



COMMERCIAL PACKAGE

POLICY

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STANDARD EXTENSION CLAUSES APPLICABLE TO SECTIONS 3 TO 6

(not applicable unless specified in the Policy Schedule)

GENERAL WARRANTIES, TERMS AND EXCLUSIONS APPLICABLE TO ALL SECTIONS

GENERAL POLICY CONDITIONS APPLICABLE TO ALL SECTIONS



COMMERCIAL PACKAGE POLICY

THE INSURING AGREEMENT

IN CONSIDERATION of the Insured named in the Schedule hereto paying to AIG Malaysia Insurance Berhad (hereinafter called the **Company**) the Premium mentioned in the said Schedule,

THE COMPANY AGREES subject to both the General Warranties, Terms, Exceptions, Provisions and Conditions and to the specific Terms, Exceptions and Conditions and the like, applicable to each Section of the Policy (hereinafter collectively referred to as the Term of this Section), contained herein or endorsed hereon or otherwise expressed hereon and to the truthful completion of the Proposal Form, that if the Property Insured described in the said Schedule or any part of such property be destroyed or damaged, or liability created by the insured peril or event chosen for coverage which occur during the Period of Insurance as stated in the Policy Schedule or for any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the renewal of this Policy, the Company will indemnify the Insured in the agreed manner as described in greater detail in the respective Sections here below.

PROVIDED THAT the liability of the Company shall in no case exceed the value expressed in the Policy Schedule for each section or for each item in the section or in the whole as the case may be, as may be substituted thereto by endorsement whether now or hereafter issued, signed by and on behalf of the Company.

PROVIDED ALWAYS that the due observance and fulfillment of the warranties, terms, provisions, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured shall be conditions precedent to any liability of the Company to make any payment under this Policy.

THE POLICY COVER

SECTION 1: COMMERCIAL PROPERTY DAMAGE

The Company will indemnify the Insured, at its option by payment, repair, reinstate or replace up to the respective limits specified in the Schedule against accidental physical loss of or damage to the Property Insured whilst in the Insured Location of Risk by any cause not excluded under this Section occurring during the Period of Insurance.

Provided that the liability of the Company in respect of any one loss or in the aggregate in any one Period of Insurance shall not in any event exceed

1. In respect of each item the Sum Insured stated in the Schedule or in the whole the total Sum Insured hereby;
2. Any limit of liability shown in the Schedule;

or such other sum or sums as may be substituted by endorsement hereon or attached hereto signed by or on behalf of the Company.

2 Exclusions

2.1 Excluded Property

This section of the Policy does not cover:

- (i) Money, cheques, bullion, negotiable instruments and securities of all kinds, any curiosity, rare books or works of art (other than drawing, painting and sculpture of individual value not exceeding RM1,000 per item) furs, garments trimmed with fur, jewelry, watches, pearls set or unset, precious stones, gold, silver, platinum or other precious metal and alloy;
- (ii) Documents, manuscripts, plans, drawings, designs, patterns, models, moulds, business books or computer systems records for the value to the Insured of the information contained therein;
- (iii) Property sold by the Insured under conditional sale, trust agreement, installment plan or deferred payment plan or after delivery to customers;
- (iv) Vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives or rolling stock, watercraft, aircraft, spacecraft or the like;
- (v) Property in transit other than within the Insured Location of Risk specified in the Schedule;
- (vi) Property or structures in the course of demolition, construction or erection and materials or supplies in connection therewith.



- (vii) Land (including top-soil back-fill drainage or culverts), water (except in fire-fighting equipment, tanks or as otherwise described), driveways, pavements, roads, runways, railway lines, dams, reservoirs, canals, rigs, wells, pipelines, tunnels, bridges, docks, piers, jetties, excavations, wharves, mining property or underground off-shore property;
- (viii) Livestock, growing crops or trees;
- (ix) Offshore property, offshore and/or onshore drilling and production rigs;
- (x) Space and space related property such as satellite, space-craft, launch vehicles and major components thereof from the beginning of pre-launch;
- (x) Property (except glass/signboard) in the open or being processed, constructed, erected, installed, altered, dismantled, removed or re-sited including related material and supplies;
- (xi) Machinery during installation, removal or re-siting (including dismantling and re-erection) if directly attributable to such operations;
- (xii) Property undergoing alteration, repair, testing, installation or servicing including materials and supplies if directly attributable to the operations or work being performed thereon unless damage by a cause not otherwise excluded ensues and then the Company will be liable only for such ensuing loss;
- (xiii) Property in course of manufacture or processing operations. If such loss, destruction or damage is sustained while the property is being actually being processed, manufactured, tested or otherwise being worked upon (work in progress) and directly resulting from such work unless damage by a cause not otherwise excluded ensues then the Company will be liable only for such ensuing loss;
- (xiv) Property more specifically insured;
- (xv) Damage to property that is already covered by a marine policy or policies except in respect of any excess beyond the amount payable under such marine policy or policies had this policy not been effected;
- (xvii) Damage to boilers, economizers, turbines or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture;
- (xviii) Transmission, distribution and communication lines of any type or description; except when located at the covered location or within 100 meters thereof;
- (xix) Personal property in the Insured's care, custody, and control while the Insured is acting as a bailee, a warehouseman, or a carrier for hire; and
- (xx) Electronic data.

2.2.1 Excluded Causes

This section of the Policy does not cover:-

- (i) faulty or defective design materials or workmanship, latent defect, gradual deterioration, deformation, distortion or wear and tear, corrosion, rust, extremes or changes in temperature, dampness, dryness, wet or dry rot fungus, shrinkage, evaporation, loss or weight, pollution, contamination, change in color, flavor, texture or finish, action of light, vermin, insects, marring or scratching, or inherent vice.
- (ii) Interruption of the water supply, gas, electricity or fuel systems, or failure of the effluent disposal systems from the Insured Location of Risk.
- (iii) Settling or bedding down of structures shrinkage or expansion of foundation walls floors or ceilings.
- (iv) cost for normal upkeep, normal making good and the maintenance.
- (v) any fraudulent scheme, trick, device or false pretense, practiced upon the Insured or upon any person(s) having care of the Property Insured at such time.
- (vi) crime, acts of infidelity, or acts of dishonesty, on the part of the Insured or any of the employees of the Insured.
- (vii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information, shortage in supply or delivery of materials, or shortage due to clerical or accounting error.
- (viii) cracking, fracturing, collapse or overheating of boilers, economizers, vessels, tubes or pipes, nipple leakage, or the failure of welds of boilers.
- (ix) mechanical or electrical breakdown, or derangement of machinery or equipment, including electronic installations, computers and data processing equipment.
- (x) damage to boilers, economizers, turbines or other vessels, machinery or apparatus, in which pressure is used, or their contents resulting from their explosion or rupture.
- (xi) bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes when the Insured Location of Risk becomes unoccupied and so remains for a period of more than 7 days.
- (xii) the freezing, solidification or inadvertent escape, of molten or gaseous material.
- (xiii) false programming, punching, labeling or inserting, inadvertent cancelling of information, or discarding of data media and loss of information caused by magnetic fields.
- (xiv) burglary, robbery or theft/full theft of property/money or any attempt thereat.
- (xv) Flood unless expressly stated in the Schedule.

Exceptions to the above:

- (a) Damage by a cause not excluded in the Section ensues and then the Company shall be liable only for such ensuing Damage and/or
- (b) such loss is caused directly by Damage to the Property Insured or to Insured Location of Risk containing such property by a cause not excluded in the Section.
- (c)(i) coastal or river erosion
- (ii) storm, tempest, water and rain to property in the open (other than property designed to exist and operate in the open).

2.2.2 Damage caused by or arising from

- (a) any willful acts or willful negligence on the part of the Insured and his representatives or any person acting on his behalf.
- (b) cessation of work.
- (c) non-material damage/non-physical damage of every kind.
- (d) delay, loss of use or loss of market



(e) consequential losses of any description other than those insured under Consequential Loss Section.

2.2.3 Damage occasioned directly or indirectly by or through or in consequence of any of the following occurrences namely:-

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war
- (b) Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power
- (c)(i) permanent or temporary dispossession resulting from confiscation, nationalization commandeering or requisition by any lawfully constituted authority
- (ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person

provided that the Company are not relieved of any liability to the Insured in respect of Damage to the Property Insured, occurring before dispossession or during temporary dispossession, which is otherwise insured by this Section.

(d) the destruction or seizure of property by order of any public authority unless as a direct result of an insured physical damage event. In any action, suit or other proceeding where the Company alleges that by reason of the provisions of Exclusions 2.2.3(a) and (b) above any loss, destruction or damage is not covered by this insurance, the burden of proving that such loss, destruction or damage is covered shall be upon the Insured.

2.2.4 Damage directly or indirectly caused by, or arising from, or in consequence of or contributed to by

- (a) Nuclear weapons or material
- (b) Ionizing, radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste, from the combustion of nuclear fuel. Solely for the purpose of this Exclusion 2.2.4(b) combustion shall include any self-sustaining process of nuclear fission.

Additional Exclusion Clauses

2.3.1 Electronic Data Exclusion

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, it is understood and agreed as follows:-

(a) This Section does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programme, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses, 'worms' and 'time or logic bombs'

b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Section, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the policy period to Property Insured by this Section directly caused by such peril.

Listed Perils
Fire
Explosion

2. Electronic Data Processing Media Valuation Notwithstanding any provision to the contrary within the Section or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Section suffer physical loss or damage insured by this Section, then the basis of valuation shall be the cost of the blank media plus the cost of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering or any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Section does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.



2.3.2 Asbestos and Related Materials Exclusion Clause

Notwithstanding any provision in the section to which this clause is attached, this Section does not insure against loss, damage, costs or expenses arising out of or in connection with :-

- a) Asbestos, dioxin or polychlorinated biphenols (hereinafter referred to as "materials") removal from any structure, or fixture, or item of personal property, or product, unless the "materials" are damaged by an insured peril under the section;
- b) Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating "materials";
- c) Any governmental direction or request declaring that "materials" present in or part of or utilized on any undamaged portion of the Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions or limitations of the section to which this clause is attached other than as above stated.

2.3.4 Pollution and Contamination Exclusion Clause This section does not cover any loss arising from Pollution and Contamination except (unless otherwise excluded) destruction of or damage to the Property Insured caused by;

- i. Pollution or contamination which itself results from a peril insured against;
- ii. Any peril insured against which itself from a pollution or contamination

Any liability in connection with disposed or dumped waste materials or substances is also excluded.

This section also does not cover expenses, fines, penalties or costs incurred or sustained by the Insured or imposed on the Insured at the order of the government agency, court or other authority in connection with any kind of description of pollution or contamination.

3 Definitions

3.1 "Buildings and Outbuildings"

means the building(s) at the Insured Location of Risk and includes structural improvements and outbuildings, landlord's fixtures and fittings, walls, gates, fences, sealed paths and driveways, lights and signs, aerials, antennae and dishes and underground and above ground services connected to the building and storage tanks, small outbuildings, extensions, annexes, exterior staircase, fuel installations, steel or iron frameworks and tanks in the Insured Location of Risk and the like and the insurance by each item under contents extends to include the contents of each outbuilding.

3.2 "Contents, Fixtures and Fittings and Plant and Machinery"

means equipment, plant, fixtures, fittings and furniture used by the Insured at the Insured Location of Risk.

(i) Where the Insured is a tenant:-

- (a) fixtures and fittings installed by the Insured;

and

- (b) the Insured's landlord's fixtures and fittings for which the Insured is responsible for under the terms of the Insured's lease

(ii) Where the Insured is the owner of the property:-

- (a) Computer systems, records, documents, manuscripts plans, drawings, designs, business books and other documents but only for their value in their unused state or as stationery
- (b) Paintings, works of art and curios
- (c) Patterns, models, moulds, dies and cast for the value shown in the Insured's financial records, if not repaired or replaced

3.3 "Insured Location of Risk" means the location of the risk as stated in the Schedule.

3.4 "Schedule" means the document issued together with the policy wordings detailing particulars of the Insured, location of risk and benefits under the policy wording.

3.5 "Stock"

- (a) Stock in trade, merchandise, raw materials including work in progress and packaging materials used by the Insured in the business and
- (b) Customers' goods for which the Insured is legally responsible

3.6 "Other Property Values"



means the value of the property as described in the Schedule

3.7 "Property Insured" refers collectively to the property specified in the Schedule, Buildings and Outbuildings, Contents, Fixtures and Fittings and Plant and Machinery, Stock, Other Property Values, Policy Floater and Glass and Signboard.

3.8 "Policy Floater"

means Contents, Fixtures and Fittings, Plant and Machinery and/or Stock that is moved around the different Insured Location of Risk insured under this item.

3.9 "Glass and Signboard"

means any materials of similar quality (including any writing, painting, lettering or ornamentation thereon or alarm tapes.

4 Clauses

4.1 Alterations and Repairs

Workmen are allowed on or about the Property Insured to carry out alterations and repairs provided the trade manufacture nature of occupation and/or construction of the building remains unchanged.

4.2 Automatic Reinstatement

(Not Applicable to policies with Flood cover)

The total Sum Insured shall not be reduced by the amount of a loss provided that the Insured pays any additional premium that may be required on the amount of loss from the commencement date of reinstatement to the date of expiry of the period of insurance.

4.3 Average Relief (85%)

If, at the time of reinstatement in the terms of the Reinstatement Value Clause of the policy, the sum representing eighty-five per cent (85%) of the cost which would have been incurred in reinstatement, replacement or repair of the whole of the Property Insured exceeds the Sum Insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such Property Insured by any other insured peril then the Insured shall be considered as being his own insurer for the difference between the Sum Insured and the sum representing the cost of reinstatement of the whole of the Property Insured and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of this Section shall separately be subject to this condition.

4.4 Branded Goods/Branded Stock

In the event of a claim for loss or destruction of or damage to the Property Insured by this Section, any salvage of branded goods and/or merchandise, whether the Insured's own or held by the Insured in trust or on commission and/or goods sold but not delivered, shall not be disposed of by sale without the prior consent of the Insured.

If such salvage is not disposed of by sale then the loss, destruction or damage will be assessed at the value agreed between the Insured and the Company after brands, labels or names have been removed by or on behalf of the Insured

4.5 Breach of Conditions and/or Warranties

The conditions and warranties of this Section shall apply individually to each of the risks insured and not collectively to them. Thus a breach in any condition or warranty shall void the Section only in respect of all the risks to which that breach applied and does not affect the cover in respect of the other risks.

Any breach of the said warranties without the knowledge and consent of the Insured shall not prejudice this Insurance provided notice in writing be given to the Company immediately upon such breach coming to their knowledge and such additional premium as may be required by the rules and practice of the Company be paid with effect from the day the Warranty or Warranties was or were first breached.

The Clause shall not affect the Premium Warranty applicable to this Section.

4.6 Cessation of Risk

Under any of the following circumstances the insurance under this Section ceases to attach as regards the property affected unless the Insured before the occurrence of any loss or damage obtains the sanction of the Company signified by endorsement upon section:

- (a) if the trade or manufacture carried on be altered or if the nature of the occupation of or other circumstances affecting the building or containing the Property Insured be changed in such a way as to increase the risk of loss or damage
- (b) if the building insured or containing the Property Insured becomes unoccupied and so remains for a period of more than 30 days
- (c) if the Property Insured be removed to any building or place other than that in which it is herein stated to be insured



(d) if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law
(e) if a notice to quit by any order by the local authorities for the requisition or acquisition of the land on which the Property Insured is situated has been issued.

4.7 Contract Price

It is hereby declared and agreed that in respect only of goods sold but not delivered for which the Insured is responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of the fire or any other peril hereby insured against, either wholly or to the extent of the loss or damage, the liability of the Company shall be based on the contract price, and for the purpose of calculating the value of all goods to which this clause would in the event of destruction or damage be applicable the same basis shall be used .

4.8 Contribution

If at the time of any physical loss, destruction or damage happening to any subject matter insured there be any other subsisting insurances whether by the Insured or by any other person or persons covering the same subject matter, the Company shall not be liable to pay or contribute more than their rateable proportion of such physical loss, destruction or damage.

4.9 Deductibles

This Section does not cover the amounts of the deductibles stated in the Schedule with respect to each and every loss.

4.10 Designation of Property

For the purpose of determining where necessary the heading under which any property is insured, the Company agrees to accept the designation under which such property has been entered in the Insured's books.

4.11 Forfeiture

If any claim upon this section be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this section or if the loss destruction or damage be occasioned by the willful act or with the connivance of the Insured all benefit under this section shall be forfeited.

If a claim be made and rejected and an action or suit be not commenced within three (3) months after such rejection or (in case of an arbitration taking place in pursuance of General Terms and Conditions 3.24 of this section) within three (3) months after the Arbitrator or Arbitrators or Umpire shall have made their award all benefit under this section shall be forfeited.

4.12 Company's rights after a loss

On the happening of any physical loss or physical damage to any of the Property Insured by this Section the Company may:-

- (a) enter and take and keep possession of the building or Insured Location of Risk where the loss or damage has happened;
- (b) take possession of or require to be delivered to it any property of the Insured in the buildings or on the Insured Location of Risk at the time of the loss or damage;
- (c) keep possession of any such property and examine sort arrange remove or otherwise deal with the same;
- (d) sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Condition shall be

exercisable by the Company at any time until notice in

writing is given by the Insured that he makes no claim

under this Section or if any claim is made until such claim is finally determined or withdrawn and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder incur any liability to the Insured or diminish its rights to rely upon any of the Conditions of this Section in answer to any claim.

If the Insured or any person acting on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of its powers hereunder benefit under this Section shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company taken possession of by the Company or not.

4.13 Hire Purchase or Leasing

The hire purchase company or lessors named in the Schedule (referred to as the Owners hereinafter) are the owners of the Property Insured and that the Property Insured is the subject of a hire purchase or leasing agreement made between the Owners

of the one part and the Insured of the other part. Any payment made in respect of loss or damage (which loss or damage is not made good by repair reinstatement or replacement) under this Section shall be made to the Owners of the Property Insured and their receipt shall be a full and final discharge to the Company in respect of such loss or damage.



