8. Other Insurance	6
	9. Policy Construction and Interpretation	6
	10. Territorial Cover	6
	11. Premium Warranty	6
<b>E.</b>	<b>DEFINITIONS</b>	<b>6</b>

## A. THE COVER

### Preamble

In consideration of payment of the **Premium**, **QBE** will provide indemnity in accordance with, and subject to, the terms of this **Policy**.

### SECTION 1 - INSURING CLAUSES

#### 1.1 Acts, Errors or Omissions

**QBE** agrees to indemnify the **Insured** against legal liability for any **Claim** for compensation first made against the **Insured** during the **Period of Insurance** and which is notified in writing to **QBE** during the **Period of Insurance**, for breach of professional duty in the conduct of the **Professional Business Practice** carried on by or on behalf of the **Insured** by reason of any negligent act, error or omission committed or alleged to have been committed on the part of the **Insured**.

#### 1.2 Costs and Expenses

**QBE** agrees to pay the **Costs and Expenses** incurred with the written consent of **QBE** in the defence or settlement of any **Claim** covered under Insuring Clause A1.1 Acts, Errors or Omissions or under any applicable extension, PROVIDED ALWAYS THAT such **Costs and Expenses** shall be part of and not in addition to the **Limit of Indemnity**.

### SECTION 2 - AUTOMATIC EXTENSIONS

#### 2.0 PREAMBLE

**QBE** shall provide indemnity as is available under this section, for nil additional premium, PROVIDED ALWAYS THAT:

- (a) each extension is subject to the **Schedule**, Insuring Clauses, Conditions, Definitions, Exclusions, Deductible and other terms of this **Policy** (unless otherwise stated herein);
- (b) the inclusion of any extension shall not increase the **Limit of Indemnity**.

#### 2.1 Estates and Legal Representatives

**QBE** agrees to provide coverage to the estates, heirs, legal representatives or assigns of any **Insured** in the event of the death or incapacity of such **Insured**. PROVIDED ALWAYS THAT such persons shall observe and be subject to all the terms of this **Policy** insofar as they can apply.

#### 2.2 Former Insured Persons

**QBE** agrees that **Insured** shall include any former principal, partner, director or **Employee** of the **Insured**. However this shall apply only to legal liability incurred by such former principal, partner, director or **Employee** of the **Insured** in the conduct of the **Professional Business Practice** whilst a principal, partner, director or **Employee** of the **Insured**.

#### 2.3 Intellectual Property

**QBE** agrees to provide coverage in respect of any **Claim** made against the **Insured** for any unintentional infringement of copyright, trademarks, registered designs or patents, or any plagiarism, or breach of confidentiality.

#### 2.4 Joint Venture Liability

**QBE** agrees to provide coverage in respect of any **Claim** made against the **Insured** or for that proportion of any legal liability which attaches to the **Insured** arising out of any activities in which the **Insured** is engaged as a joint venturer or as a partner in the conduct of the **Professional Business Practice**.

#### 2.5 Libel and Slander

**QBE** agrees to provide coverage in respect of any **Claim** made against the **Insured**, by any person, for libel or slander by reason of words written or spoken but not malicious falsehood PROVIDED ALWAYS THAT such **Claim** arises out of the conduct of the **Professional Business Practice**.

#### 2.6 Loss of Documents

**QBE** agrees to pay the reasonable and direct cost to the **Insured** of reproducing, replacing or restoring **Documents** which have been destroyed, damaged or lost (and which, after diligent search, cannot be found) PROVIDED ALWAYS THAT:

- (a) the destruction, damage or loss of **Documents** is discovered during the **Period of Insurance** and is notified in writing to **QBE** within twenty-eight (28) days after the date of discovery;
- (b) a claim by the **Insured** under this extension must be supported by bills and/or accounts approved by a person nominated by **QBE** whose nomination is agreed by the **Insured** (this agreement is not to be unreasonably withheld);
- (c) the cover this extension provides is limited to the destruction, damage or loss of **Documents** which were in the physical custody or control of the **Insured** or which were in the physical custody or control of any other person to whom the **Insured** entrusted, lodged or deposited **Documents** in the ordinary course of the **Professional Business Practice**;
- (d) **QBE** has no liability under this extension for any amount which falls within the **Deductible**;
- (e) this extension does not apply to the destruction, damage or loss of **Documents** brought about, or contributed to, by fire, water, burglary or theft.

