



FREIGHT FORWARDER'S LIABILITY INSURANCE

PRODUCT DISCLOSURE SHEET

September 2018

IMPORTANT NOTE

Read this Product Disclosure Sheet before you decide to take out the Freight Forwarder's Liability Insurance policy. Be sure to also read the policy wording for full terms and conditions.

1) What is this product about?

This policy provides you with coverage for liabilities to other parties which arise in the ordinary course of providing services as a multi-modal transport operator or freight forwarder.

2) What are the cover / benefits provided?

This policy covers:

- a) Liabilities as a result of loss of or damage to cargo.
- b) Legal costs and expenses incurred in defence of and/or that you are liable to pay as a result of, any claim made against you that is recoverable under the policy.
- c) Costs and expenses incurred to save, secure, preserve or recover cargo to prevent or minimize any loss or claim that is recoverable under the policy.
- d) Costs and expenses incurred for the removal and/or recovery of cargo, or incurred for the removal, disposal and/or clean up of cargo debris consequent to a loss that is recoverable under the policy.
- e) General average and salvage that you are liable to pay.
- f) Loss of any possessory interest you have in, or any lawful lien you have on cargo
- g) Liabilities as a result of claims brought by consignors, consignees, and/or customs and excise authorities for alleged breach of professional duty, or certain errors and omissions of yours, your employees and/or your sub-contractors.
- h) Reasonable extra expenses incurred in sending misdirected cargo to the correct destination.
- i) Third party liability for physical loss of or damage to property of a third party and/or death of or bodily injury to, a third party.
- j) Extra costs incurred due to uncollected cargo or incurred to complete your contractual obligation to transport cargo as a result of your sub-contractors failure to pay its debts promptly.

Note: The scope and precise breadth of policy coverage is subject to the terms, conditions, warranties, limitations, exclusions and exceptions of the policy.

3) What is the premium I have to pay?

The total premium that you have to pay may vary depending on the risk exposure and our underwriting requirements:

Revenue : RM _____
 Premium Rate : _____ %
 Total premium that you have to pay : RM _____

4) What are the fees and charges I have to pay?

| Type | Amount |
|---|---------------------|
| Services Tax (with effect from 1 September 2018, when applicable) | 6% of Gross Premium |
| Stamp Duty | RM 10.00 |
| Commission paid to the insurance agent (when applicable) | Up to maximum 15% |

5) What are some of the key terms and conditions that I should be aware of?

Note this list is non-exhaustive. Please refer to the policy wording for full terms and conditions.

- Importance of Disclosure: You should disclose to the best of your knowledge all material facts and ensure all declarations are true and correct; otherwise your policy may be invalidated
- You are also required to immediately notify us in writing of any change in circumstances or any change in the nature of the risks which are the basis on the policy.
- It is a condition of your right of recovery under the policy that you take all reasonable precautions and exercise reasonable care, skill, diligence and judgment at all times during the course and conduct of your business.
- No Admission of Liability: You should not admit liability, offer or promise to pay any claimant, or agree to any loss or claim, or incur any costs or expenses in any connection, with any loss or claim to which you seek coverage under the policy, without our prior written consent, unless the amount is lower than the applicable deductible and you do so on a "without prejudice" basis.
- Premium Warranty: The premium due must be paid and received by the insurer within sixty (60) days from the inception date of the policy / endorsement/ renewal certificate
If you fail to pay the premium within the period, your policy will be automatically cancelled and Chartis is entitled to the pro rata premium on the period you have been on risk.

6) What are the major exclusions under this policy?

This policy does not cover:-

- Loss, damage, liability or expense due to the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- Any claim, loss, damage, liability or expense due to you undertaking to arrange cargo insurance on behalf of cargo interests, unless you arrange such cargo insurance with us.
- Any claim, loss, damage, liability or expense due to confiscation, requisition, embargo, nationalisation or destruction by any government, public, or local authority.
- Loss, damage, liability or expense due to radioactive contamination, chemical, biological, bio-chemical and electromagnetic weapon.

Note: This list is non-exhaustive. Please refer to policy wording for full list of exclusions under this policy.

7) Can I cancel my policy?

You may cancel your policy by giving us 30 days' written notice. Upon cancellation by you, you may be entitled to a premium refund of the premium but we are entitled to receive and retain the customary short-term or earned premium, whichever is the greater. . No premium will be refunded if you have made a claim under the policy.

8) What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9) Where can I get further information?

Should you require additional information about this insurance, please contact us at:

AIG Malaysia Insurance Berhad (795492-W)

Menara Worldwide, Level 18,
198, Jalan Bukit Bintang,
55100 Kuala Lumpur,
Malaysia
Tel: 1800 88 8811
Fax: +60 3 2118 0388
Email: AIGMYCare@aig.com
Web: www.aig.my

10) Other types of similar insurance cover available?

Carrier's Liability

IMPORTANT NOTE

YOU SHOULD SATISFY YOURSELF THAT THE POLICY WILL BEST SERVE YOUR NEEDS. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

Financial Services Act (FSA) 2013

The **Insured** must take reasonable care to ensure that all the answers to the proposal form questions are complete, correct, honest and to the best of **Insured's** knowledge. The **Insured** also have a duty to inform the **Insurer** of any change in the information given to **Insurer** earlier before the **Insurer** issue the policy schedule, before **Insured** renew or change any of the terms of the policy. If **Insured's** does not, the **Insurer** may:-

- (i) declare **Insured's** policy void from inception (which means treating it as invalid) and the **Insurer** may not return the premium or recover any unpaid premium; or
- (ii) cancel this policy and return any premium less the **Insurer's** cancellation charge or recover any unpaid premium; or
- (iii) recover any shortfall in premium; or
- (iv) not pay any **Claim** that has been or will be made under the policy; or
- (v) be entitled to recover from the **Insured** the total amount of any **Claim** already paid under the policy or any **Claim** the **Insurer** have to pay under any relevant legislation, plus any recovery costs.

The information provided in this disclosure sheet is valid as of the date shown.