Notwithstanding any proviso in the hire purchase or lease agreement to the contrary, this Section is issued to the Insured named in the Schedule as the principal party and not as agent or trustee for the Owners and nothing herein shall be construed as constituting the Insured an agent or trustee for the Owners or as an assignment (whether legal or equitable) by the Insured to the Owners of his rights benefits and claims under this Section. It is also understood and agreed that the Insured shall not assign his rights benefits and claims under this Section without the prior consent in writing of the Company.

4.14 Internal Removal

In the event of removal of Property Insured from one building to another at any of the aforesaid situation being inadvertently not advised to the Company, the Insurance on such Property shall follow removal, the necessary adjustments in sums insured and premium being made with effect from the date of removal as soon as the oversight is discovered.

4.15 Misdescription

If there be any material misdescription of any of the property hereby insured, or of any building or place in which such property is contained, or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, the Company shall not be liable upon this Section so far as it relates to property affected by any such misdescription, misrepresentation or omission.

4.16 Reinstatement

The Company may at its option reinstate or replace the Property Insured that is damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other company or companies in so doing; but the Company shall not be bound to reinstate exactly or completely, but only as

circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, nor more than the sum insured by the Company thereon.

If the Company so elects to reinstate or replace the Property Insurance, the Insured shall, at their own expense, furnish the Company with such plans, specifications, measurements, quantities, and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view to reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company is unable to reinstate or repair the Property Insured, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair the Property Insured if the same could lawfully be reinstated to its former condition.

The Company shall not be liable beyond the actual cash value of the Property Insured at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost the Insured to repair or replace the same with material of like kind and quality.

4.17 Reinstatement Value Clause

In addition to Clause 4.16

(Not applicable to stock-in-trade)

It is hereby declared and agreed that in the event of the Property Insured under the Policy is being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) the Policy is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the Property Insured when new, subject to the following Special Provisions and subject also to the terms and conditions of the Policy except insofar as the same may be varied hereby:

Special Provisions

(1) The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured on condition that the liability of the Company does not increase) must be commenced and carried out with reasonable despatch and in any case must be completed within 12 months after the destruction or damage, or within such further time as the Company may (during the said 12 months) in writing allow otherwise no payment beyond the amount which would have been payable under the Policy if this clause had not been incorporated therein shall be made.

(2) Until expenditure has been incurred by the Insured in replacing or reinstating the Property Insured destroyed or damaged, the Company shall not be liable for any payment in excess of the amount which would have been payable under the Policy if this clause had not been incorporated therein.

(3) If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the Property Insured has been destroyed exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage the Property Insured by any other peril insured against by this Policy, then the Insured shall be considered as being the insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the Policy (if more than one) to which this clause applies shall be separately subject to the foregoing provision.

(4) This clause shall be without force or effect if:-

(a) The Insured fails to intimate to the Company within six

(6) months from the date of destruction or damage, or such further times as the Company may in writing allow, his intention to replace or reinstate the Property Insured destroyed or damaged.



- (b) The Insured is unable or unwilling to replace or reinstate the Property Insured destroyed or damaged on the same or another site.
(5) No payment beyond the amount which would have been payable under the Policy if this clause had not been incorporated therein shall be made if at the time

of any destruction or damage to any Property Insured hereunder such Property Insured shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth therein.

4.18 Safeguards and Maintenance

The Insured shall at all times and as far as is reasonably practicable take steps to safeguard the Property Insured and maintain it in a proper state of repair. The Insured shall also take steps to enforce the observance of all statutory provisions, manufacturer's recommendations and other regulations relating to the safety use and inspection of the Property Insured.

4.19 Salvage and Recoveries

All salvages, recoveries, and payments, excluding proceeds from subrogation and underlying insurance recovered or received prior to a loss settlement under this Section, shall reduce the loss accordingly.

5 Extensions

(The following extensions are covered in this Section)

5.1 Appraisalment

If the aggregate claim for any one loss, destruction or damage does not exceed RM5,000, by the item or items affected, no special inventory or appraisalment of the undamaged Property Insured shall be required.

If two or more buildings are included as a single item, this extension shall apply to the range of buildings and/or contents by the item or items affected.

5.2 Architect's Surveyor's and other Consultant's Fees Clause

The Property Insured under this Section hereby includes Architect's, Surveyor's, Consulting Engineer's Fees and any other relevant professional fees necessarily incurred in the repair and/or reinstatement of the Property Insured consequent upon its physical loss, destruction or damage, including fees incurred to determine the extent of the physical damage or physical loss and all other reasonable costs and expenses, but not such fees for preparing any claim hereunder.

The amount payable for such fees shall not exceed those authorized under the scales of the Associations of the respective professions prevailing at the time of physical loss, destruction or damage.

The Company's maximum liability under this clause shall not exceed the sum stated in the schedule for which the item is insured or not exceeding the sum insured against each item.

5.3 Capital Additions Clause

The insurance under this Section hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the Sum Insured) to the Property Insured under this Section hereof for an amount not exceeding RM2,000,000/- (Malaysian Ringgit Two million only) it being understood that the Insured undertake to advise the Company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

5.4 Civil Authority

Notwithstanding anything contained in this Section, property which is insured under this Section is also covered against the risk of physical loss, destruction or damage arising from the action of any civil authority during a conflagration or other catastrophe or peril insured by this Section and for the purpose of preventing, minimizing or retarding same and shall also include the closure of any Insured Location of Risk/operation by civil authority due to the operation of a peril insured against.

The Company's maximum liability under this clause shall be limited to RM10,000 for each and every loss and in the annual aggregate.

5.5 Cost of Re-erection

The Insurance in this Section extends to include the reasonable costs and expenses necessarily incurred by the Insured to re-erect or re-install the insured machinery and plant in consequence of physical destruction or damage by any of the insured perils, provided that the total amount recoverable under any item of this Section shall not exceed RM20,000 for every occurrence.

5.6 Demonstration and Exhibition

This Section extends to cover loss or damage by fire or any insured perils to the Property Insured whilst on demonstration or exhibition at any premises of Class 1A or 1B construction anywhere in Malaysia, up to a limit of RM25,000 for every occurrence.



5.7 Deterioration of Stocks

The Insurer will indemnify the Insured for up to RM2,000 in the aggregate in any one Period of Insurance for loss of or damage or deterioration of food in any refrigeration units within the Property Insured whilst in the insured Location of Risk due to:

- (a) Accidental damage to refrigerating equipment;
- (b) Failure of public electric supply;
- (c) Accidental escape of refrigerant gas

Provided that:

The Insured had maintained the refrigerating equipment in good working order and had at all material times undertaken precautions to keep it in a proper state of repair.

Special Exceptions

This extension shall exclude loss or damage resulting from:

- (a) A deliberate act of any power supply authority;
- (b) The withholding or restricting of power by such authority;
- (c) A deliberate act or neglect of the Insured or member of the Insured's household or sole proprietor, director, partner, officer or servant of the Insured;
- (d) Refrigeration units which are more than 6 years old;
- (e) Consequential loss of any kind;
- (f) The imposition of abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments;
- (g) Loss or damage arising from faulty packing or storage, inherent defects, contamination or disease;
- (h) Faults or defects known to the Insured or any of the Insured's employees at the time the contract was arranged and not disclosed to the Insurer;
- (i) Forced quarantine, evacuation or epidemic which affects the local power grid.

5.8 Expediting Expenses Clause

The indemnity provided under this Section extends to include the extra charges, costs and expenses reasonably incurred by the Insured in the reinstatement, replacement or repair of the Property Insured including overtime, night work, work on public holidays, express freight, airfreight, custom duties and the like.

The Company's maximum liability under this clause shall be limited to RM10,000 for each and every loss.

5.9 Leased Property

This Section extends to indemnify any other party having an interest in the Property Insured by virtue of and in accordance with the terms of a mortgage, leasing, hiring or renting agreement, provided such property is not more specifically insured.

Where the Insured enters into a lease agreement for occupancy of any building or part of a building and the terms of such lease contain a disclaimer clause in favor of the lessor, the Insurance provided by this Section will not be prejudiced by the Insured agreeing to such terms.

5.10 Mortgage Clause

It is noted and agreed that the Property Insured by this

Section has been mortgaged with :

(as specified in the Schedule under "Financial Interest") and that in consequence thereof it has been agreed with the said mortgagee and the Insured that in case of loss, if any, payable under this Section, any payment up to the amount to which the said mortgagee is entitled for principal, interest occurred and costs shall be made to the said mortgagee without prejudice to the rights the Insured has on the difference. This clause is to be null and void on receipt of advice from the said mortgagee that they are no longer interested in the Property Insured under this Policy.

5.11 New Locations

The Company will hold covered any new location(s) within Malaysia (subject to building of Class 1A construction) acquired by the Insured during the Period of Insurance, subject to a limit of ten per cent (10%) of the Sum Insured or RM500,000, whichever is lesser per location. The Insured shall declare to the Company within thirty (30) days from the date of occupation of the new Insured Location of Risk and an additional premium shall be charged accordingly.

5.12 Other Contents Clause

It is hereby agreed that the term "Other Contents" is understood to include:-



- (a) Money and stamps not otherwise specifically insured for an amount not exceeding Ringgit Malaysia One Thousand (RM1,000) for each and every loss.
- (b) Documents, manuscripts and business books but only for the value of the together with the cost of clerical labor expended in writing up, and not for the value to the Insured of the information contained therein and for an amount not exceeding Ringgit Malaysia One Thousand (RM1,000) in respect of any documents, manuscript or business book.
- (c) Computer systems records but only for the value of the materials together with cost of clerical labor and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Insured of the information contained therein for an amount not exceeding Ringgit Malaysia One Thousand (RM1,000).
- (d) Patterns, models, moulds, plans and designs for an amount not exceeding Ringgit Malaysia One Thousand (RM1,000).

And so far as they are not otherwise insured:-

- (e) Employees' pedal cycles, clothing, tools and other personal effects for an amount not exceeding Ringgit Malaysia One Thousand (RM1,000) in respect of any one employee.

5.13 Public Authority Clause

It is hereby declared and agreed that the insurance under this Section extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any government act or By-Laws of any municipal or local authority provided that:-

- (1) The amount recoverable under this Extension shall not include:-
 - (a) the cost incurred in complying with any of the aforesaid Regulations or By-Laws :-
 - (i) in respect of destruction or damage occurring prior to the granting of this extension,
 - (ii) in respect of destruction or damage not insured by the Section,
 - (iii) under which notice has been served upon the Insured prior to the happening of the destruction or damage.
 - (iv) in respect of undamaged property or undamaged portions of property.
 - (b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or By-Laws not arisen;
 - (c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or By-Laws.

(2) The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve (12) months after the destruction or within such further time as the Company may (during the said 12 months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or By-Laws so necessitate) subject to the liability of the Company under this extension not being thereby increased.

If the liability of the Company under (any item of) the Section apart from this extension shall be reduced by the application of any of the terms and conditions of the Section then the liability of the Company under this extension (in respect of any such item) shall be reduced in like proportion.

- (4) The total amount recoverable under any item of the Section shall not exceed the Sum Insured thereby.
- (5) All the conditions of the Section except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

5.14 Removal of Debris

The insurance under this Section includes costs and expenses necessarily incurred by the Insured with the consent of the Company in the :-

- (a) removal of debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

of the portion, or portions of the Property Insured by this Section destroyed or damaged by fire or by any other peril hereby insured against. (Items (b) and (c) above are deemed to be deleted when neither Buildings nor machinery are insured).

The Company will not pay any costs or expenses:

- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
 - (ii) arising from pollution or contamination of property not insured by this section.
- The Company's maximum liability under this clause shall not exceed the sum stated in the Schedule for which the item is insured or not exceeding the Sum Insured against each item.

5.15 Temporary Removal Clause

The insurance under this Section is extended to cover machinery, plant, equipment and furniture excluding stocks insured under this Section is covered (limited to ten per cent (10%) of the Sum Insured in respect of such item for every occurrence, whichever is lower) whilst temporarily removed for cleaning, renovation, modification, repair or other similar purpose elsewhere on the same location or to any other Insured Location of Risk and in transit thereto and there from by road, rail or inland waterway all in Malaysia. Provided the period of temporary removal does not exceed thirty (30) continuous days.



The amount recoverable under this Extension in respect of the Property Insured so removed shall not exceed the amount which would have been recoverable had the loss occurred in that part of the Insured Location of Risk from which the said Property is temporarily removed. This extension does not apply to:

- (a) property that is not the Property Insured;
- (b) stock and merchandise of every description;
- (c) motor vehicles and motor chassis with regard to losses occurring elsewhere than at the Insured Location of Risk from which such property is temporarily removed;
- (d) property (other than machinery and plant) held by the Insured in trust as regard losses occurring elsewhere than at the Insured Location of Risk from which such Property is temporarily removed.

5.16 Temporary Storage Clause

The Property Insured (excluding buildings) under this

Section is covered whilst temporarily stored elsewhere

PROVIDED that:-

- (a) the period of temporary storage shall not exceed 60 days;
- (b) The liability of the Company is limited to

RM500, 000 for each and every loss (applicable

separately for respective Declarations hereto)

for property covered under this clause;
- (c) the Company shall not be liable for any loss or damage to the property whilst in transit (including the processes of loading and unloading incidental to such transit);
- (d) The Insurance under this Section does not apply to property in so far as it is otherwise insured nor does it apply to motor vehicles and motor chassis.

5.17 Tenants' Improvements

This Section extends to include improvements and alterations to landlord's property insofar as the Insured is responsible therefore. The Company shall not be liable in respect of the above for any amount which the Insured may be able to recover from the owner of the building.

5.18 Vehicle Load Clause

In the event of any Insured's vehicles being left loaded overnight whilst in or on the Insured Location of Risk the Company will indemnify the Insured in respect of such load in the event of physical loss or physical damage by any perils insured against under this Section.

The following peril is not covered unless expressly stated in the Schedule

5.19 Flood

This insurance extends to cover loss or damage directly caused by fire or otherwise occasioned by or through or in consequence of Flood (including overflow of the sea) subject to the following Excess Clause and Special Conditions attached hereto.

Note: Flood, for the purpose of this extension, shall mean the overflowing or deviation from their normal channels of either natural or artificial water courses, bursting or overflowing of public water mains and any other flow or accumulation of water originating from outside the building insured or containing the Property Insured, but excluding loss or damage caused by subsidence or landslip. Provided always that all the Conditions of this Section shall apply (except insofar as they may be hereby expressly varied) and that any reference therein to loss or damage by fire shall be deemed to apply also to loss or damage directly caused by any of the perils which this insurance extends to include by virtue of this endorsement.

Excess Clause

It is understood and agreed that as regards loss or damage to any property hereby insured directly caused by the peril to which this Clause is hereinbefore stated to apply, the Company's liability shall be limited to its rateable proportion of the amount by which such loss or damage exceeds either:-

- (a) 1% of the total sums insured against such peril on said property by Policies in the name of the Insured, or
- (b) the first RM2,500.00 of each and every loss whichever shall be the less, as ascertained after the application of any condition of average.

It is further agreed that this Clause shall apply separately to:-

- (i) each property, for which purpose all insured properties at the same address will be regarded as one property,



(ii) each incident giving rise to such loss or damage and that for the purposes hereof an incident shall not be considered to have terminated until there have been seven (7) consecutive days' freedom from the peril concerned and that only thereafter shall the Clause apply afresh.

Special Conditions

(1) This endorsement does not extend the insurance under this Section to cover:-

- (a) Consequential loss of any kind.
- (b) Loss or damage caused by hail whether driven by wind or not.
- (c) Loss or damage caused by subsidence or landslip except when this is occasioned by earthquake or volcanic eruption, provided that these perils are insured against by this Section.
- (d) Loss or damage caused by explosion
- (e) Loss by reason of any ordinance or law regulating the construction or repair of buildings.

(2) The Company shall not be liable under this extension for loss or damage which at the time of the happening of such loss or damage is insured by or would, but for the existence of this extension, be insured by any other existing Policy or Policies except in respect of any excess beyond the amount which would have been payable under such other Policy or Policies had this Insurance not been effected.

(3) Unless specifically and separately insured this endorsement does not cover metal smoke stacks, awnings, blinds, signs or other outdoor fixtures or fittings of any description.

Subject otherwise to the terms and conditions of this Section

SECTION 2: FIRE CONSEQUENTIAL LOSS

Subject to the Insuring Agreement of the Policy and to the specific terms of this Section 2, (i.e. the Term of this Section), the Company agrees that if the building or other property or any part thereof used by the Insured at the Premises for the purpose of the Business be destroyed or damaged by:-

- 1) Fire,
- 2) Lightning,
- 3) Explosion, in a building in which gas is not generated and which does not form part of any gasworks, of gas used therein for illuminating or domestic purposes.

destruction or damage so caused being hereinafter termed Damage at any time during the Period of Insurance or any subsequent period in respect of which the Company agrees to accept the premium required for the renewal of this Policy and the Business carried on by the Insured at the premises be in consequence thereof interrupted or interfered with, then the Company will pay to the Insured in respect of in the items covered in Section 2 of the

Policy Schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

Provided that at the time of the happening of the Damage there shall be in force an insurance covering the interest of the Insured in the property at the premises against such Damage, under Section 1, and that payment shall have been made or liability admitted t under such insurance.

And that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said Schedule to be insured thereon or in the whole the total sum insured hereby or such other sum or sums as may hereafter be substituted therefore by memorandum signed by or on behalf of the Company.

CONDITIONS

1. MISDESCRIPTION

If there be any material misdescription of the Business or Premises to which this insurance refers or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, the Company shall not be liable upon this Section 2.

2. PREMIUM PAYMENT

No payment in respect of any premium shall be deemed to be payment to the Company unless a printed form of receipt for the same signed by an Official or duly appointed Agent of the Company shall have been given to the Insured.

3. OTHER INSURANCE

The Insured shall give notice to the Company of any insurance or insurances already effected, or which may subsequently be effected, covering any of the loss hereby insured against and unless such notice be given and the particulars of such insurance or insurances be stated in or endorsed on this Policy by or on behalf of the Company before the occurrence of any Damage, all benefits under this Policy shall be forfeited.