#### 2.7 Newly Created or Acquired Entity or Subsidiary

(a) **QBE** agrees to provide coverage to any entity or **Subsidiary** acquired or created by the **Insured** during the **Period of Insurance** PROVIDED ALWAYS THAT such coverage shall automatically be revoked fourteen (14)

days after the effective date of such acquisition or creation or upon the expiry date of the **Period of Insurance**, whichever is the earlier date.

- (b) **QBE** may, at its discretion, agree to provide further coverage beyond the fourteen (14) days period referred to in clause (a) above (but never beyond the expiry date of the **Period of Insurance**) where:
- (i) the **Insured** has notified **QBE** of the acquisition or creation of the entity or **Subsidiary** and has provided all information requested by **QBE**; and
  - (ii) any terms imposed by **QBE** including the charging of any additional premium considered appropriate, have been agreed by the **Insured**.

PROVIDED ALWAYS THAT any coverage provided under this extension will only apply in respect of legal liability for breach of professional duty by reason of any negligent act, error or omission occurring subsequent to the date of acquisition or creation, unless otherwise agreed in writing by **QBE**.

## 2.8 Run-Off Cover for Insured Entity

**QBE** agrees that in the event that an insured entity ceases to exist or operate or is consolidated with, merged into or acquired by any other entity then the coverage provided under this **Policy** with respect to such insured entity shall continue until the expiry date of the **Period of Insurance**.

PROVIDED ALWAYS THAT such coverage shall only apply in respect of legal liability for breach of professional duty by reason of any negligent act, error or omission occurring prior to the effective date that such insured entity ceased to exist or operate or was consolidated with, merged into or acquired by another entity, unless otherwise agreed in writing by **QBE**.

## B. EXCLUSIONS

**QBE** shall not be liable under this **Policy** to provide indemnity in respect of any **Claim** against the **Insured**:

### 1. Prior or Pending

- (a) first made, threatened or intimated against the **Insured** prior to the commencement of the **Period of Insurance**;
- (b) directly or indirectly based upon, attributable to, or in consequence of any fact or circumstance:
  - (i) of which written notice has been given, or ought reasonably to have been given, under any previous policy; or
  - (ii) of which the **Insured** first became aware prior to the commencement of 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**.

### 2. 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.

### 3. Assumed Duty or Obligation

directly or indirectly arising out of, in consequence of, or contributed to by:

- (a) any duty or obligation assumed by the **Insured** which is not assumed in the normal conduct of the **Professional Business Practice**; or
- (b) any duty or obligation which the **Insured** assumes solely as a result of acting as a director of any company or trustee of any trust; or
- (c) any liability imposed upon the **Insured** pursuant to any contract if such liability would not have been imposed upon the **Insured** in the absence of any such contract.

### 4. Bankers Bond Insurance

directly or indirectly arising out of, in consequence of, or contributed to by any fact, circumstance that would be compensable under a Bankers Bond or equivalent policy irrespective of the amount thereof and whether or not such a policy is actually maintained by the **Insured**.

### 5. Billings

(a) directly or indirectly arising out of, in consequence of, or contributed to by:

- (i) a trading debt incurred by the **Insured** or any guarantee given by the **Insured** for a debt; or
  - (ii) actions relating to excessive fees, commissions, costs or other charges, including the non-disclosure of these.
- (b) for any refund for fee(s), commissions, costs or other charges charged to a third party and related **Costs and Expenses**.

### 6. Breach of Investment Mandate

directly or indirectly arising out of, in consequence of, or contributed to by the failure to adhere to investment mandates used as an inducement to investors or a basis upon which investors placed funds with the **Insured**.