4. DISPLACEMENT

Immediately upon any fall or displacement

- (a) of any building Damage to which might give rise to a claim under this Section 2;



(b) of any part of such building;
(c) of the whole or any part of any range of buildings or of any structure of which such building forms part.
The insurance under this Section 2 shall cease in respect of loss resulting from Damage to such building or property therein **PROVIDED THAT**

- (i) Such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of Damage or is otherwise material;
- (ii) Such fall or displacement is not caused by Damage, loss resulting from which is covered by this Section 2 or would be covered if such building or range of buildings or structure were included in the Premises to which this Section 2 refers

If any claim be made upon this Section 2 in consequence of Damage whether occurring before, during or after such fall or displacement the Insured shall produce such proof as may reasonably be required that the loss was not, either in origin or in extent, directly or indirectly, proximately or remotely; occasioned by or contributed to by any such fall or displacement and did not either in origin or extent, directly or indirectly, proximately or remotely, arise out at or in connection with any such fall or displacement.

5. EXCLUDED INTERRUPTION LOSS

The Company shall not be liable in so far as the interruption loss is increased:-

- a) by extraordinary events taking place during the interruption,
- b) by restrictions imposed by the authorities on the reconstruction or operation of the business,
due to the Insured's lack of sufficient capital for timely restoration or replacement of property destroyed, damaged or lost.

6. EXCLUDED COVER

This insurance does not cover:-

Loss occasioned by or happening through or in consequence of:-

- (a) The burning of property by order of any Public Authority,
- (b) Subterranean Fire,
- (c) Explosion except as stated on the Policy,
- (d) The burning, whether accidental or otherwise, of forests, bush lalang prairie, pampas or jungle and the clearing of lands by fire,
- (e) Damage to property occasioned by its own fermentation, natural heating or spontaneous combustion or by its undergoing any heating or drying process.

7. EXCLUDED COVER

This insurance does not cover any loss resulting from Damage which either in origin or extent is directly or indirectly, proximately or remotely, occasioned by or contributed to by any of the following occurrences, or which, either in origin or extent, directly or indirectly, proximately or remotely, arises out of or in connection with any of such occurrences namely:-

- (a) Earthquake, volcanic eruption, typhoon, hurricane, tornado, cyclone or other convulsion of nature or atmospheric disturbance,
- (b) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), mutiny, riot, civil commotion, insurrection, rebellion, revolution, conspiracy, military or usurped power, martial law or state of siege, or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
- (c) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
- (d) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
- (e) Any act of Terrorism

For this purpose 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.

Any loss resulting from Damage happening during the existence of abnormal conditions (whether physical or otherwise), directly or indirectly, proximately or remotely, occasioned by or contributed to by or arising out of or in connection with any of the said occurrences shall be deemed to be loss not covered by this insurance, except to the extent that the insured shall prove that such Damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this condition any loss is not covered by this insurance the burden of proving that such loss is covered shall be upon the insured.

8. CHANGE IN RISK

The insurance by this Section 2 shall cease if:-



- (a) the Business be wound up or carried on by a Liquidator or Receiver or permanently discontinued, and/or
- (b) the Insured's interest cease otherwise than by death, and/or
- (c) any alteration be made either in the Business or in the Premises or property therein whereby the risk of Damage is increased, at any time after the commencement of this insurance, unless its continuance be admitted by memorandum signed by or on behalf of the Company.

9. INCREASE IN RISK

Notice shall be given to the Company and, if required, an additional premium paid, if the rate of premium payable in respect of the insurance covering the interest of the Insured in the property at the Premises against Damage shall be increased.

10. CANCELLATION

This insurance may be terminated at any time at the request of the insured, in which case the Company will retain the customary short period rate for the time the Section 2 has been in force. This insurance may also at any time be terminated at the option of the Company on notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

11. CLAIM PROCEDURE

On the happening of any Damage in consequence of which a claim is or may be made under this Section 2, the Insured shall forthwith give notice thereof to the Company and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under this Section 2 shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as the Company may in writing allow, at his own expense deliver to the Company in writing a statement setting forth particulars of his claim, together with details of all other insurances (if any) covering the Damage or any part of it or consequential loss or any kind resulting therefrom. The Insured shall at his own expense produce, procure and give to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by or on behalf of the Company for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith. No claim under this Section 2 shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

12. FRAUD

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy; or if the Damage be occasioned by the wilful act, or with the connivance of the insured; or, if the claim be made and rejected and an action or suit be not commenced within three months after such rejection, or (in case of an arbitration taking place in pursuance of the 15th Condition of this Section 2) within three months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Policy shall be forfeited.

13. CONTRIBUTION

If at the time of any loss under this Section 2 there be any other subsisting insurance, whether effected by the insured or by any other person or persons covering such loss or any part of it, the Company shall not be liable to pay or contribute hereunder more than its rateable portion of such loss.

14. SUBROGATION

The Insured shall, at the expenses of the Company, do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for any loss under this Section 2, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

15. ARBITRATION

If any difference arises as to the amount of any loss 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 calendar months 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 calendar months 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, or 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 cost of the reference and of the award shall be at 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 if disputed shall be first obtained.

16. REINSTATEMENT OF SUM INSURED



In consideration of the Insured undertaking to pay an additional premium at the agreed rate on the amount of loss calculated on a pro rata basis from the date of such loss to the expiry of the correct period of insurance, it is agreed that in the event of loss the insurance hereunder shall be maintained in force for the full sum insured.

17. TIME LIMITATION

In no case whatever shall the Company be liable in respect of any claim under this Section 2 after the expiration of

- (a) one year from the end of the Indemnity Period, or if later,
- (b) three months from the date on which payment shall have been made or liability admitted by the insurers covering the Damage giving rise to the said claim, unless the claim is the subject of pending action or arbitration.

18. MEANING

This Section 2 and the Schedule annexed (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of the Section 2 or of the Schedule shall bear such specific meanings wherever they may appear.

19. NOTICE

Every notice and other communication to the Company required by these conditions must be written or printed.

CLAUSES AND ENDORSEMENTS

(Not applicable unless specified in the Policy Schedule)

CL.01 - ACCOUNTANTS' CLAUSE

Any particulars or details contained in the Insured's books or documents which may be required by the Insurers under Condition 11 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

CL.02 - ALTERNATIVE BASIS CLAUSE

It is agreed and declared that in the event of a claim, adjustment may be based on 'Turnover or Output' whichever affords the most equitable result, and except in the definition of turnover the word "Turnover" wherever used in this Policy shall read as 'Turnover or Output'. 'Output' shall mean sale value of goods manufactured by, or sold by, the Insured in the course of the Business at the Premises, provided that: (a) only one such meaning shall be operative in connection with any one occurrence involving damage as within defined. (b) if the meaning set out in this Clause be used, the Alternative Trading Clause shall be held to be altered to read as follows:-

Alternative Trading Clause

If during the Indemnity Period goods shall be manufactured elsewhere that at the Premises affected by the damage for the benefit of The Business either by the Insured or by others on the Insured's behalf the sale value of the goods so manufactured shall be brought into account in arriving at the output during the Indemnity Period.

CL.03 - ACCUMULATION OF STOCK CLAUSE

In adjusting any loss account shall be taken and an equitable allowance made if any shortage of turnover due to the damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods in warehouses and/or depots.

CL.04 - DEPARTMENTAL CLAUSE

If the business be conducted in departments the independent trading results of which are ascertainable the provisions of Clauses

(a) and (b) of Item 1 of the specifications attached shall apply separately to each Department affected by the damage except that if the Sum Insured by the said item be less than the aggregate of the Sums produced by applying the rate of Gross Profit for each department of the business (whether affected by the damage or not) to the relative annual output thereof, the amount payable shall be proportionately reduced.

CL.05 - INTERDEPENDENCY CLAUSE

It is hereby expressly declared and agreed that if damage to any of the joint Insured's premises/property should result in another of the Insured suffering a reduction in turnover or increase in cost of working then such loss is deemed to be covered by this Policy notwithstanding that no material damage was sustained by the latter premises/property.

Note: The Interdependency Clause may only be used for joint insureds who stand in the relationship as parent and subsidiary companies.



CL.06 - MATERIAL DAMAGE PROVISIO WAIVER CLAUSE

It shall not be a condition precedent to liability in respect of interruptions or interference in consequence of destruction or damage that the payment shall have been made or liability admitted under the Insurance covering the interest of the Insured in the property at the premises against such destruction or damage if no such payment shall have been made nor liability admitted solely owing to the operation of a proviso in such insurance excluding liability for losses below a specified amount.

CL.07 - PAYMENT ON ACCOUNT CLAUSE

Payment on account will be made to the Insured if desired provided that it is established that the loss is indemnifiable under this Policy.

CL.08 - SALVAGE SALES CLAUSE

If, following damage giving rise to a claim under this Policy, the Insured shall hold a salvage sale during the Indemnity Period, Clause (a) of Item No.1 of the specifications attached shall for the purpose of such claim read as follows:-

- (a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying Rate of Gross Profit to the the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall in consequence of the damage, fall short of the Standard Turnover from which sum shall be deducted from the Gross Profit actually earned during the period of the salvage sale.

CL.09 - UPWARD ADJUSTMENT CLAUSE

In the event of the *Gross Profit/Gross Rental/Gross Revenue earned during any annual period of insurance (or during the accounting period of 12 months more nearly concurrent with any period of insurance) as certified by the Insured's Auditors being greater than the Sum Insured thereon, the Insured will be held covered to the extent of.....% of the Sum Insured thereof and

pro-rata additional premium not exceeding..... % of the premium paid on such Sum Insured for such period of insurance will be charged in respect of the difference.

N.B. The maximum percentage of upward adjustment shall be limited to 25% only. An additional premium calculated at 75% of the upward adjustment percentage shall be imposed. This additional premium shall be treated as provisional, and shall be adjusted in accordance to the actual *Gross Profit/Gross Rental/Gross Revenue earned as certified by the Insured's auditors.

- To delete appropriately.

CL.10 – NEW BUSINESS CLAUSE

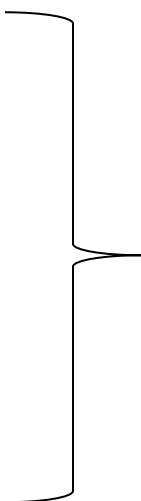
For the purpose of any claim arising from damage occurring before the completion of the first year's trading of the business at the premises, the terms, 'Rate of Gross Profit' 'Annual Turnover' and 'Standard Turnover' shall bear the following meanings and not as within stated:-

RATE OF GROSS PROFIT -

The rate of gross profit earned on the turnover during the Period between the commencement of the business and the date of the damage

ANNUAL TURNOVER - The proportional equivalent for The period of twelve months Turnover realised during The period between the commencement of the business and the date of the damage

STANDARD TURNOVER - The proportional equivalent for a period equal to the Indemnity period, of the Turnover realised during the period between the commencement of the business and the date of the damage



to which such adjustment shall be made as may be necessary to provide for the the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage



CL 12 WAR & TERRORISM EXCLUSION ENDORSEMENT

This endorsement cancels and replaces Policy condition 7(e) thereof.

Notwithstanding any other 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 of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

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 (1) and/or (2) above.

If the Company alleges 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.

CL13 SANCTION EXCLUSION CLAUSE

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the insurer to any sanction, prohibition or restriction under the United Nations' Security Council resolutions (UNSC) or the trade or economic sanctions, laws or regulations of the European Union or the United States of America."

EXTENSIONS

[\(Not applicable unless specified in the Policy Schedule\)](#)

EP.1 - PUBLIC UTILITIES CLAUSE

In consideration of the payment of additional premium it is hereby declared that subject to the conditions of the Policy, loss as insured by this Policy resulting from interruptions of or interference with the business consequent upon failure of public supplies of electricity/water/gas resulting from a damage as defined in the Policy at any:-

- generating station or substation of the public electricity supply undertaking,
- land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith,
- water works or pumping station or the public water supply undertaking,

from which the Insured obtains electricity/water/ gas* shall be deemed to be loss resulting from damage to property used by the Insured at the premises. Any transmission lines or pipes feeding to the Insured's premises are not included.

A deliberate act of the supply undertaking not performed for the purpose of safeguarding life or protecting the system and rationing not necessitated solely by accidental damage to the supply undertaking's equipment are excluded.

PROVIDED that the Insurers shall not be liable for any loss insured by this extension unless failure of the public supplies of electricity exceeds a period of seventy-two (72)* hours and the liability of the insurer under this extension shall apply only to such period in excess of seventy-two (72)* hours.

* Delete as appropriate.

EP.2 - PREVENTION OF ACCESS

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that subject to the conditions of the Policy, loss as insured by Item(s) No(s)..... of this Policy resulting from interruptions of or

interference with the business in consequence of damage by insured peril (as within defined) to property in the vicinity of the Insured's premises which shall prevent or hinder the use thereof or access thereto, whether the premises or property of the insured therein shall be damaged or not, shall be deemed to be loss resulting from damage to property used by the insured at the premises

EP.3 - INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS

It is hereby agreed and declared that the insurance of this Policy is extended to cover contingencies hereunder specified: -



- (i) Human infectious or contagious disease manifested within any person whilst in the Premises
 - (ii) Murder or suicide or pest occurring at the Premises
 - (iii) Injury or illness sustained by any person arising from or traceable to foreign injurious matter in the food or drink provided on the Premises
 - (iv) Vermin or pests at the Premises
 - (v) Defects in the drains and other sanitary arrangements at the Premises
- which directly and solely results in the restriction of use of the Premises (whether total or partial) by the order of the competent public authority.

Any interruption of or interference with the Business of the Insured in accordance with the provisions herein contained in the Schedule shall be deemed to be DAMAGE as defined .

SPECIAL CONDITIONS

1. Notifiable Disease or illness shall mean illness sustained by any person resulting from –
 - a) food or drink poisoning, or
 - b) any human infectious or human contagious disease [excluding Acquired Immune Deficiency Syndrome (AIDS)] an outbreak of which the competent local authority has stipulated shall be notified to them.
2. For the purpose of this memorandum:
 Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence or discovery or accident, beginning: -
 - a) in the case of (i) , (iv) and (v) above, with the date of the occurrence or discovery
 - b) in the case of (ii) and (iii) above, with the date from which the restrictions on the Premises are applied and ending not later than when restrictions are lifted or Maximum Indemnity Period thereafter, whichever is the shorter period.

Maximum Indemnity Period shall meanmonths

Premises shall mean only those locations stated in the Premises definition; in the event that the policy includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this memorandum.

3. The Insurer shall not be liable under this memorandum for any costs incurred in the cleaning, repair, replacement, recall or checking of property.
4. The Insurer shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.
5. The Insurer's liability under this memorandum shall not exceed 10% of Sum Insured or RM10 million, whichever is lower in any one period of insurance, after the application of all other terms and conditions of the policy.

PROVIDED that the Insurers shall not be liable for any loss insured by this extension unless interruption of or interference with the Business of the Insured exceeds a period of seventy-two (72) hours and the liability of the insurer under this extensions shall apply only to such period in excess of seventy-two (72) hours.

EP.4 - SPECIFIED SUPPLIERS' PREMISES

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that, subject to the conditions of the Policy, loss as insured by Items(s) No. (s)of this policy resulting from interruptions of or

interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location under (each of) Item(s) Nos(s).....shall not exceed

the percentage of the sum insured thereunder shown against each situation.

Situations	Limit
_____	_____
_____	_____

EP.5 - UNSPECIFIED SUPPLIERS' PREMISES

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that, subject to the conditions of the Policy, loss as insured by Items(s) No. (s)of this policy resulting from interruptions of or

interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed..... the percentage of the sum insured thereunder.



Situations:

The premises situate in Malaysia, Singapore or Brunei of the insured's suppliers, manufacturers or processors of components, goods and materials.

EP.6 - SPECIFIED CUSTOMERS' PREMISES

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that subject to the conditions of the Policy, loss as insured by Item(s) No(s)..... of this policy resulting from interruptions or

interference with the business in consequence of damage (as within defined) to property at any premises in Malaysia, Singapore or Brunei of the under-noted customer(s) shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that if the percentage shown below against the name of the Customer at whose premises damage has occurred shall be less than the percentage of the annual turnover derived by the insured from that customer, the amount otherwise payable under the terms of this memorandum in respect of that customer shall be proportionately reduced.

Customer	Percentage
_____	_____
_____	_____

SPECIAL PERILS

(Not applicable unless specified in the Policy Schedule)

SP.1 - RIOT, STRIKE & MALICIOUS DAMAGE ENDORSEMENT

It is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the term Damage as defined in this Policy shall extend to include (subject always to the Special Conditions hereinafter contained):

- (A) Riot and Strike damage directly caused by :-
- (1) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in Condition 7 of the Special Conditions hereof.
 - (2) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequences of any such disturbance.
 - (3) The wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out.
 - (4) The action of any lawfully constituted Authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act.
- (B) Malicious Damage directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in Condition 7 of the Special Conditions hereof.

SPECIAL CONDITIONS

For the purpose of this endorsement but not otherwise there shall be substituted for the respectively numbered Conditions of the Policy the following:-
Condition 6.

This insurance does not cover:-

- (a) Loss resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation, other than that arising directly from destruction of or damage to the Premises or the property therein of the Insured caused by the perils insured against under this Policy.
- (b) Loss occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted Authority.
- (c) Loss occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.
- (a) Loss occasioned by or happening through or in consequence of damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
- (e) Loss occasioned by or happening through or in consequence of damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radio activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Condition 6(e) only, combustion shall include any self-sustaining process or nuclear fission.

Provided nevertheless that the Company is not relieved under (b) or (c) above of any liability to the Insured in respect of loss following physical damage to the Premises or the property therein of the Insured occurring before dispossession or during temporary dispossession.



Condition 7.

This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:-

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war.
- (b) Mutiny, civil commotion assuming the proportions of or amounting to popular arising, military rising, insurrection, rebellion, revolution, military or usurped power.
- (c) Act of terrorism committed by a person or persons acting on behalf or in connection with any organisation.

For the purpose of this Condition, "terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition any loss or damage is not covered by this Insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

Condition 10

This insurance may at any time be terminated by the Company on notice to the effect being given to the Insured, in which case the Company shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of cancellation. If the insurance be terminated at the request of the Insured the Company shall not be liable to repay the premium or any part of it.

PROVIDED THAT it is hereby further expressly agreed and declared that:-

- (1) The liability of the Company shall in no case under this endorsement and the Policy exceed the sum insured by the Policy.
- (2) All the conditions of this Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the above Special Conditions.

The Special Conditions herein shall apply only to the insurance granted by this extension and the Conditions of the Policy shall apply in all respects to the insurance granted by the Policy as if this endorsement had not been made thereon.