7. **Conflict of Interest**  
directly or indirectly arising out of, in consequence of, or contributed to by any actual or alleged conflict of interest, including but not limited to:
- (a) the inducement, recommendation or endorsement of investment or lending of funds in the **Insured** itself or its parent entity, **Subsidiary** or **Affiliate**; or
  - (b) the gaining of any profit or advantage to which the **Insured** was not legally entitled to.
8. **Corporate or Merchant Banking Services**  
directly or indirectly arising out of, in consequence of, or contributed to by the provision of:
- (a) advice relating to the mergers or acquisition of any entity; or
  - (b) the provision of finance or financial facilities; or
  - (c) the underwriting of securities or issuance of debt securities.
9. **Fines and Penalties**  
for punitive, aggravated, multiple or exemplary damages, or fines or penalties imposed by law, including but not limited to, civil penalties and awards of statutory compensation and or damages under the Companies and/or Securities and Futures Ordinances and related legislation.
10. **Fraud and Dishonesty**  
directly or indirectly arising out of, in consequence of, or contributed to by:
- (a) any actual or alleged dishonest, fraudulent, criminal, or malicious act or omission of any **Insured** or their consultants, sub-contractors or agents; or
  - (b) any act or omission of any **Insured** or their consultants, sub-contractors, or agents committed or alleged to have been committed with a reckless disregard for the consequences thereof; or
  - (c) willful breach of any statute, contract or duty by the **Insured** or their consultants, sub-contractors, or agents.
11. **Government**  
directly or indirectly arising out of, in consequence of, or contributed to by prosecution of lawsuits by or on behalf of any government, quasi governmental, or self regulatory entity.
- PROVIDED ALWAYS THAT this exclusion shall not apply to any **Claim** for breach of professional duty in the conduct of the **Professional Business Practice** carried on by or on behalf of the **Insured** by reason of any negligent act, error or omission committed or alleged to have been committed on the part of the **Insured**.
12. **Insolvency of the Insured or Financial Institution**  
directly or indirectly arising out of, in consequence of, or contributed to by the insolvency of the **Insured** or any financial institution, including but not limited to insurance companies, underwriting agencies or syndicates, banks or any other financial institutions, including their inability to pay policy-holders or unit trust-holders.
- PROVIDED ALWAYS THAT this exclusion shall not apply to any **Claim** for breach of professional duty in the conduct of the **Professional Business Practice** carried on by or on behalf of the **Insured** by reason of any negligent act, error or omission committed or alleged to have been committed on the part of the **Insured**.
13. **Investment Performance**  
directly or indirectly arising out of, in consequence of, or contributed to by:
- (a) the depreciation (or failure to appreciate) in value of any investments, including but not limited to, property, shares, securities, commodities, currencies, options and futures or derivative transactions, or as a result of any actual or alleged guarantee or warranty provided by or on behalf of the **Insured** as the performance or characteristics of any such investment; or
  - (b) losses sustained through **Hedging** transactions, including but not limited to advice in respect of such transactions; or
  - (c) loss of value, surrender value or cancellation value of any leased product or service as a result of fluctuations in value of such product of service.
- QBE** shall have no liability in respect of any guarantee, whether written or oral, regarding the financial return on any investment.
- PROVIDED ALWAYS THAT this exclusion shall not apply to any **Claim** for breach of professional duty in the conduct of the **Professional Business Practice** carried on by or on behalf of the **Insured** by reason of any negligent act, error or omission in effecting any specific investment transaction in accordance with the specific prior instructions of a client of the **Insured**.
14. **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.

15. **Provision of Legal Services**  
directly or indirectly arising out of, in consequence of, or contributed to by the provision of legal advice that would normally be provided by a qualified lawyer.
16. **Retroactive Date**  
directly or indirectly arising out of, in consequence of, or contributed to by any breach of professional duty actually or allegedly committed prior to the retroactive date stated in the **Schedule**.
17. **Related or Associated Entities**  
brought or maintained by or on behalf of:  
(a) any **Insured**, the **Insured's** parent company or any **Subsidiary** or **Affiliate** of either the **Insured** or its parent company; or  
(b) any person who, at the time of the negligent act, error or omission giving rise to the Claim, is a **Family Member** unless such person is acting without any prior direct or indirect solicitation or co-operation of any **Insured**.
18. **Shareholder Actions**  
brought by or on behalf of any shareholder of the **Insured** in their capacity as such.
19. **Supply of Goods**  
directly or indirectly arising out of, in consequence of, or contributed to by the sale, supply, installation, alteration, modification or manufacture of goods by or on behalf of the **Insured**.
20. **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**.
21. **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 or destruction or damage to property by or under the order of any government or public local authority.

## C. CLAIMS CONDITIONS

1. **Reporting and Notice**  
(a) The **Insured** shall as a condition precedent to the **Insured's** right to be indemnified under this **Policy** give to **QBE** written notice as soon as practicable of any **Claim** made against the **Insured** PROVIDED ALWAYS THAT such written notice is given to **QBE** during the **Period of Insurance**.  
(b) Notice of any **Claim** shall be given in writing to **QBE**, and delivered 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**
2. **Claims Mitigation and Co-operation**  
The **Insured** shall, as a condition precedent to their right to be indemnified under this **Policy**:  
(a) exercise reasonable care and skill and do and concur in doing all things reasonably practicable to avoid or diminish **QBE's** liability under this **Policy**;  
(b) co-operate with and provide any document needed by **QBE** and/or **QBE's** legal representatives or agents to enable **QBE** to effectively investigate any fact or circumstance that may give rise to a **Claim** under this **Policy**, or to effectively investigate, defend or settle any **Claim**, or to enable **QBE** to assess its liability under this **Policy**.
- Other than costs and expenses incurred to enable **QBE** to assess its liability under this **Policy**, the cost of complying with this condition is for the **Insured** to bear, unless **QBE** otherwise agrees in writing.
3. **Defence and Settlement**  
(a) The **Insured** agrees not to settle any **Claim**, incur any **Costs and Expenses**, make any admission, offer or payment or otherwise assume any contractual obligation with respect to any **Claim** without **QBE's** written consent, such consent not to be unreasonably withheld. **QBE** shall not be liable for any settlement, **Costs and Expenses**, admission, offer or payment, or assumed obligation to which it has not consented.  
(b) **QBE** shall be entitled at any time to conduct, in the name of the **Insured**, the defence or settlement of any **Claim**.  
(c) **QBE** may, if it believes that any **Claim** will not exceed the **Deductible**, instruct the **Insured** to conduct the defence of the **Claim**. In such situation, **QBE** will reimburse the **Insured** for all reasonable **Costs and Expenses** in the defence of the **Claim** in the event that any payment made to dispose of the **Claim** exceeds the **Deductible**.

4. **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** liability in connection with such **Claim** shall not exceed the amount for which the **Claim** could have been so settled plus **Costs and Expenses** incurred with **QBE's** written consent up to the date of such election.
5. **Legal Counsel Clause**
  - (a) **QBE** will not require the **Insured** to contest a **Claim** unless a legal counsel advises that the **Claim** should be contested.
  - (b) In formulating the advice referred to in clause (a) above, legal counsel shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the claimant, the likely **Costs and Expenses** and the prospects of the **Insured** successfully defending the **Claim**.
6. **Notification of Circumstance**  
If during the **Period of Insurance**, the **Insured** becomes aware of any fact or circumstance that may give rise to a **Claim** under this **Policy** the **Insured** shall as a condition precedent to their right to be indemnified under this **Policy** give notice in writing to **QBE** of such fact or circumstance, then any **Claim** which may subsequently arise out of such fact or circumstance shall be deemed to be a **Claim** made during the **Period of Insurance**. PROVIDED ALWAYS THAT such written notice is given to **QBE** during the **Period of Insurance**.
7. **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 documents necessary to enable **QBE** effectively to bring suit in the name of the **Insured**.