SP2 – ADDITIONAL PERILS ENDORSEMENT

It is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the term Damage as defined in this Policy shall extend to include destruction or damage (by fire or otherwise) caused by the following perils as covered under the corresponding Material Damage Insurance Policy No.

- (a) Aircraft and other aerial devices or articles dropped therefrom
- (b) Earthquake and volcanic eruption
- (c) Hurricane, cyclone, typhoon, windstorm
- (d) Flood (including overflow of the sea)
- (e) Explosion but excluding loss or damage to boilers, economizers or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion
- (f) Impact by any road vehicles, animals not belonging to or under the control of the Insured, or any member of his family, or any person in and upon the Insured's service or Impact by any road vehicles, animals including any road vehicles, horses or cattle belonging to or under the control of the Insured, or any member of his family, or any person in and upon the Insured's service
- (g) Bursting or overflowing of water tanks, apparatus or pipes installed in or on the premises insured but excluding water Discharged or leaking from an installation of automatic sprinklers
- (h) Bush/lalang fire
- (i) Subsidence and/or ore heave of the site on which the buildings stand or land belonging thereto, or landslip
- (j) Fire only caused by spontaneous fermentation, heating or combustion or Spontaneous fermentation, heating or combustion
- (k) Smoke damage due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is Connected to a chimney by exhaust pipe or vent pipe, but not smoke from fire-laces or industrial apparatus
- (l) water or other fire extinguishing agent accidentally discharged or leading from any automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus
- (m) loss or damage to property occasioned by its undergoing any heating or drying process, but excluding loss or damage due to smoke, fumes, scorching, charring, chemical reaction, change of state or original composition, or discoloration.



Provided that the liability of the Company shall in no case under this Endorsement and the policy exceed the sum insured by this Policy.

All the conditions of this Policy shall apply in all respects to the insurance granted by this Endorsement save in so far as the same are expressly varied hereunder.

SP3 – ADDITIONAL PERILS ENDORSEMENT

It is hereby agreed and declared that notwithstanding anything in the within written Policy contained to the contrary the term Damage as defined in this Policy shall extend to include destruction or damage (by fire or otherwise) caused by the following perils as covered under the corresponding Material Damage Insurance Policy No.

Provided that the liability of the Company shall in no case under this Endorsement and the policy exceed the sum insured by this Policy.

All the conditions of this Policy shall apply in all respects to the insurance granted by this Endorsement save in so far as the same are expressly varied hereunder.

Note* : The additional perils endorsement wordings (a) or (b) to be used where applicable.

MANDATORY CLAUSES AND WARRANTY APPLICABLE TO THE POLICY:-

DATE RECOGNITION CLAUSE

It is noted and agreed this policy is hereby amended as follows :

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury), expenses incurred 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:
1. correctly recognize any date as its true calendar date ;
 2. 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 as its true calendar date; and/or
 3. 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. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in A.
- C. It is further understood that the Company will not pay for any loss or damage including loss of use with or without physical damage, injury (including bodily injury), expenses incurred 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. It is further understood that the Company will not pay for any consequential loss resulting from any continuing inability of the computer and equipment described in A above to correctly recognize any date as its true calendar date after the loss or damaged property has been replaced or repaired.

Such loss or damage, injury (including bodily injury), expenses incurred 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.

Saving Clause

This endorsement shall not exclude subsequent loss or damage or consequential loss which itself results from an insured peril as defined in the policy.

Subject otherwise to the terms and conditions of the policy.

PREMIUM WARRANTY ENDORSEMENT

It is a fundamental and absolute Special Condition of this contract of insurance that the premium due must be paid and received by the Insurer 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 that 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.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THIS POLICY.

LIST OF SPECIFICATIONS WORDINGS

SW.01 - GROSS PROFIT DIFFERENCE BASIS WORDINGS

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

<u>ITEM NO</u>	<u>SUM INSURED</u>
-----------------------	---------------------------

1.	ON GROSS PROFIT
----	------------------------

THE INSURANCE UNDER ITEM NO. 1 is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:-

- (a) IN RESPECT OF REDUCTION IN TURNOVER: The sum produced by applying the Rate of Gross profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross profit to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of

Gross Profit as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the sum produced by applying the rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

GROSS PROFIT	The amount by which the sum of the Turnover, Closing Stock Shall exceed the sum of Opening Stock, Work-in-progress and the Specified Working Expenses. N. B. 1 The amount of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation. N. B. 2 The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured unless otherwise defined in this Specification.
SPECIFIED	As per Memo attached.
WORKING EXPENSES	
TURNOVER	The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.
INDEMNITY	The period beginning with the occurrence of the damage and ending not



PERIOD later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

MAXIMUM:

INDEMNITY PERIOD: As specified in the policy schedule

RATE OF GROSS PROFIT The rate of Gross Profit earned on the turnover during the financial year immediately before the date of damage.

ANNUAL TURNOVER The Turnover during the twelve months immediately before the date of the damage

STANDARD TURNOVER The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with Indemnity Period

to which such adjustment shall be made as may be necessary to provide for the the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales of services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

Premium Adjustment Clause. In the event of the Gross Profit (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

SW.02 – DUAL BASIS WAGES WORDING

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item No.	Sum Insured
1.	ON WAGES

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of Wages and the amount payable as indemnity thereunder shall be:

(a) INRESPECT OF REDUCTION IN TURNOVER:

- during the Initial Period: the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during such period through reduction in consequence of the damage in the amount of Wages paid.
- during the remaining portion of the Indemnity Period: the sum produced by applying the Rate of Wages to the shortage in Turnover during such period less any saving during period through reduction in consequence of the damage in the amount of Wages paid but not exceeding the sum produced by applying the remainder percentage of the Rate of Wages to the shortage in Turnover during the said remainder portion of the Indemnity Period increased by such amount as is deducted for savings under the terms of Clause (i).

Note: At the option of the Insured the Alternative Period may be substituted for the Initial Period provided that the amount arrived at under the provisions of Clause (a) (ii) shall not exceed such amount as is deducted under Clause (a) (i) for savings effected during the Alternative Period.

(b) IN RESPECT OF INCREASE IN COST OF WORKING:

so much of the additional expenditure described in Clause (b) of the relative gross profit item as exceeds the amount payable thereunder:



but not more than the additional amount which would have been payable in respect of Reduction in Turnover under the provisions of Clause (a) (i) and (ii) of this item had such expenditure not been incurred:

Provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Wages to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable under this Item shall be proportionately reduced.

DEFINITIONS

INDEMNITY PERIOD	The Period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage
MAXIMUM INDEMNITY PERIOD	As specified in the policy schedule
INITIAL PERIOD	The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than _____ weeks thereafter. (as per Memo attached)
REMAINDER PERCENTAGE	____ PER CENT (as per Memo attached)
ALTERNATIVE PERIOD	The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than _____ weeks thereafter.
WAGES	The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to Wages) of all employees.
RATE OF WAGES	The Rate of Wages to Turnover during the financial year immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or after the damage or circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
TURNOVER	The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises
ANNUAL TURNOVER	The Turnover during the twelve months immediately before the date of the damage.
STANDARD TURNOVER	The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.
SHORTAGE IN TURNOVER	The amount by which the Turnover during a period shall in consequence of the damage fall short of the part of the Standard Turnover which relates to that period.

Alternative Trading Cause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and all the Uninsured Standing Charges.

Premium Adjustment Clause. In the event of the Wages (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.



SW.03 – GROSS PROFIT ADDITON BASIS WORDINGS

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item no. Sum Insured

1. ON GROSS PROFIT

THE INSURANCE UNDER ITEM NO. 1 is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) **IN RESPECT OF REDUCTION IN TURNOVER:** The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover:
- (b) **IN RESPECT OF INCREASE IN COST OR WORKING:** The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the Sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

GROSS PROFIT The sum produced by adding to the Net Profit the amount of the Insured Standing Charges or if there be no Net Profit the amount of the Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the business.

NET PROFIT The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.

INSURED

STANDING

CHARGES As per Memo attached

TURNOVER The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

INDEMNITY The period beginning with the occurrence of the damage and ending not later than

PERIOD the Maximum Indemnity Period thereafter during which the results of the business Shall be affected in consequence of the damage.

MAXIMUM

INDEMNITY PERIOD As specified in the policy schedule



RATE OF GROSS PROFIT - The rate of Gross Profit earned on the turnover during the financial year immediately before the date of damage.

to which such adjustment shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which

ANNUAL TURNOVER - The Turnover during the twelve months immediately before the date of the damage

would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would

STANDARD TURNOVER - The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with Indemnity Period

have been obtained during the relative period after the damage.

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales of services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of Net Profit and all the Standing Charges.

Premium Adjustment Clause. In the event of the Gross Profit (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Auditors, being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this section, such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

SW.04 – GROSS REVENUE WORDING

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item no.	Sum Insured
1. ON GROSS REVENUE	

THE INSURANCE UNDER ITEM NO. 1 is limited to (a) LOSS OF GROSS REVENUE and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) IN RESPECT OF LOSS OF GROSS REVENUE: The amount by which the Gross Revenue during the Indemnity Period shall in consequence of the damage fall short of the Standard Gross Revenue.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction hereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Working Expenses and Standing Charges of the business as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than Annual Gross Revenue (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.



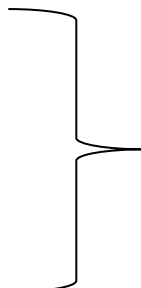
DEFINITIONS

- INDEMNITY** The period beginning with the occurrence of the damage and ending not later than the Maximum
- PERIOD** Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
- MAXIMUM**
- INDEMNITY** As specified in the Policy Schedule
- PERIOD**
- GROSS** The money paid or payable to the Insured in respect of work done and services rendered in the
- REVENUE** course of the business at the premises, excluding

STANDARD GROSS REVENUE

The Gross Revenue during that Period in the twelve months immediately before the date of damage which corresponds with the Indemnity Period

to which such adjustments shall be made as may be necessary to provide for the the trend of the business and for variation in or other special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the



ANNUAL GROSS REVENUE

The Gross Revenue during the twelve months immediately before the date of the damage

figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage

Alternative Trading Clause. If during the Indemnity Period work shall be done or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales of services shall be brought into account in arriving at the Revenue during the Indemnity Period.

Premium Adjustment Clause. In the event of the Gross Revenue (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's Professional Accountants being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such Sum Insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as is not due to such damage.

This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy

SW.05 – STANDING CHARGES ONLY WORDING

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item no.	Sum Insured
1.	ON STANDING CHARGES ONLY

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of INSURED STANDING CHARGES due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER: The sum produced by applying the Rate Payable to the amount by which the Turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover:
- (b) IN RESPECT OF INCREASE IN COST OR WORKING: The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for



that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate Payable to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

NET PROFIT The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the Premises after due provision has been made for all standing and other charges including Depreciation but before the deduction of any taxation chargeable on profits

INSURED The amount for the undermentioned Insured Standing Charges, or if the business is

STANDING showing a net trading loss the amount of the said Insured Standing Charges

CHARGES less such a proportion of any net trading loss as the amount of the Insured Standing

Charges bears to all the Standing Charges of the business

LIST OF INSURED

STANDING CHARGES As per Memo attached

TURNOVER The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

INDEMNITY The period beginning with the occurrence of the damage and ending not later than

PERIOD the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

MAXIMUM

INDEMNITY PERIOD As specified in the policy schedule

RATE PAYABLE - The percentage that the insured Standing charges bears to the Turnover during the financial year immediately before the date of damage.

ANNUAL TURNOVER - The Turnover during the twelve months immediately before the date of the damage

STANDARD TURNOVER - The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with Indemnity Period to which such adjustment shall be made as may be necessary to provide for the

the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures) thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales of services shall be brought into account in arriving at the Turnover during the Indemnity Period.



Uninsured Standing Charges Clause. If any standing charges of the business be not insured by this policy (having been deducted in arriving at the Gross Profit defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross profit bears to the sum of the Gross profit and all the Uninsured Standing Charges.

SW.06 – GROSS RENTAL

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item no.	Sum Insured
1.	ON GROSS RENTAL

THE INSURANCE UNDER ITEM NO. 1 is limited to (a) LOSS OF GROSS RENTAL and (b) INCREASE IN COST OF WORKING and the amount payable as Indemnity thereunder shall be:

- (a) IN RESPECT OF LOSS OF GROSS RENTAL: The sum by which the Gross Rental during the Indemnity Period shall in consequence of the damage fall short of the Standard Gross Rental
- (b) IN RESPECT OF INCREASE IN COST OR WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Loss of Gross Rental which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the amount of the reduction in Gross Rental thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Gross Rental as may cease or be reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the Annual Gross Rental (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

GROSS RENTAL INDEMNITY PERIOD	The money paid or payable to the insured by tenants in respect of rental of the Premises
MAXIMUM INDEMNITY PERIOD	The money paid or payable to the insured by tenants in respect of rental of the Premises. The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
	As specified in the policy schedule
STANDARD GROSS RENTAL	The Gross Rental during the period corresponding with the Indemnity Period in the twelve months immediately before the date of damage which corresponds within the Indemnity Period
ANNUAL GROSS RENTAL	The Gross Rental during the twelve months immediately before the date of the damage) to which such adjustments shall be made as) may be necessary to provide for the) the trend of the business and for variations in) or other circumstances affecting the business) either before or after the damage or which) would have affected the business had) the damage not occurred so that the figures) thus adjusted shall represent as nearly) as may be reasonably practicable the results) which but for the damage would have been) obtained during the relative period after the) damage

Alternative Trading Clause. If during the Indemnity Period the business shall be conducted elsewhere than at the premises the money paid or payable to the Insured in respect of rent at such other premises shall be brought into account in arriving at the Gross Rental during the Indemnity Period.

Premium Adjustment Clause. In the event of the Gross Rental (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the Insured's auditors being less than the sum insured thereon a pro-rata return of premium not exceeding fifty per cent (50%) of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as is not due to such damage.



This Premium Adjustment Clause is only valid for twelve (12) months from the date of expiry of the Policy.

SW.07 – 100% WAGES

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item No.	Sum Insured
1.	ON WAGES

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of WAGES due to (a) Reduction in Turnover and (b) Increased in Cost of Working, and the amount payable as indemnity thereunder shall be:

- (a) **IN RESPECT OF REDUCTION IN TURNOVER:** The sum produced by applying the Rate of Wages to the amount by which the turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) **IN RESPECT OF INCREASE IN COST OR WORKING:** The additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Wages of the reduction thereby avoided:

less any sum saved during the Indemnity Period if Wages shall cease or be reduced in consequence of the damage. It being understood that allowances to employees retained in the insured's services during the Indemnity Period while unable to work in consequence of the damage shall be treated as wages paid:

provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Wages to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

WAGES The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to payroll) of all employees other than those whose remunerations is treated as salaries in the Insured's book of accounts

INDEMNITY PERIOD The period beginning with the occurrence of the damage and ending not later than

the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

MAXIMUM

INDEMNITY PERIOD As specified in the policy schedule.

RATE OF WAGES The Rate of Wages earned on the Turnover during the financial year immediately before the date of the damage

ANNUAL TURNOVER The Turnover during the twelve months immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures as may be reasonably practicable the results which would have been obtained during the relative period after the damage

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. In computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of the additional expenditure incurred in respect of the Indemnity Period shall be brought into account which the amount of Wages bears to the sum of Net Profit and all the Standing Charges and Wages.



SW.08 – INCREASED COST OF WORKING ONLY

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item No.	Sum Insured
1. ON INCREASE IN COST OF WORKING ONLY	

The insurance under Item No. 1 is limited to Increase in Cost of Working and the amount payable as Indemnity thereunder shall be:

The additional expenditure necessarily and reasonably incurred by the insured during the Indemnity Period and in consequence of the damage for the sole purpose of avoiding or diminishing a reduction in Turnover or for the purpose of resuming or maintaining normal business operation:

less any sum saved during the Indemnity Period in respect of any revenue expenditure as may cease or be reduced in consequence of the damage : provided always that the liability of the Company shall not exceed:

- (a) in respect of the first month of the Indemnity Period 40 per cent of the amount insured by this item:
- (b) in respect of the second month of the Indemnity period 20 per cent of the amount insured by this item:
- (c) in respect of the subsequent months of the Indemnity period 10 per cent of the amount insured by this item:

but if the expenditure for the first and second month of the Indemnity Period is less than the limits specified above the unexhausted balance may be utilized by the insured in the subsequent months of the Indemnity Period.

DEFINITIONS

INDEMNITY PERIOD	The Period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
MAXIMUM INDEMNITY PERIOD	As specified in the policy schedule.
TURNOVER	The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

SW.09 – PRO-RATA WAGES

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item No.	Sum Insured
1. ON WAGES	

THE INSURANCE UNDER ITEM NO. 1 is limited to loss incurred by the insured by the payment of Wages for a period beginning with the occurrence of the damage and ending not later than the Indemnity Period.

The amount payable as indemnity under this item shall be the actual amount which the insured shall pay as wages for such period to employees whose services cannot in consequence of the damage be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot in consequence of the damage be utilised by the insured to the full:

Provided that if the sum insured by this item be less than the aggregate amount of the wages that would have been paid during the Maximum Indemnity Period immediately following the damage had the damage not occurred the amount payable shall be proportionately reduced.

DEFINITIONS

WAGES	The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to payroll) of all employees other than those whose remunerations is treated as salaries in the insured's book of accounts
INDEMNITY PERIOD	The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
MAXIMUM	As specified in the policy schedule.



INDEMNITY

SW.10 - ON BOOK DEBTS

The Insurance under Item No.1 is limited to the loss sustained by the Insured in respect of Book Debts shown in the Insured's record of Account Receivable, directly due to the damage and the amount payable in respect of any one occurrence of damage shall not exceed: -

- (i) the difference between
 - (a) Book Debtsand
 - (b) the total of the amounts received or traced in respect thereof
- (ii) the additional expenditure incurred with the previous consent of the company in tracing and establishing customer's debit balance after the damage; provided that if the Sum Insured by this Item be less than the Book Debts the amount payable shall be proportionately reduced.