## D. GENERAL CONDITIONS

1. **Accreditation of Advisors**  
The **Insured** shall as a condition precedent to the **Insured's** right to be indemnified under this **Policy** ensure that all persons providing advice are accredited, licensed and authorised to do so by the respective regulatory body, and acting with the guidelines of such, of the country or administrative region in which this **Policy** is issued.
2. **Alteration to Risk**  
The **Insured** shall give to **QBE** written notice as soon as practicable of any material alteration to the risk during the **Period of Insurance** including:
  - (a) the **Insured** going into voluntary bankruptcy, receivership, or liquidation or the **Insured** failing to pay debts or breaching any other obligation giving rise to the appointment of a receiver or bankruptcy or winding up proceedings;
  - (b) any material change in the nature of the professional services offered by the **Insured**.
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**.
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** in accordance with the **QBE** 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. **Deductible**
  - (a) In respect of each **Claim** made against the **Insured** the amount of the **Deductible** shall be borne by the **Insured** at their own risk and **QBE** shall only be liable to indemnify the **Insured** for that part of any **Claim** which is in excess of the **Deductible**.
  - (b) Where **QBE** has elected to pay all or part of the **Deductible** in respect of any **Claim**, the **Insured** shall, within seven (7) days from the date of such payment, reimburse **QBE** for such payment.
  - (c) In respect of any **Claim** where the amount of the **Claim** is less than the amount of the **Deductible**, the **Insured** shall bear all **Costs and Expenses** associated therewith unless **QBE** has agreed to meet such **Costs and Expenses** pursuant to Insuring Clause A.1.2 Cost and Expenses.
  - (d) Where **QBE** deems it necessary to appoint advisors to determine liability of the **Insured** or to resolve a **Claim**, such **Costs and Expenses**, up to the amount of the **Deductible**, shall be borne by the **Insured**.
  - (e) Any **Costs and Expenses** incurred by **QBE** to determine whether **QBE** has a liability to indemnify the **Insured** under this **Policy** shall not be subject to the **Deductible** but shall be borne by **QBE**.
  - (f) If any **Claim** against the **Insured** involves more than one act, error or omission, the **Deductible** shall apply to each such negligent act, error or omission separately.
  - (g) The **Deductible** shall attach to each and every claimant, inclusive of **Costs and Expenses**.

**6. Jurisdictional Cover**

The coverage provided under this **Policy** shall extend to any **Claim** brought in a court of law anywhere in the world except where:

- (a) such **Claim** is brought in a court of law within the territorial limits of the United States of America or the Dominion of Canada or their territories or protectorates; or
- (b) such **Claim** arises out of the enforcement of any judgment, order or award obtained within, or determined pursuant to the laws of the United States of America or the Dominion of Canada or their territories or protectorates.

**7. Limit of Indemnity**

- (a) **QBE's** total liability under this **Policy** for any one **Claim** and in the aggregate for all **Claims** shall not exceed the **Limit of Indemnity**.
- (b) Any payment made by **QBE** under this **Policy** for **Loss** shall erode the **Limit of Indemnity**.

**8. Other Insurance**

- (a) If, at the time a **Claim** arises under this **Policy**, the **Insured** is, or would but for the existence of this **Policy** be, entitled to indemnity under any other policy or policies, **QBE** shall not be liable for **Loss** arising from that **Claim** except to the extent that **Loss** exceeds the amount which is or would have been payable under such other policy or policies, had this **Policy** not been effected.
- (b) As soon as is reasonably practical but within fifteen (15) days after entering into any other contract of insurance, the **Insured** shall notify **QBE** of, and shall give **QBE** full details of, any such other insurance which provides indemnity, in full or in part, for any of the liabilities where cover is afforded under this **Policy**.

**9. 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, 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.
- (b) The marginal notes and titles of paragraphs in this **Policy** are included for descriptive purpose 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.

**10. Territorial Cover**

The coverage provided under this **Policy** shall extend to legal liability arising out of acts, errors or omissions committed anywhere in the world except where such acts, errors or omissions occur within the territorial limits of the United States of America or the Dominion of Canada or their territories or protectorates.

**11. 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 the 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**.

## **E. 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. "**Affiliate**" shall mean any entity operated or controlled by any **Insured**, including any **Subsidiary**, nominee or trustee, in which any **Insured** or **Family Member** has a direct or indirect financial interest other than a minor interest in such entity listed on a stock exchange.