DEFINITIONS

- BOOKS DEBTS** The total declared in the statement last given under the provisions of Memo 1 adjusted for:-
- (a) bad debts;
 - (b) amount debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customer's account in the period between the date to which said last statement relates and the date of the damage, and
 - (c) any abnormal conditional of trade which had or could have had as material effect on the business, so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the damage had the damage not occurred.
- CUSTOMERS'** This insurance applies to outstanding debit balances derived from accounts of all room guest
- ACCOUNTS** on credit or otherwise, F & B guest on credit; travel agent on credit; international credit card companies and other trade debtors
- WARRANTY** It is warranted that the Insured's books of account or other business books or records or computer storage media in which customers' account are shown shall be kept in fire resisting safes and cabinets.
- Memo 1** The Insured shall within thirty days of the end of each month deposit with the Company a signed statement showing the total amount outstanding in customers' accounts as set out in the Insured's accounts as the end of the said month.

On expiry of each period of insurance the actual premium shall be calculated at the rate per cent annum on the average amount insured, i.e. the total of the sum declared divided by the number of declarations. If the actual premium shall be less than the First premium (or in the case of the second and subsequent periods of insurance the Annual Premium) the difference shall be repaid to the Insured, but such repayment shall not exceed one-half of the First or Annual Premium respectively.

If the amount of declaration exceeds the sum insured applicable at the date of such declarations, then for the purpose of this memorandum only, the Insured shall be deemed to have declared such sum insured.

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the period of insurance.

SW.11 – ADDITIONAL INCREASE COSTS OF WORKING

The insurance under Item No. _____ is limited to such further additional expenditure beyond that recoverable under clause (b)

of Item No. _____ on gross profit and item No. _____ on wages/ payroll as the as the insured shall necessarily and reasonably incur during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing the reduction in turnover



SW.12 – AUDITORS’ FEES CLAUSE

The insurance under Item No. _____ of this Policy is limited to reasonable fees payable by the Insured to their Auditors for producing and certifying any particulars or details contained in the Insured’s books of account or other business books or documents or such other proofs, information or evidence as may be required by the Company under the terms of condition 11 of this policy

SW.13 – 100% WAGES AND SALARIES ON PAYROLL BASIS WORDING

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item No. Sum Insured

1. ON PAYROLL

THE INSURANCE UNDER ITEM NO. 1 is limited to loss in respect of Payroll due to (a) Reduction in Turnover and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying the Rate of payroll to the amount by which the turnover during the Indemnity Period shall in consequence of the damage fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage but not exceeding the sum produced by applying the Rate of Payroll to the amount of the reduction thereby avoided:

Less any sum saved during the Indemnity Period if Payroll shall cease or be reduced in consequence of the damage. It being understood that allowances to employees retained in the insured’s services during the indemnity period while unable to work in consequence of the damage shall be treated as payroll paid:

Provided that if the sum insured by this Item be less than the sum produced by applying the Rate of Payroll to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable under this Item shall be proportionately reduced.

DEFINITIONS

PAYROLL	The remuneration (including employee provident fund, bonuses, SOCSO contributions , pensions insurance costs or other payments pertaining to payroll) of all employees
WAGES	payments made to employees who are concerned with production and all others whose remuneration is not included as salaries.
SALARIES	payments made usually weekly or monthly to staff permanently employed and whose duties are not directly concerned with production or, if so are in an executive capacity.
INDEMNITY PERIOD	the period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
MAXIMUM INDEMNITY PERIOD	As specified in the policy schedule.

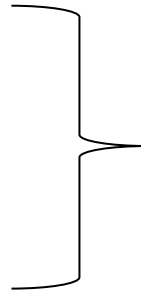


RATE OF PAYROLL

The Rate of Payroll earned on the Turnover during the financial year immediately before the date of damage

STANDARD TURNOVER

The Turnover during that period in the twelve months immediately before the damage which corresponds with the Indemnity Period



ANNUAL TURNOVER

The Turnover during the twelve months immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as maybe reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage

Alternative Trading Clause. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Uninsured Standing Charges Clause. In computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of the additional expenditure incurred in respect of the Indemnity Period shall be brought into account which the amount of payroll bears to the sum of Net Profit and all the Standing Charges and Payroll.

SW.14 – NET TAKINGS BASIS

SPECIFICATION referred to in Section 1 in the name of _____ and forming an integral part of that policy

Item No.	Sum Insured
1.	ON NET TAKINGS

THE INSURANCE UNDER ITEM NO. 1 is limited to (a) Loss of Net Takings and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying the Rate of Net Takings to the amount by which the Turnover during the Indemnity Period, shall in consequence of the damage, fall short of the Standard Turnover.
- (b) IN RESPECT OF INCREASE IN COST OR WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the damage, but not exceeding the sum produced by applying the Rate of Net Takings to the amount of the reduction thereby avoided:

less any sum saved during the Indemnity Period in respect of such of the charges and working expenses of the business payable out of Net Takings as may cease or reduced in consequence of the damage:

provided that if the Sum Insured by this Item be less than the sum produced by applying the Rate of Net Takings to the Annual Turnover, the amount payable under this Item shall be proportionately reduced.



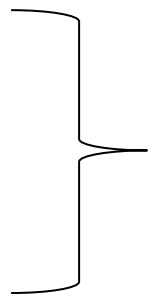
DEFINITIONS

NET TAKINGS	The amount by which the Turnover shall exceed the amount of the Purchase relative thereto.
TURNOVER	Net value of Sales made and charges for work done in course of the business at the premises.
INDEMNITY PERIOD	The period beginning with the occurrence of the damage and ending not later than months thereafter during which the results of the business shall be affected in consequence of the damage.
MAXIMUM INDEMNITY PERIOD	As specified in the policy schedule.

RATE OF NET TAKINGS
 The Rate of Net Takings earned on the Turnover during the financial year immediately before the date of the damage

ANNUAL TURNOVER
 The Turnover during the twelve months immediately before the date of the damage

STANDARD TURNOVER
 The Turnover during that period in the twelve months immediately before the damage which corresponds with the Indemnity Period



to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage

Memo 1. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

SECTION 3: COMBINED COVERAGES

Subject to the Insuring Agreement of the Policy and to the specific terms of this Section 3 and its sub-sections, (i.e. the Term of this Section), the Company agrees that in the event of a fortuity as described in this Section, the company will pay for all such loss or damage up to the limit specified under the sum insured provided for, for each item that is insured in the Policy Schedule.

SUB-SECTION 3.01
ALL RISKS INSURANCE

3.01 COVERAGE

This Subsection provides coverage for accidental loss or damage of property insured as described in the Policy Schedule, subject to the adequacy of the limits insured and to the terms of this sub-section, common sections and the terms of the Policy in whole.

3.01 CONDITIONS

Valuation

Unless otherwise provided in form attached, this Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost the Insured to repair or replace the same with material of like kind and quality.

Reinstatement

Every claim paid hereunder reduces the amount insured by the sum so paid unless the same be reinstated by payment of additional premium thereon.



Replacement/ Repair of Parts

In the event of loss or damage to any part or parts of an insured property caused by the policy the sum recoverable shall not exceed the cost of replacement or repair of such part or parts which can include charges for forwarding the refitting, if incurred, but excluding duty unless full duty is included in the amount insured in which case any loss compounded by payment of additional duty shall be recoverable.

Machinery

In case of loss or damage to any part of the insured property consisting, when complete for sale or use, of several parts, this Company shall only be liable for the insured value of the part lost or damaged.

Sue and Labor

In case of loss or damage where it is incumbent and necessary for the Insured, his or their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof the Company will contribute according to the rate and quantity of the sum herein insured. No acts of the Insured or this Company, in agreeing, partaking assuming immediate measures in the act of recovering, saving and/or property insured in case of loss or damage shall be considered a waiver or an acceptance of abandonment.

Average

In the event of a loss, if the property hereby insured shall be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own Insurer for the difference, and shall bear a rateable proportion of the loss accordingly. Every item if more than one of the Policy shall be separately subject to this condition.

Loss Appraisal

In case the Insured and this Company shall fail to agree as to the amount of loss or damage, the same shall be ascertained by two competent and disinterested appraisers, the Insured and this Company each selecting one, and the two so chosen shall first select a competent and disinterested umpire; the appraisers together shall then estimate and appraise the loss, stating separately the sound values and damage, and failing to agree, shall submit their differences to the umpire; and the award in writing of any two shall determine the amount of the loss; the parties thereto shall pay the appraisers respectively selected by them, and shall bear equally the expense of the appraisal and umpire.

SUB-SECTION 3.02 MONEY INSURANCE

SUB-SECTION 3.02

3.02 COVERAGE

This Subsection provides coverage for loss of money carried in transit to and from the bank as well as on the premises, the limits of which are as described in the policy Schedule, subject to the adequacy of the limits insured and to the terms of this sub-section, the common sections and the terms of the Policy in whole.

Coverage A – Robbery Inside the Premises

- a) To pay for loss of money and securities by robbery or attempt thereat within the premises.
- b) To Pay for damage to the premises by such robbery or attempt thereat, provided the insured is the owner thereof or is liable for such damage.

Coverage B – Robbery Outside the Premises

- a) To pay for loss of money and securities by robbery or attempt thereat outside the premises while being carried by a messenger.

Coverage C – Safe Burglary

- a) To pay for loss of money and securities from within the vault or locked safe or locked cash register or locked drawer or locked steel cabinet by burglary or attempt thereat.
- b) To pay for damage to premises caused by burglary or attempt thereat, provided that the insured is the owner of the premise or is liable for such damage as the tenant or licensee.

EXTENSION OF PERSONAL ACCIDENT INSURANCE FOR MONEY CARRIER ONLY PERSONAL ACCIDENT BENEFIT

the Company hereby agrees to insure a maximum of two (2) employees of the Insured at any one time against bodily injury caused by violent, accidental, external and visible means during the time of collection and delivery of the money referred to in the Schedule to this Section 3.02 and subject to the Terms Exclusions and conditions of this Section 3.02, the common terms and the terms of the Policy the Company will pay to the Insured Person or in the event of death to the legal personal representative of that insured employee the sum of money so provided per the following Schedule of Compensation



SCHEDULE OF COMPENSATION

Bodily injury caused by violent, accidental, external and visible means and solely independently of any other cause, for each employee insured:-

1. Death.....	RM10,000/- each
2. Total and irrecoverable loss of all sight in both eyes	RM10,000/- each
3. Total loss by physical severance of hands or both feet or one hand & one foot.....	RM10,000/- each
4. Total loss by physical severance of one hand or one foot together with the total and recoverable loss of all sight in one eye.....	RM10,000/- each
5. Total and irrecoverable loss of all sight in one eye	RM5,000/- each
6. Total loss physical severance of one hand or one foot.....	RM5,000/- each

Special provision; A claim can only be made for one benefit (choice of items (1) to (6) above arising from one (1) incident.

Furthermore, such benefit is only payable if it occurs within three (3) months of the incident date.

CONDITIONS

All certificates, information and evidence required by the Company shall be furnished at the Expense of the Insured's employee or his legal personal representative and shall be in such nature as the company may prescribe. The Insured's employee, as often as required, shall submit to medical examination on behalf of the company at its own expense in respect of any alleged bodily injury. The Company shall in the case of death of any of the Insured's employee be entitled to have a post-mortem examination at its own expenses.

**SUB-SECTION 3.03
THEFT INSURANCE**

3.03 COVERAGE

This Subsection provides coverage for loss or damage due to burglary or robbery or attempt thereat, as described below of all movable and immovable property of every description including office equipment, and fixtures and fittings of every description as described in the Policy Schedule, subject to the adequacy of the limits insured and to the terms of this sub-section, the common sections and the terms of the Policy in whole.

3.03 COVERAGE A – BURGLARY

1. To pay for loss of merchandise or damage to premise due to burglary of premise and/or to robbery of a watchman, while the premises are not open for business, of stock and merchandise, office and manufacturing equipment, furniture, fixtures and fittings
 - i) within the premises or
 - ii) within a showcase or show window used by the insured and located outside the premises but inside the building line of the building containing the premises or attached to said building.
2. To pay for loss of merchandise within a safe by safe burglary or attempt thereat while the premises are not open for business.
3. To pay for damage to the insured merchandise within the premises or within such showcase or show window and to the premises by such burglary, safe burglary, robbery of a watchman, or attempt thereat, provided that for damage to the premises to be recoverable the insured must be the owner thereof or is liable for such damage as the legal occupier or tenant.

3.03 COVERAGE B - ROBBERY

1. To indemnify the Insured for loss of stock and merchandise from within the premises arising from Robbery except as provided for in the Exclusions.

3.03 EXCLUSIONS

This Sub-section does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, employee, director, trustee or authorized representative thereof, while working or otherwise and whether acting alone or in collusion with others;
- (b) to loss of furs or articles containing fur which represents their principal value, by removal of such property from within a showcase or show window by a person who has broken the glass thereof from outside the premises or by an accomplice of any such person;



- (c) to loss occurring following a change in the physical condition of the risk, such as when the door or window of the premises is damaged by typhoon or during a fire in the premises;
- (d) to damage by vandalism or malicious mischief

COMMON TERMS & CONDITIONS

EXCLUSIONS SPECIFIC TO SECTION 3:

This Sub-section does not insure against :-

1. Infidelity of Insured's employees or persons to whom the insured property is entrusted.
2. Transportation of the property insured by Land, Air and Sea.
3. Loss or damage to the property insured caused by scratching, denting, marring, wear & tear, inherent vice, latent defect, deterioration, gradual depreciation, moths, insects or vermin or by the action of light or climatic conditions, rust or corrosion, or by change of temperature or humidity or failure or inadequate operation of an air-conditioning cooling or heating system howsoever caused.
4. Loss or damage to electrical appliances, devices, apparatus or machinery of any kind, including wiring caused by electrical current artificially generated unless fire ensues and then for this Company's proportion of loss caused by such ensuing fire.
5. Electrical or mechanical breakdown or derangement of plant machinery or equipment.
6. While the property insured is waterborne and/or in the course of being loaded or unloaded on or from any watercraft or aircraft.
7. Use on public roads under vehicle's own power.
8. Loss discovered due to inventory stock checking or loss attributed to mere disappearance. Any shortage disclosed by any inventory is not covered hereby unless such shortage can be reasonably shown to have been occasioned by a peril insured in this section. In such event, there shall be deducted from the amount thereof, when determined, an amount equal to the average shortage revealed in the last five annual physical inventories increased or decreased by the percentage of increase or decrease, if any, in the total gross sales for the twelve months period immediately preceding the date of the claim over or under (as the case may be) the average annual gross sales for the said five-year period.
9. Consequential loss or damage of any kind or description including loss of market or delay.
10. Loss or damage caused by defective design, workmanship, material, specifications or design.
11. Deeds, bonds, bills of exchange, promissory notes, money or securities for money, medals, bullion, gold, precious stones, postage stamps, collections of stamps or coins, curiosities or works of art, manuscripts or business books, plans, patterns, models or moulds drawings of designs, computer system records, contracts or other documents unless specifically mentioned.
12. Breakage of glass or articles of a brittle nature unless such breakage is caused by Fire or Theft.
13. Property or structures in course of demolition, construction or erection, testing/commissioning and materials or supplies in connection therewith.
14. Loss or damage caused by seizure or destruction under quarantine or customs regulations or by risks of contraband or illegal transportation or trade.
15. Loss or damage arising from abandonment or cessation of work.
16. Any willful act of the Insured or his representatives.
17. Loss due to any fraudulent, dishonest or criminal act by any insured or a partner therein, whether acting alone or in collusion with others;
18. Loss of manuscripts, books of account or records;
19. Damage by vandalism or malicious mischief;
20. Loss due to use of any key or duplicate thereof irrespective whether the key belongs to the Insured or not.
21. **CRIMINAL BREACH OF TRUST**

The Company shall not be liable for any loss or damage 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, expressed 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"."

22. THEFT BY DECEPTION (CHEATING)

The Company shall not be liable for any loss or damage 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'."

DEFINITIONS:

For the purpose of this Section 3 :

- 1) "Burglary" means the criminal abstraction of insured property from within the insured premise by unauthorized person or persons who has made unlawful entry into or exit out of the insured premise, that is accompanied by actual force and violence as evidenced by visible marks of intrusion or exit; or through violence or threat of violence inflicted upon the owner, employee or security employed to guard the insured premise.
- 2) "Custodian" means the insured, a partner therein or an officer thereof, or any employee thereof who is in the regular service of and duly authorized by the insured to have the care and custody of the insured property within the premises, excluding any person while acting as a watchman, porter or janitor.
- 3) "Damage to glass" shall mean physical breakage of the glass or damage by chemicals whether accidentally or maliciously caused.
- 4) "Guard" means any male person not less than seventeen nor more than sixty-five years of age who accompanies a messenger by direction of the insured, but who is not a driver of a public conveyance.
- 5) "Loss" includes damage.
- 6) "Messenger" means the insured, a partner therein or an officer thereof, or any employee thereof who is in the regular service of and duly authorized by the insured to have the care and custody of the insured property outside the premises.
- 7) "Money" shall mean cash, bank noted, currency notes, cheques (other than pre-signed bank cheque whether crossed or uncrossed) postal and money orders and current postage stamps belonging to the insured for which the Insured is responsible
- 8) "Money in Transit" shall mean Money in direct transit in the custody of the insure or of a director, partner or employee of the insured or any third party authorized by the insured
- 9) "Premises" means the interior of that portion of any building at a location designated in the declarations which is occupied by the insured in conducting the business as stated therein.
- 10) "Robbery" means the taking of insured property (1) by violence inflicted upon a messenger or a custodian; (2) by putting him in fear of violence; (3) by any other overt criminal act committed in his presence and of which he was actually cognizant, provided such other act it is not committed by an officer, partner of employee of the insured; (4) from the person or direct care and custody of a messenger or custodian who has been killed or rendered unconscious; or (5) under Coverage A, (a) from within the premises by means of compelling a messenger or custodian by violence or threat of violence while outside the premises to admit a person into the premises or to furnish him with means of ingress into the premises, or (b) from a showcase or show window within the premises while regularly open for business, by a person who has broken the glass thereof from outside the premises
- 11) "Safe Burglary" means the criminal abstraction of insured property from within a vault or safe described in the declarations and located within the premises by a person making criminal entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the criminal abstraction of such safe from within the premises.
- 12) "Securities" means all negotiable and non-negotiable instruments of contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.

SPECIAL WARRANTY COMMON TO SECTION 3:

A) WARRANTIES APPLICABLE TO ALL SECTIONS

1) SECURITY MEASURES:

It is a condition precedent of the liability of the Company under this Section 3 coverage that :-



- a) The insured shall take all reasonable precautions to prevent loss and damage
- b) All locks bolts intruder alarm systems and other protective devices shall be in full operation during any time the premises are left unattended or closed for business
- c) All keys are (including those relating to any part of the intruder alarm system) shall be Removed from the premises **Or** placed within a locked safe or strongroom in any Building provided the keys to such safe and strong room are removed from the premises during any time the premises are left unattended or closed for business

2) SET/PAIR WARRANTY

a. PAIR AND SET

It is understood and agreed that, in the event of loss of or damage to any article or articles which are a part of a set, the measure of loss or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of set.

b. MACHINERY

In case of loss to or damage of any part of the insured property whether complete or in parts, for sale or for use, the Company shall only be liable for the insured value of the part lost or damaged.

3) KEY CLAUSE

It is hereby declared and agreed that this Policy does not cover the loss of cash abstracted from the safe/drawer following the use of the key to the safe/drawer or any duplicate thereof belonging to the Insured unless such key has been obtained by threats or violence and that the safe/drawer be kept locked except when in immediate use.

It is further declared and agreed that key to the safe/drawer must be at all times kept by the Insured or officers responsible for their custody and such keys must not be left in the premises in which the safe are located any time they should have to go out of the premises.

B) WARRANTIES APPLICABLE ONLY IF SPECIFIED FOR THE SECTION IN THE POLICY SCHEDULE

1) BURGLARY ALARM WARRANTY

It is a condition precedent of the liability of the Company under this Section 3 coverage that :

- i) The premises containing the Insured's property are fitted with a burglar alarm system, and that no withdrawal, alteration or variation of the system, or any structural alteration which might affect the system, shall be made without the consent of the Company.
- ii) The burglar alarm system and all lock and padlock shall have been put into full and effective operation at all times when the insured's premises are closed for business and at all other appropriate times.

2) WATCHMAN WARRANTY

Warranted that the premises be guarded by a watchman or caretaker immediately the premises are closed for business or during the night between the hours of 7.00pm to 7.00am including weekend and public holidays.

SPECIAL TERMS & CONDITIONS TO SECTION 3:

1. **Policy Period Territory.** This Sub-section applies only to loss which occurs during the policy period within the premises or outside the premises but within the territorial limit of transit declared in the declarations.
2. **Limits of Liability Settlement Options.** The limit of the company's liability for loss shall not exceed the applicable limit of liability stated in the declarations, nor what it would cost at the time of loss to repair or replace or replace the property with other of like kind and quality, nor as respects securities the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The applicable limit of liability stated in the declarations is the total limit of the company's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

The company may pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with the insured or the owner hereof. Any property so paid for or replaced shall become the property of the company. Any property recovered after settlement of a loss shall be applied first to the expense of the parties in making such recovery, with any balance applied as if the recovery had been made prior to said settlement, and loss readjusted accordingly. The insured or the company, upon recovery of any such property, shall give notice thereof as soon as practicable to the other.



Subject to the other provisions of this condition, any payment made by the company because of loss under Coverage C shall reduce the applicable limit of liability, provided the amount of such reduction shall be reinstated upon approval of the vault or safe by the company.

3. **Ownership of Property Interests Covered.** The insured property may be owned by the Insured or held by the insured in any capacity whether or not the insured is liable for the loss thereof, or may be property as respects which the insured is legally liable, provided, the insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property.
4. **Joint Insured.** If more than one insured is named in the declarations, the insured first named shall act for every insured for all purposes of this policy. Knowledge possessed or discovery made by any insured shall constitute knowledge possessed or discovery made by every insured.
5. **Books and Records.** The insured shall keep records of all the insured property in such manner that the company can accurately determine therefrom the amount of loss.
6. **Other Insurance.** If there is any other valid and collectible insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the insured.

SECTION 4: MACHINERY BREAKDOWN

Subject to the Insuring Agreement of the Policy and to the specific terms of this Section 4, (i.e. the Term of this Section), the Company agrees to indemnify the Insured in respect of any unforeseen and sudden physical loss or damage from causes such as defects in casting and material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short circuit, or from any other cause not specifically excluded hereinafter, in a manner necessitating repair or replacement, by payment in cash, replacement or repair (at the Company's option) up to an amount not exceeding in any one year of insurance in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as insured hereby.

This Section 4 shall apply to the insured items after successful completion of their performance acceptance tests whether they are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection.

SPECIFIC EXCLUSIONS TO SECTION 4:

The Insurers shall not be liable for:

1. the deductible stated in the Schedule to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single deductible applicable to such items.
2. loss of or damage to exchangeable tools, eg dies, moulds, engraved cylinders, parts which by their use and/or nature suffer a high rate of wear or depreciation, e.g. refractory linings, crushing hammers, objects made of glass, belts, ropes, wires, rubber tyres, operating media, eg lubricants, fuels, catalysts.
3. loss or damage due to fire, direct lightning, chemical explosion (except flue gas explosions in boilers), extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft, burglary or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes.
4. loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract.
5. loss or damage caused by any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Insurers or not.
6. loss or damage arising out of the wilful act or gross negligence of the Insured or his representative.
7. loss or damage as a direct consequence of the continual influence of normal operation or use (eg wear and tear, cavitation, erosion, corrosion, rust, boiler scale).
8. consequential loss or liability of any kind or description, any payments over and above the indemnity for material damage as provided herein.

PROVISIONS:

Memo 1 – Sum Insured

It shall be a requirement of this Section 4 that the sum insured is equal to the cost of replacement of the insured machinery by new machinery of the same kind and capacity, which means its cost of replacement including, eg, Freight, dues and customs duties, if any and cost of erection. If the sum



insured is less than the amount required to be insured the Insurers shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

Memo 2 – Basis of Indemnity

- (a) In cases where damage to an insured item can be repaired – the Insurers shall pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the Insured the Insurers shall pay the cost of materials and wages incurred for the purpose of repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account.

If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the machinery insured immediately before the occurrence of the damage the item shall be regarded as destroyed and settlement shall be made on the basis provided for in (b) below.

- (b) In cases where an insured items is destroyed – the Insurers shall pay the actual value of the item immediately before the occurrence of the loss including charges for ordinary freight, cost of erection and customs duties, if any, provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Insurers shall also pay any normal charges for the dismantling of the machinery destroyed, but the salvage shall be taken into account.

Any extra charges incurred for overtime, night work, work on public holidays, and express freight shall be covered by this Section 4 only if especially agreed in writing.

The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this Section 4.

The cost of any provisional repairs shall be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total cost of repair.

The Insurers shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

CONDITIONS:

1. The Insured shall on his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
2. In the event of any occurrence which might give rise to a claim under this Section, the Insured shall
 - a) immediately notify the Company either by teletype (telex, telefax, telegram) or by telephone confirmed in writing, giving an indication as to the nature and extent of the loss or damage
 - b) take all reasonable steps within his power to minimize the extent of the loss or damage
 - c) preserve the parts affected and make them available for inspection by a representative or surveyor of the Company
 - d) furnish all such information and documentary evidence as the Company may require

The Company shall on no account be liable for loss or damage of which no notice has been received by the Company within 14 days of its occurrence. Upon notification being given to the Company under this condition, the Insured may carry out repairs of any minor damage or replace items which have sustained any minor damage; in all other cases a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Company does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured shall be entitled to proceed with the repairs of replacement.

The liability of the Company under this Section in respect of any insured items shall cease if said item is kept in operation after a claim without being repaired to the satisfaction of the Company or if temporary repairs are carried out without the Company's consent.

MILLENNIUM BUG EXCLUSION ENDORSEMENT

The policy is hereby amended as follows:-

- A. The Insurer will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure 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 inability to:
1. Correctly recognize any date as its true calendar date;



2. 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 otherwise than as its true calendar date; and/or
 3. 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. It is further understood that the Insurer will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.
- C. It is further understood that the Insurer will not pay for Damage or Consequential Loss arising from the failure, inadequacy, or malfunction of 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.

Such damage or Consequential Loss described in A, B or C above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.

ENDORSEMENT – A2

DATA DISTORTION/CORRUPTION ENDORSEMENT (MB)

It is noted and agreed that this policy is hereby amended as follows:

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

- (A) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
- (B) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
- (C) Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing inability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Accidental Breakdown of an Object including Mechanical and Electrical Breakdown.

This Endorsement shall not act to increase or broaden coverage afforded by this policy.

Such Damage or Consequential loss described in A, B, or C above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

In consequence of all the foregoing the Annual Premium remains unaltered.

All other terms, conditions and exclusions of this policy remain unchanged

SECTION 5 : MACHINERY BREAKDOWN LOSS OF PROFIT

Subject to the Insuring Agreement of the Policy and to the specific terms of this Section 5 (i.e. the Term of this Section), the Company agrees that if the business carried out by the Insured at the premises specified in the Schedule is interrupted or interfered with in consequence of an accident (as hereinafter defined) of any machinery described in the list of machinery and plant insured as per Section 4 Coverage, then the Company shall in respect of each subject matter insured, indemnify the Insured against the amount of loss as hereinafter defined resulting from such interruption or interference

Provided that the liability of the Company in no case exceeds in respect of each subject matter insured in any one year of insurance the sum expressed in the schedule(s) to be insured thereon or in the whole the total sum insured hereby or such other sum or sums as may hereinafter be substituted therefor by endorsement signed by or on behalf of the Company

SPECIFIC EXCLUSIONS TO SECTION 5:

This Section shall not cover any loss resulting from interruption of or interference with the business directly or indirectly attributable to any of the following causes:



1. loss or damage due to fire, direct lightning, chemical explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes;
2. loss or damage due to the imposition of abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments;
3. loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;
4. loss or damage caused by any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Company or not;
5. loss or damage arising out of the wilful act or gross negligence of the Insured or his representatives;
6. loss of or damage to
 - a) foundations and masonry, unless specifically included and described in the list of machinery and plant insured;
 - b) exchangeable and replaceable parts such as bits, drills, knives, saw blades;
 - c) dies, moulds, patterns, blocks, stamps, punches, coatings or engravings on cylinders and rolls;
 - d) parts which by their use and/or nature suffer a high rate of wear or depreciation such as crushing surfaces, balls, hammers, screens and sieves, engraved soft metal cylinders, wear plates, elevator and conveyor belts or bands, chains, flexible pipes, jointing and packing materials, filter cloths, parts made of glass, rubber, textile or synthetics, grinding wheels, ropes, belts, straps, cables other than electrical conductors, brushes, batteries, tyres, refractory materials, grate bars, burner jets;
 - e) operating media such as fuels, chemicals, catalysts, filter substances, heat transfer media, cleansing agents, lubricants;
7. repair or replacement necessitated by direct damage due to wear and tear, corrosion, erosion, deposits of scale, sludge or other sediment, rust or scratching of painted or polished surfaces, or by any other direct consequences of progressive or continuous influences from working or atmospheric or chemical action, but the Insurers shall be liable for any loss resulting from interruption or interference caused by damage arising from such causes and otherwise insured by this Policy;
8. shortage, destruction, deterioration of or damage to raw materials, semi-finished or finished products or other materials required for proper operation, even if the consequence of material damage to an item indicated in the list of machinery and plant insured is involved;
9. any restrictions on reconstruction or operation imposed by any public authority;
10. the Insured not having at his disposal in good time sufficient capital for repairing or replacing destroyed or damaged machinery;
11. loss of or damage to machinery, mechanical installations and their additional installations or other items which are not listed in the list of machinery and plant insured, even if the consequence of material damage to an item indicated in the list of machinery and plant insured is involved;
12. loss of business due to causes such as suspension, lapse or cancellation of a lease, license or order, etc. which occurs after the date when the machinery affected by an accident is again in operating condition and the business could have been resumed, if said lease, license or order, etc. had not lapsed or had not been suspended or cancelled.

In any action, suit or other proceeding where the Company allege that by reason of the provision of exclusions 3-5 above any loss is not covered by this Policy, the burden of proving that such loss is covered shall be upon the Insured.

PROVISIONS:

Memo 1 – Benefits from Other Premises

If during the indemnity period goods are sold or services are rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others acting on his behalf, the money paid or payable in respect of such sales or services shall be taken into account in arriving at the turnover during the indemnity period.

Memo 2 – Return of Premium

If the Insured declares at the latest six months after the expiry of any policy year that the gross profit earned during the accounting period of twelve months most nearly concurrent with any period of insurance, as certified by the Insured's auditors, was less than the sum insured thereon, a pro rata return of premium not exceeding one third of the premium paid on such sum insured for such period of insurance shall be made in respect of the difference.

If any accident has occurred giving rise to a claim under this Section, such return shall be made in respect only of so much of said difference as is not due to such incident.

Memo 3 – Relative Importance



The term "relative importance" referred to in the list of machinery and plant insured shall be the percentage effect which a breakdown of a particular machine will have on the total gross profit, disregarding any loss- minimizing measures. If in the event of an accident affecting an insured item of machinery the percentage of relative importance stated in the list of machinery and plant insured for this item is lower than the actual percentage of relative importance subsequently arrived at for the period of interruption, the Company shall only be liable to indemnify the proportion which the percentage of relative importance stated in the list of machinery and plant insured bears to the actual percentage.

Memo 4 – Overhauls

In calculating the loss, due allowance shall be made for the time spent on any overhauls, inspections or modifications carried out during any period of interruption.

Memo 5 – Benefits after Recommissioning

If during a period of six months immediately following the recommissioning of insured machinery after an accident, the Insured derives benefits from deferred sales or from increased production and/or profits as a consequence of an interruption, such benefits shall be taken into account in determining the indemnity payable under this Policy.

Memo 6 – Reinstatement of Sum Insured

For the period following the occurrence of an accident up to the end of the policy period the sum insured shall be reinstated by payment of an additional premium on a pro rata basis, such premium to be calculated from that part of the sum insured which corresponds to the indemnity paid; the agreed sum insured shall remain unaltered.

Memo 7 – Material Damage Cover Machinery Insured

The machinery described in the list of machinery and plant insured shall be covered against machinery breakdown during the currency of this Policy.

BASIS OF INSURANCE

The cover provided under this Section shall be limited to loss of gross profit due to reduction in turnover and increase in cost of working and the amount payable as indemnity hereunder shall be

- ◆ **in respect of reduction in turnover:** the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period, in consequence of the accident, falls short of the standard turnover
- ◆ **in respect of increase in cost of working:** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the accident, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of the gross profit as may cease or be reduced in consequence of the accident,

provided that if the sum insured hereunder is less than the sum produced by applying the rate of gross profit to the annual turnover, the amount payable is proportionately reduced.

DEFINITIONS

Gross Profit	The amount by which the sum of the value of the turnover and the value of the closing stock exceed the sum of the value of the opening stock and the amount of the specified working expenses. The values of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation
Specified Working Expenses	the variable expenses of the business which are not insured by this Policy: 1 . turnover and purchase taxes 2 . purchases (less discount received) 3 . carriage, packing and freight
Turnover	The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises
Indemnity Period and Time Excess	The period no exceeding the indemnity period limit stated in the list of machinery and plant insured commencing with the occurrence of the accident during which the results of the



business are affected in consequence of such accident, provided always that the Insurers are not liable for the amount of loss arising during the time excess, such time excess to commence as from the beginning of the interruption of or interference with the business resulting in a claim under this Policy

Rate of Gross Profit	The rate of gross profit earned on the turnover during the financial year immediately before date of accident) to which such adjustments are made as) may be necessary to provide for the trend) of the business and for variations in or) special circumstances affecting the) business either before or after the accident) or which would have affected the business) had the accident not occurred, so that the
Standard Turnover	The turnover during that period in the twelvemonths immediately before the date of the accident which corresponds to the indemnity period) figures thus adjusted represent as nearly) as may be reasonably practicable the) results which but for the accident would) have been obtained during the relative period after the accident.
Annual Turnover	The turnover which the Insured would have been able to obtain but for the accident during the twelve months immediately before either the date when the business is no longer affected or when the indemnity period ends, whichever occurs first.	
Accident	Unforeseen and sudden physical loss or damage occurring to the insured machinery and necessitating its immediate repair or replacement due to causes such as defects in casting and material, faulty design faults at workshop or in erection, bad workmanship, lack of skill, carelessness, malice, shortage of water in boilers, physical explosion (as defined hereunder) tearing apart on account of centrifugal force, short circuit, storm, or any other cause not specifically excluded hereinafter whilst such machinery is working or at rest being dismantled, moved or re-erected for the purpose of cleaning, inspection, repair or installation at another location within the premises, provided such machinery has successfully completed its performance acceptance tests.	

CONDITIONS:

1. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurers to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
2. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurers to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
3. The Insured shall be obliged to keep complete records. All records, e.g. inventories, production and balance sheets, for the three preceding years shall be held in safe keeping or, as a precaution against their being simultaneously destroyed, the Insured shall keep separate sets of such records.
4. In the event of any occurrence which gives rise or is likely to give rise to a claim under this Policy, the Insured shall
 - a) immediately notify the Insurers by telephone or telegram and send them written confirmation thereof within forty-eight hours of the occurrence;
 - b) do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom;
 - c) as far as may be reasonably practicable, without causing any increase in the period of interruption or interference, take precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim;



discontinue the use of any damaged machinery unless the Insurers authorize otherwise, and the Insurers shall not be liable in respect of any further interruption or interference arising out of the continued use of any damaged machinery without their having given their consent to such use until said machinery has been repaired to the satisfaction of the Insurers.

SECTION 6: ELECTRONIC EQUIPMENT INSURANCE

Subject to the Insuring Agreement of the Policy and to the specific terms of this Section 6 (i.e. the Term of this Section), the Company agrees that in the event of any unforeseen physical loss of or damage due to a Section 6 coverage event during the period of insurance specified in the Schedule or any renewal of that period to any part of the Items described under Section 6 of the Schedule from any cause whatsoever other than those specifically excluded, the Insurers will pay for all such loss or damage per Section 6 Coverage up to an amount not exceeding, in respect of each of the Items, the sum set opposite thereto in the Schedule and not exceeding in all the Total Sum Insured.