For the purpose of this definition, minor interest shall mean a direct or indirect control or ownership of less than 10% of the issued share capital and/or options in an entity.

- 3. "**Claim**" shall mean:
  - (a) the receipt by the **Insured** of any written or verbal notice of demand for compensation made by a third party against the **Insured**; or
  - (b) any writ, statement of claim, summons, application or other originating legal or arbitral process, cross-claim, counter-claim or third or similar party notice served upon the **Insured**.
- 4. "**Costs and Expenses**" shall mean expenses, including legal costs and disbursements, incurred either by **QBE** or, with **QBE's** prior written consent by the **Insured**:
  - (a) in the investigation of facts or circumstances which may give rise to a **Claim**;

- (b) in the investigation, defence or settlement of a **Claim**;
- (c) in connection with a formal, regulatory or administrative investigation, proceeding or inquiry into facts which may give rise to a **Claim** and in relation to which the **Insured's** participation became mandatory during the **Period of Insurance**;

PROVIDED ALWAYS THAT **Costs and Expenses** shall be part of and not in addition to the **Limit of Indemnity**.

5. "**Deductible**" shall mean the amount of the deductible as specified in the **Schedule**, and shall include **Costs and Expenses**.
6. "**Documents**" shall mean 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 or currency notes or any other negotiable instruments.
7. "**Employee**" shall mean any person employed under a contract of service or apprenticeship with the **Insured** or any entity or **Subsidiary** in relation to whom coverage is provided pursuant to Section 2 of this **Policy** during or prior to commencement of the **Period of Insurance**
8. "**Family Member**" means:
  - (a) any spouse, companion (who permanently resides with the **Insured**), or domestic partner;
  - (b) any parent, or parent of the spouse or their partner or companion;
  - (c) any sibling or child;
 of the **Insured**.
9. "**Hedging**" shall mean the arranging of one or more contracts specifically to protect against movement in prices or values, including but not limited to foreign exchange, commodities and securities of every description.
10. "**Insured**" shall mean:
  - (a) any person, persons, partnership, company, corporation or any other entity specified as the **Insured** in the **Schedule** including their predecessors in business; and
  - (b) any person who is, during the **Period of Insurance**, a principal, partner, director or **Employee** of any **Insured**.
 For the avoidance of doubt, **Insured** does not include any consultant, sub-contractor, agent or independent professional advisor.
11. "**Limit of Indemnity**" shall mean the limit of liability under this **Policy** as specified in the **Schedule**, and shall include **Costs and Expenses**.
12. "**Period of Insurance**" shall mean the period specified in the **Schedule**.
13. "**Policy**" shall mean:
  - (a) the **Schedule**, Insuring Clauses, Extensions, Conditions, Definitions, Exclusions and other terms contained herein; and
  - (b) any endorsement attaching to and forming part of this **Policy** either at inception or during the **Period of Insurance**; and
  - (c) the **Proposal**.
14. "**Premium**" shall mean the premium specified in the **Schedule** or in any endorsement to the **Schedule**.
15. "**Professional Business Practice**" shall mean the business conducted by the **Insured** under the name stated and as described in the **Schedule**. If the business changes its name and there is no other change which materially alters the risk, the business conducted under its new name will be deemed to be the **Professional Business Practice**.
16. "**Proposal**" shall mean the written proposal made by the **Insured** to **QBE** containing particulars and statements which, together with other information provided by the **Insured**, are the basis of this **Policy** and are considered as incorporated herein.
17. "**QBE**" shall mean QBE Insurance (Malaysia) Berhad.
18. "**Schedule**" shall mean the schedule to this **Policy**.
19. "**Subsidiary**" shall mean:
  - (a) any entity which by virtue of any applicable legislation or law is deemed to be a subsidiary of the **Insured**; or
  - (b) any entity over which the **Insured** is in a position to exercise effective direction or control through ownership or control of more than fifty percent (50%) of the issued voting shares of such entity.

**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