COVERAGE

Section 6 covers against the risk of sudden and unforeseen physical loss or damage resulting from :-

- a) negligence, improper handling, willful acts of third parties;
- b) short circuit, over voltage, induction;
- c) fire lightning, explosion or implosion, including loss or damage caused by actions required to prevent further loss or damage from any such occurrences;
- d) water, moisture, inundation;
- e) burglary, theft, robbery, plundering and sabotage;
- f) acts of God;
- g) faulty construction, error in design, defects in material, bad workmanship

EXCLUSIONS

B. The Insurer shall also not be liable for:

1. Loss or damage due to faults or defects known to the Insured or any of his responsible employees at the time of entering into this insurance and not disclosed to the Insurers;
2. Wasting or wearing away or wearing out of any part of an Insured Item caused by or naturally resulting from ordinary use or working or gradual deterioration; if an adjacent part of the Insured Item is affected by such loss or damage, the Insurers shall indemnify according to the terms of this Section 6.
3. Consequential loss of any kind or description whatsoever.

SPECIAL CONDITIONS

1. Insured Items

The Items specified in Section 6 of the Schedule shall be insured as soon and as long as they are ready for operation. The Items shall be considered as ready for operation as soon as they are prepared to take up work or already in operation upon termination of trial run and - as far as provided - upon termination of trial operation. Provided the Insured Items have once been ready for operation, they remain under insurance cover; also during maintenance, stocking, overhaul or, repair. The same shall apply when the Insured Items are subsequently dismantled or reassembled or tested in trial operation for such purposes.

Tubes and valves are only insured against loss or damage caused by:

- I. fire, lightning, explosion or implosion, including loss or damage caused by actions required to prevent further loss or damage from any such occurrences;
- II. water, moisture, inundation.

Exclusively, if and when they have been made the subject of special agreements, this Section 6 shall cover the following items:

- mobile items;
- external cables, poles and fittings for external cables;
 - underground or buried cable;
- data media



The following items are not insured:

- a) electricity or power sources, unless an indemnifiable loss or damage has occurred to the Insured Item of which such electricity or power source forms a part, or to which it was temporarily attached at the time the loss was incurred.
- b) auxiliary material, expendable parts and operating media such as developing agents, typewriter ribbons, prepared papers, films, sound carriers such as magnetic tapes and discs, sound pick-up systems including stylus tips of disc recorders, screen plates and type carriers.

2. Sum Insured

The Sum Insured for each Item shall not be less than the New Replacement Cost. New Replacement Cost shall mean the current valid list price plus the respective cost for freight and installation; provided that if the Insured Item is no longer specified in price lists at a later date, the latest list price shall apply and be adapted to any change of wages and prices;

in the event that an Insured Item cannot be assigned to any list price, the respective purchase or delivery price of this Item shall apply and also be adapted to any change of wages and prices;

in the event that neither a list price nor a purchase or delivery price can be determined, the sum of those costs shall apply which in each individual case are necessary for manufacturing the Item in actual design and capacity;

Special rebates and price allowances must not be considered.

If at the time of loss of or damage to any Item insured under this Section 6 it is found that the Sum Insured is less than the New Replacement Cost then the amount recoverable by the Insured under this Section 6 shall be reduced in such proportion as the Sum Insured bears to the New Replacement Cost.

Each Item insured under this Section 6 shall be separately subject to this condition.

3. Adjustment of the Sum Insured

Should the New Replacement Cost vary by more than 5 percent as Compared with the latest fixing of the Sum Insured or change on account of an extension or alteration of the Insured Item, the Insurers shall be entitled to increase or reduce the Sum Insured accordingly.

4. Basis of Indemnity

- i) The Insurers shall at their option indemnify the Insured
 - a) either by repair or replacement of the lost, damaged or stolen Item (compensation in kind); and the replaced parts (salvaged material), shall become the property of the Insurers;
 - b) or by payment in cash of the cost required for repair or replacement (compensation in money)
- ii) If compensation is made in money, the Insurers shall pay:
 - a) in the case of Partial Loss, the actual repair costs less the value of the salvaged material; when no repair is made, the Insurers shall compensate for the estimated cost of repair, however, not more than the Actual Cash Value of the depreciated Insured Item immediately before the occurrence of the loss or damage.
 - b) in the case of an actual or constructive Total Loss, the New Replacement Cost Less the value of the salvage of the salvage material; when no replacement is made, the insurers shall compensate only for the Actual Cash Value of the depreciated Insured Item immediately before the occurrence of the loss or damage, the same shall apply in the cases specified under Special Conditions 4. iii)b).
- iii) A loss shall be deemed to be a Partial Loss if the cost of restoring the damaged Item to its former working condition (repair) plus the value of the salvaged material:
 - a) is less than the New Replacement Cost or
 - b) is less than the Actual Cash Value immediately before the occurrence of the loss or damage with regard to Items for which spare parts of series production are no longer available (Obsolete items)Otherwise the loss shall be deemed to be a Total Loss.
- iv) Furthermore, the Insurers shall compensate for necessary extra charges incurred for:
 - a) express freight;
 - b) overtime, night work, work on public holidays and Sundays.
- v) Only subject to, special agreements, compensation shall be paid for:
 - a) extra charges for air freight;
 - b) any cost for masonry, plastering, painting, earth and chisel or similar work.



- vi) The Insurers shall not pay compensation for:
 - a) any cost which would have been incurred even if the loss or damage had not occurred (e.g. for maintenance)
 - b) additional costs of any alteration or improvement of the Insured Item in connection with an insured loss event;
 - c) any other costs which by their nature or amount are not included in the Sum Insured;
 - d) the amount of the Deductibles stated in the Schedule in respect of each and every occurrence giving rise to loss or damage.
- vii) If the damaged, Item is provisionally repaired, the liability of the Insurers shall be limited to the final repair cost which would have been incurred if provisional repairs had not been made.

EXTENSION

(Not applicable unless specified in the Policy Schedule)

INCREASED COST OF WORKING (ICOW)

The Insurers hereby agree with the Insured that if any physical loss or damage insurable under Section 6 of this Policy gives rise to a total or partial interruption of the normal functions of any Item entered under Section 6 of the Schedule, the Insurers will indemnify the Insured for the actual additional expenditures as specified in the Schedule which were necessarily and reasonably incurred during the Indemnity Period for the sole purpose of avoiding or diminishing the effects of such interruptions or interference.

Particularly, this Section shall cover additional expenditures incurred for:

- a) the use of substitute items;
- b) the application of other operating or manufacturing methods;
- c) the hiring of services or the purchasing of, semi-manufactured or finished products.

SPECIFIC EXCLUSIONS UNDER ICOW:

The Insurers shall not be liable for any additional expenditures incurred as a result or consequence of:

1. any restriction imposed by any public authority concerning the reconstruction or resumption of operation;
2. the Insured not having, at his immediate disposal sufficient capital for repairing damaged or replacing lost items;
3. any alteration, improvement or overhauling of an Insured Item in connection with an insured loss event;
4. the reinstatement of damaged or lost data and programs and loss or damage to data media;
5. the discontinuance of manufacture of the lost or damaged Item or any non-availability of spare parts of series production for such Item.

SPECIAL CONDITIONS UNDER ICOW COVERAGE:

1. Annual Sum Insured

The Annual Sum Insured under this Section shall be the total amount which the Insurers would have to pay as additional expenditures as specified in the schedule for a period of 12 months. The Annual Sum Insured shall be based on the maximum amounts agreed per day and per month as specified in the Schedule.

2. Indemnity Period

The Insurers shall be liable only for additional expenditures arising within the agreed Indemnity Period stated in the Schedule.

The Indemnity Period shall commence at the date of the earliest possible discovery of the physical loss or damage by the Insured in accordance with the technical rules, but at the latest date when additional expenditures arise.

3. Basis of Indemnity

- i The Insurers shall be liable up to an amount not exceeding the indemnification agreed per day and per Item the Indemnity Period as specified in the Schedule, however, not exceeding the amount agreed for any monthly period.
- ii The Insurers shall not be liable for such additional expenditures which would have been incurred even if there would not have been a physical loss or damage giving rise to a total or partial interruption of the normal functions of an Item entered in the Schedule, particularly if such additional expenditures result from planned or necessary alteration, improvement or overhauling work on the insured Item.
- iii Any savings in cost shall be taken into account when calculating the indemnity amount to be paid by the Insurers.



- iv The Insurers shall not be liable in respect of the amount of the Deductibles stated in the Schedule in respect of each and every occurrence giving rise to loss or damage.

ENDORSEMENTS

ENDORSEMENT 656 – INTERNAL BREAKDOWNS

It is agreed and understood that, subject to the terms, exceptions and conditions contained in the Section 6 or, endorsed thereon, the Insurers will not indemnify the Insured for costs which are usually covered by a maintenance agreement.

Especially not for costs of rectification (including costs for search and fault identification) of

1. mechanical or electrical failure, malfunction, derangement or breakdown;
2. loss or damage to individual components, printed circuit boards or other individual parts of the Insured item

Unless it can be proven that such loss or damage is the result of an external accident as far as covered under this Section 6, or fire or explosion ensues and then only for the loss or damage caused by such fire or explosion provided that the perils of fire or explosion are not excluded elsewhere in this Section .

Subject of maintenance as far as this endorsement is concerned are:

- ◆ security checks
- ◆ preventative maintenance
- ◆ repair of defects due to wear and tear
- ◆ repair of defects occurred during normal operations without external influence.

ENDORSEMENT 640 – MAINTENANCE

It is agreed and understood that, subject to the terms, exceptions and conditions contained in the Section 6 or endorsed thereon, the Insurers will indemnify the Insured for loss of or damage to the Insured Item only if the Insured has concluded a comprehensive maintenance agreement.

Nevertheless, the Insurers will not indemnify the Insured for costs which are covered by this maintenance agreement. Especially not for costs of rectification (including the costs of search and fault identification) of

1. mechanical or electrical failure, malfunction, derangement or breakdown
2. loss or damage to individual components, printed circuit boards or other individual parts of the Insured item

Unless it can be proven that such loss or damage is the result of an external accident as far as covered under this Section 6, or fire or explosion ensues and then only for the loss or damage caused by such fire or explosion, provided that the perils of fire or explosion are not excluded elsewhere in this Section .

Subject of maintenance as far as this endorsement is concerned is:

- ◆ security checks
- ◆ preventative maintenance
- ◆ repair of defects due to wear and tear
- ◆ repair of defects occurred during normal operations without external influence.

ENDORSEMENT 102 (applicable to mobile equipment)

(Extension of Territory)

It is agreed and understood that, subject to the Terms, Exceptions and Conditions contained in the Policy or endorsed thereon, the territorial area of applicable for insurance cover is extended to provide worldwide cover.

COMPUTER VIRUS AND EXTERNAL NETWORKS ENDORSEMENT

It is understood and agreed, notwithstanding any provision to the contrary within this Policy or any endorsement thereto, the following is included:-

- This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA caused by COMPUTER VIRUS or the FAILURE OF AN EXTERNAL NETWORK or loss of use, reduction in functionality, cost or expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.



- **COMPUTER VIRUS** means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer or network of whatsoever nature, **COMPUTER VIRUS** includes but is not limited to Trojan Horses, Worms and time or logic bombs.

FAILURE OF AN EXTERNAL NETWORK means failure of some or all services provided by an internet service provided, or telecommunications provider outside a radius of 150 meters from the insured location specified in the original policy.

STANDARD EXTENSION CLAUSES APPLICABLE TO SECTIONS 3 TO 6

[\(Not applicable unless specified in the Policy Schedule\)](#)

1 ALTERATIONS AND REPAIRS CLAUSE

Workmen are allowed in or about any premises herein referred to carrying out alterations and repairs without prejudice to the terms of this Insurance.

2 APPRAISEMENT CLAUSE

If the aggregate claim for any one loss does not exceed RM5,000/- or 5% of the sum insured whichever is the lesser by the item or items affected no special inventory or appraisal of the undamaged property shall be required.

3 ARMED ROBBERY AND HOLD-UP CLAUSE

It is hereby declared and agreed that this Policy is extended cover the risk of Armed/ Robbery/ Hold-up occurring during business hours. Armed robbery shall be deemed to be in felonious and forcible theft of insured property:

- (a) by violence inflicted upon any employee of the Insured.
- (b) by the placing of the Insured's employee in fear of violence

(c) by any other overt, felonious act committed in the presence of the Insured's employees and of which the employees were actually cognizant; provided such other act is not committed by the employees of the Insured.

Mere disappearance of the property insured hereunder is not a loss covered hereby. Any shortage disclosed by any inventory is not covered hereby unless such shortage can be reasonably shown to have been occasioned by armed robbery.

Provided always that the Company's limit of liability shall not exceed RM_____ per occurrence.

4 AUTOMATIC INCLUSION CLAUSE – NEW PREMISES

It is hereby understood and agreed that this Policy is extended to provide the Insured with Automatic Coverage for new premises secured during the period of insurance.

The automatic coverage provided by this clause is limited to 10% of the Policy limit or RM1,000,000/- whichever is the lower.

In view of the Automatic Coverage being provided the Insured shall provide the Company within one month from the day the Insured acquires the premises a list containing the following information:

- (a) Construction of Building
- (b) Sum Insured

5 AUTOMATIC REINSTATEMENT OF SUM INSURED CLAUSE

In consideration of the Insured undertaking to pay an additional premium at the agreed rate on the amount of loss calculated on a pro rata basis from the date of such loss to the expiry of the current period of insurance it is agreed that in the event of loss the insurance hereunder shall be maintained in force for the full sum insured.

6 BRAND, LABEL AND TRADEMARK CLAUSE

In the case of damage to property bearing a brand, label or trademark, the sale of which in any way carries a guarantee of the Insured, the salvage value of such damaged property shall be determined after the removal in the customary manner of all brands, labels and any trademarks which might be taken to indicate that the guarantee of the manufacturer or the Insured attaches to the said property.

7 CAPITAL ADDITIONS CLAUSE (Not applicable to Stock-in-Trade or Merchandise)

This Policy hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to property specified in this Policy for an amount not exceeding RM100,000/- or 10% of the Sum Insured under its respective items/ columns whichever shall be the less. It being understood that the Insured undertakes to advise the Company every three months of such alterations, additions and improvements and to pay the appropriate additional premium thereon.



The Clause is inoperative if the declaration of such alterations, additions and improvements is not received by the Company within 90 days from the date of such alterations, additions and improvements.

For the purpose of this Clause, the inception date under the Premium Warranty shall be deemed to be the date of declaration received by the Company.

Note: In the event that there is more than one location, limit may be increased to RM500,000/-, this amount being the aggregate limit for all the locations

8 CASH IN LOCKED DRAWER/ LOCKED SAFE/ LOCKED STEEL CABINET/ CASH REGISTER/ STRONGROOM CLAUSE

Notwithstanding anything herein contained to the contrary it is hereby declared and agreed that this Policy is extended to indemnify the Insured in respect of cash in locked drawer/ locked safe/ locked steel cabinet/ cash register/ strongroom by burglary or robbery but in respect of the extended cover, the Company shall not be liable for loss directly or indirectly due to fraud or dishonesty of employees of the Insured.

It is further declared and agreed that a complete record of the amount of cash in locked drawer/ locked safe/ locked steel cabinet/ cash register/ strongroom shall be kept secure in some place other than in locked drawer/ locked safe/ locked steel cabinet/ cash register/ strongroom and that the liability of the Company shall be limited to the amount of cash shown by record to be kept in the Locked safe/strongroom at the time of loss but not exceeding in all the sum of RM_____ (as specified in the Schedule)

9 CONTRACT PRICE CLAUSE

It is agreed that in respect only of goods sold but not delivered for which the Insured is responsible and with regard to which under the conditions of sale the sale contract is by reason of loss or damage by the coverage hereby insured against cancelled, either wholly or to the extent of the loss or damage, the liability of the Company shall be based on the contract price and for the purpose of average the value of all goods to which this Clause would in the event of loss or damage be applicable shall be ascertained on the same basis.

10 COMPUTER SYSTEMS RECORDS

Computer systems records are insured only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value of the information contained therein.

11 DAMAGE TO PREMISES CLAUSE

This policy will indemnify the Insured for the cost of temporary repairs and temporary protection necessary for the safety of the property pending completion of the repairs as a result of the Burglary or any attempt thereat subject to a limit of RM2,000/- any one occurrence.

12 DAMAGE TO DRAWER/ SAFE/ STEEL CABINET/ CASH REGISTER/ STRONGROOM

It is hereby declared and agreed that this Policy is extended to indemnify the Insured against damage to drawer/ safe/ steel cabinet/ cash register/ strongroom arising from, connected with or traceable to any loss hereby insured under this Policy.

Provided that the Company has the option to indemnify by payment reinstatement or repair. Subject to a limit of RM2,000/- any one occurrence.

13 DESIGNATION CLAUSE

For the purpose of determining where necessary the heading under which any property is insured, the Company agrees to accept the designation under which such property has been entered in the Insured's books.

14 EXPEDITING EXPENSES EXTENSION

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover extra charges for overtime, night work, work on public holidays and express freight (including air-freight).

Provided always that such extra charges are incurred in connection with any loss or damage to the Insured items recoverable under this Policy.

If the sum(s) of damaged item(s) is/are less than the amount(s) required to be insured the amount(s) required to be insured the amount payable under this endorsement for such extra charges shall be reduced in the same proportion.

Provided further that the amount payable under this endorsement in respect of this extension shall not exceed 10% of claim or maximum RM5,000/- whichever is the lesser during the Period of Insurance.

15 EMPLOYEES EFFECTS CLAUSE



It is hereby declared and agreed that this Policy is extended to cover the Insured's employees in respect of loss or damage to their clothing and personal effects arising out of any attempted robbery or theft consequent upon actual forcible and violent entry upon the Insured's premises subject to a limit of RM1,000/- any one claim and in the aggregate.

16 FIRST LOSS CLAUSE (WITH AVERAGE)

This Policy is issued as a First loss Insurance on stock and movable contents up to an amount specified in the Policy Schedule.

It is further understood and agreed that in the event of the total stock/movable contents referred to being at the time of any loss within the meaning of the Policy of greater value than the amount as above mentioned, the insured shall be considered as being their own insurers for the difference and shall bear a rateable share of the loss accordingly.

17 FIRST LOSS CLAUSE (WITHOUT AVERAGE)

This Policy is issued as a First loss Insurance on stock and movable contents up to an amount of RM (as specified in the Policy Schedule) being part of the Insured's total stock of RM (as specified in the Policy Schedule).

It is further understood and agreed that in the event of the total stock/movable contents referred to being at the time of any loss within the meaning of the Policy of greater value than the amount as above mentioned, the insured shall be considered as being their own insurers for the difference and shall bear a rateable share of the loss accordingly.

It is further understood and agreed that average clause is not applicable to this Policy.

18 ESCORT WARRANTY

Warranted that all carrying of money in transit between the Insured's premises and the banks or post offices be accompanied by armed guard escort if such carrying exceed RM_____ (as specified in the Schedule).

19 FULL THEFT (ENDORSEMENT) (SUB-SECTION 3.01)

It is hereby agreed and declared that notwithstanding anything herein contained to the contrary, this Policy extends to cover Full Theft i.e. if the Property Insured be stolen by any person or persons (other than the Insured's employees) not consequent upon forcible and violent entry upon the premises, the policy extends to cover such risks.

Notwithstanding the foregoing it is further declared that

- a) the loss must occur from a specific occurrence reported to the Company within 14 days after the event.
- b) Loss discovered at periodical checking is not covered by this extension.

It is noted and agreed that the Company shall not be liable for the first RM_____ (as specified in the Schedule) each and every claim arising from, connection with or traceable to Theft as defined above.

Provided always that the Company's liability shall not exceed RM_____ per occurrence.

20 FULL THEFT (ENDORSEMENT) (SUB-SECTION 3.03)

- i) The word "burglary" appearing in Insuring Agreement I is amended to read as "Burglary or Theft".
- ii) This endorsement does not apply to loss caused by the Insured or anyone acting on the express or implied authority of the Insured, being induced by any fraudulent scheme, trick, device or false pretense to part with title to or possession of any property.
- iii) The Insured, shall at least once in every twelve months, make a physical inventory of the merchandise insured hereunder. If the Insured has failed to make such an inventory within twelve months immediately preceding the date of the discovery of a loss occasioned by theft, such loss shall not be covered hereby.
- iv) Mere disappearance of the property insured hereunder is not a loss covered hereby. Any shortage disclosed by an inventory is not covered hereby unless such shortage can be reasonably shown to have been occasioned by theft.
- v) The definition of "Theft" under the named Section of this Policy is hereby revised to mean:-
 - " the felonious abstraction of insured property from within -
 - (1) the premises by a person making felonious entry therein or exit therefrom or
 - (2) a showcase or show window outside the premises by a person making felonious entry to such showcase or show windows".
- vi) It is noted and agreed that the Company shall not be liable for the first RM_____ (as specified in the Schedule) each and every claim arising from, connection with or traceable to Theft as defined above.
- vii) Subject otherwise to the terms, conditions and exceptions of this policy.
- viii) Provided always that the Company's liability shall not exceed RM_____ per occurrence.

21 HIRE PURCHASE ENDORSEMENT



It is hereby understood and agreed that the Bank or Finance Company as specified in the Schedule of this Policy (hereinafter referred to as the Owners) are the owners of the insured property and that the insured property is the subject of Hire Purchase Agreement made between the owners of the one part and the Insured of the other part. It is further understood and agreed that any payment made in respect of loss or damage (which loss or damage is not made good by repair, reinstatement or replacement) under this Policy shall be made to the Owners as long as they are owners of the insured property and their receipt shall be a full and final discharge to the Company in respect of such loss or damage.

It is also understood and agreed notwithstanding any provision in the Hire Purchase Agreement to the contrary this Policy is issued to the Insured as the Principle party and not as agent or trustee for the Owners and nothing herein shall be construed as constituting the insured an agent or trustee for the Owners or as an assignment (whether legal or equitable) by the Insured to the Owners of his rights benefits and claims under this Policy.

It is lastly understood and agreed that the Insured shall not assign his rights benefits and claims under this Policy without the prior consent in writing of the Company

Non Cancellation Clause

And it is further agreed that cancellation of the Policy shall not be effected by the Insured except upon prior notification to the Owner in writing giving fourteen (14) days notice to the last known address of the Owner.

22 INTERNAL REMOVAL CLAUSE

It is understood and agreed that in the event of removal of the property hereby insured from one building to another at any of the aforesaid situations being inadvertently not advised to the Company the insured on such property shall follow the removal and the necessary adjustments in the sums insured and premium being made as from the date of removal as soon as the oversight is discovered.

23 LEASING ENDORSEMENT

It is hereby understood and agreed that the Bank or Finance Company specified in the Schedule of this Policy (hereinafter referred to as the Lessors) are the owners of the Property insured by this Policy and that such property is the subject of a Leasing Agreement made between the Lessors of the one part and the Insured of the other part. It is further understood and agreed that any payment made in respect of loss or (which loss or damage is not made good by repair, reinstatement or replacement) under the terms of this Policy shall be made to the Lessors as long as they are the owners of the Property and their receipt shall be full and final discharge to the Company in respect of such loss or damage.

It is understood and agreed that notwithstanding any provision in the Leasing Agreement to the contrary this Policy is issued to the Insured as the Principle party and not as agent or trustee for the Lessors and nothing herein shall be construed as constituting the Insured, as agent or trustee for the Lessors or as an assignment (whether legal or equitable) by the Insured to the Lessors of his rights benefits and claims under this Policy, nothing herein shall be construed as creating any right in the Lessors to sue the Company in any capacity whatsoever for any alleged breach of its obligations hereunder.

Non Cancellation Clause

And it is further agreed that cancellation of the Policy shall not be effected by the Insured except upon prior notification to the Lessor in writing giving fourteen (14) days notice to the last known address of the Lessor.

24 LOADING & UNLOADING CLAUSE

It is hereby declared and agreed that the Policy is extended to indemnify the Insured against loss or damage to property arising out of and in the course of loading or unloading operations from a stationary vehicle including delivery or collection of the load from or to the vehicle.

Provided always that the Company' limit of liability shall not exceed RM5,000/- per occurrence.

25 MALICIOUS DAMAGE CLAUSE

It is hereby declared and agreed that the insured under this Policy is extended to include Malicious Damage which for the purpose of this extension shall mean loss of or damage to the property insured directly caused by the Malicious act of any person (whether or not such act is committed in the cause of a disturbance of the public peace).

26 MISDESCRIPTION CLAUSE

It is hereby agreed and declared that this Policy shall not be prejudiced by any alteration or misdescription of occupancy. Notice to be given to the Company immediately the Insured become aware of the same and to pay additional premium if required from the date of the inception.

27 MORTGAGEE (CHARGE) CLAUSE

Loss, if any, payable to the Bank or Finance Company specified in the Schedule as Mortgagee (Chargee) as interest may appear in this insurance, as to the interest of the Mortgagee (Chargee) only therein, shall not be invalidated by any act or neglect of the Mortgagor (Chargor) of the Owner of the within described property nor by any foreclosure or other proceedings or notice of sale relating to the property or by the occupation of the premises for purposes more hazardous than are permitted by this Policy, or by the non-occupation thereof, or by any other increase of risk taking place in the property insured hereunder. Provided that in case the Mortgagor (Chargor) or Owner shall neglect to pay any premium due under this Policy the Mortgagee (Chargee) shall on demand pay the same. Provided also that the Mortgagee (Chargee) shall



notify the Company of any non-occupancy or any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the said Mortgagee (Chargee) and unless permitted by this Policy it shall be noted thereon and the Mortgagee (Chargee) shall on demand pay the premium for such increased hazard for the term thereof otherwise this Policy shall be null and void.

And it is further agreed and that whenever the Company shall pay the said Mortgagee (Chargee) any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor (Chargor) or Owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Mortgagee (Chargee) to the extent of such payment but not so as to impair the right of the said Mortgagee (Chargee) to recover the full amount of any claim it may have on such Mortgagor (Chargor) or Owner or on any other party or parties insured hereunder or from any securities or funds available.

Note : When the interest is that of Chargee and Chargor the words in brackets are deemed to be inserted in place of Mortgagee and Mortgagor.

Non Cancellation Clause

And it is further agreed that cancellation of the Policy shall not be effected by the Insured except upon prior notification to the Mortgagee (Chargee) in writing giving fourteen (14) days notice to the last known address of the Mortgagee (Chargee).

28 OTHER CONTENTS CLAUSE

It is agreed that the term "Other Contents" is understood to include:

- a) Money and stamps not otherwise specifically insured for an amount not exceeding RM1,000/-.
- b) Documents, manuscripts and business books but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing up, and not for the value to the Insured of the information contained therein and for an amount not exceeding RM1,000/- in respect of any one document, manuscript or business book.
- c) Computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to be Insured of the information contained herein for an amount not exceeding RM1,000/-.
- d) Patterns, models, moulds, plans and designs for an amount not exceeding RM1,000/- in respect of any one pattern, model, mould, plan or design

29 PAYMENT ON ACCOUNT CLAUSE

Payment on account will be made to the Insured if desired provided that it is established that the loss is indemnifiable under this Policy.

30 PORTABLE EQUIPMENT (LOSS THROUGH THEFT) CLAUSE

It is agreed and understood that, subject to the Terms, Exceptions and Conditions contained in the Policy or endorsed thereon, the Company shall indemnify the Insured for loss of, or damage to:

- a) Portable electronic equipment if used outside of the Insured Location as specified in the Policy Schedule.
- b) In the event of loss through burglary and/or theft, the Insured's deductible shall amount to 25% of the indemnifiable loss, unless otherwise stated in the policy schedule.
- c) If the Insured Item was stolen (burglary/theft) out of a vehicle, the Company shall only be liable to payment indemnity if:
 - The vehicle had a hardtop roof;
 - The vehicle was properly locked after having been parked;
 - The Insured Item was stored inside the vehicle where it was not visible from outside, e.g. the car boot, under vehicle's seat

31 REINSTATEMENT VALUE CLAUSE

It is hereby declared and agreed that in the event of the property insured under this Policy being lost, destroyed or damaged, the basis upon which the amount payable under this Policy is to be calculated shall be the cost of replacing or reinstating the property of the same kind or type but not superior to or more extensive than the property insured when new subject to the following Special Conditions and subject also to the terms and conditions of the Policy except insofar as the same may be varied hereby.



SPECIAL CONDITIONS

1. The reinstatement must be commenced and carried out within 12 months after the loss, destruction or damage or within such further time as the Company may (during the said 12 months) in writing allow otherwise no payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made.
2. Until expenditure has been incurred by the Insured in replacing or reinstating the property destroyed or damaged the Company shall not be liable for any payment in excess of the amount which would have been payable under the Policy if this memorandum had not been incorporated therein.
3. If at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the property covered has been destroyed exceeds the sum insured thereon, then the Insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of the Policy (if more than one) to which this Memorandum applied shall be separately subject to the foregoing provision.
4. This Memorandum shall be without force or effect if:-
 - a) The Insured fails to intimate to the Company within six (6) months from the date of destruction or damage, or such further time as the Company may in writing allow, his intention to replace or reinstate the property destroyed or damaged.
 - b) The Insured is unable or unwilling to replace or reinstate the property destroyed or damaged.
5. No payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made if at the time of any destruction or damage to any property insured hereunder such property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth therein.

32 REMOVAL OF DEBRIS

Costs and expenses necessarily incurred by the Insured with the consent of the Company in the removal of debris dismantling and/or demolishing shoring up or propping of the portion or portions of the property insured by this Policy destroyed or damaged by fire or by any other peril hereby insured against.

33 RIOT STRIKE AND CIVIL COMMOTION

It is hereby declared and agreed that this Policy extends to cover Strike, Riot and Civil Commotion damage which for the purpose of this endorsement shall mean loss of or damage to the property insured directly caused by :

- a. The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not)
- b. The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance.
- c. The wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out.
- d. The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

PROVIDED that it is hereby further expressly agreed and declared that:-

- i) All the terms exclusions, provisions and conditions of the Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following Special Conditions and any reference to loss or damage in the wording of the Policy shall be deemed to include the perils hereby insured against.
- ii) The following Special Conditions shall apply only to the insurance granted by this extension and the wording of the

Policy shall apply in all respects to the insurance granted by the Policy as if this Endorsement had not been made thereon.

SPECIAL CONDITIONS

1. This insurance does not cover : -
 - a. loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
 - b. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.



- c. loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.

Provided nevertheless that the Company is not relieved under (b) or (c) above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

2. This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely :-
 - a) War, invasion, act of foreign enemy, hostilities, or warlike operations (whether war be declared or not), civil war.
 - b) Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.
 - c) Any act of any person acting on behalf of or in connection with any organisation with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence.
3. In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

34 TEMPORARY REMOVAL CLAUSE

It is hereby declared and agreed that the Property insured under this Policy is covered (limited to 10% of the Sum Insured) whilst temporarily removed for cleaning, renovation, modification, repair or other similar purpose, elsewhere on the same or to any other premises and in transit thereto and therefrom by road or rail, all in Malaysia. The amount recoverable under this extension in respect of the property so removed shall not exceed the amount which would have been recoverable had the loss occurred in that part of the premises from which the property is temporarily removed.

This extension does not apply to property if and so far as it is otherwise insured, nor does it apply to items covering stock and merchandise of every description, nor as regards losses occurring elsewhere than at the premises from which the property is temporarily removed to: -

1. Motor Vehicles and Motor Chassis.
2. Property (other than machinery and plant) held by the Insured in trust

35 TEMPORARY STORAGE CLAUSE

The property (excluding buildings) insured under this Policy is covered whilst temporarily stored anywhere in Malaysia PROVIDED that: -

- a) the period of temporary storage shall not exceed sixty (60) days.
- b) the liability of the Company is limited to 10% of the total sum insured or RM100,000 whichever is the lower for property covered under this clause.
- c) the Company shall not be liable for any loss or damage to the property whilst in transit (including the processes of loading and unloading incidental to such transit).
- d) this insurance does not apply to property in so far as it is otherwise insured nor does it apply to motor vehicles and motor chassis licensed for road use or being used on a road as defined in the Road Transport Act 1987 (including accessories thereon).

36 VEHICLE LOAD CLAUSE

In the event of any of the Insured's vehicle being left loaded overnight (provided securely locked in the vehicle) whilst in and/or on the premises described in the specification hereto the Company will indemnify the Insured in respect of such load in the event of loss or damage insured against by this Policy.

Provided always that the Company's limit of liability shall not exceed RM5,000/- per occurrence.

37 WAGES AND SALARIES CLAUSE

The cover under payroll includes wages and/or salaries until paid to employees or otherwise disbursed provided the wages and/or salaries are kept in a locked safe or strong room when the premises are closed for business.



GENERAL WARRANTIES, TERMS & EXCLUSIONS APPLICABLE TO ALL SECTIONS:

1. **PREMIUM WARRANTY ENDORSEMENT:** It is a fundamental and absolute Special Condition of this contract of insurance that the premium due must be paid and received by the Company within sixty (60) days from the inception date of this Policy/Endorsement/Renewal . If this condition is not complied with then this contract is automatically cancelled and the Company 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 authorized agent of the Company, the payment shall be deemed to be received by the Company 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 authorized to receive such premium shall lie on the Company.
2. **WARRANTY IN EVENT OF FRAUD:** Any fraud, misstatement or concealment in respect of this insurance or any claim hereunder shall render this Policy or the respective Certificates of Insurance as the case may be, null and void and Benefit due hereunder shall be or become forfeited.
3. **SANCTIONS CLAUSE:** No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the insurer to any sanction, prohibition or restriction under the United Nations' Security Council resolutions (UNSC) or the trade or economic sanctions, laws or regulations of the European Union or the United States of America."

4. **WAR AND TERRORISM EXCLUSION ENDORSEMENT:**

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 of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

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 (1) and/or (2) above.

If the Company 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.
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5. **JURISDICTION & TERRITORIAL EXCLUSION CLAUSE**

Unless specifically expressed, it is agreed that the insurance coverage afforded under all Sections above do not cover:

- a) damages for bodily injury and/or property damage in respect of judgment not in the first instance delivered by or obtained from a court of competent jurisdiction within Malaysia.
- b) defense costs and/or costs and expenses of litigation recovered by any claimant from the Insured, which are not incurred in and recoverable in Malaysia.
- c) any occurrences, claims made, suits filed or judgments rendered in the United States of America, its territories or possessions and Dominion of Canada.

6. **DATE RECOGNITION**

It is noted and agreed this policy is hereby amended as follows:-

- A. The Company will not pay for 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 :



1. correctly recognize any date as its true calendar date;
 2. 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 as its true calendar date; and/or
 3. 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. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any part of any device and/or software as listed above in A.
- C. It is further understood that the Company will not pay for 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. It is further understood that the Company will not pay for any consequential loss resulting from any continuing inability of the computer and equipment described in A above to correctly recognize 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.

Saving clause

This endorsement shall not exclude subsequent loss or damage or consequential loss which itself results from insured peril as defined in the policy.

Subject otherwise to the terms and conditions of the policy.

7. NUCLEAR ENERGY RISKS EXCLUSION CLAUSE (REINSURANCE) (1994) NMA 1975(a) (WORLDWIDE EXCLUDING U.S.A. & CANADA)

- A) This insurance shall exclude Nuclear Energy Risks whether such risks are written directly and/or by way of insurance and/or via Pools and/or Associations.

For all purposes of this insurance Nuclear Energy Risks shall be defined as all first party and/or third party insurances (other than Workers' Compensation and/or Employers' Liability) in respect of:

- i. All Property on the site of a nuclear power station. Nuclear Reactors, Reactor Buildings and Plant Equipment therein on any site other than a nuclear power station.
- ii. All Property, on any site (including but not limited to the sites referred to in (i) above) used or having been used for:-
 - (a) The generation of nuclear energy; or
 - (b) The production, Use or Storage of Nuclear Material.
- iii. Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- iv. The supply of goods and services to any of the sites, described in (i) to (iii) above, unless such insurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as under noted, Nuclear Energy Risks shall not include:-

- (i) Any insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of property as described in (i) to (iii) above (including contractor's plant and equipment).
- (ii) Any Machinery Breakdown or other Engineering insurance not coming within the scope of (a) above;

Provided always that such insurance shall exclude the perils of irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:-

- (1) The provision of any insurance whatsoever in respect of:-
 - (a) Nuclear Material;



- (b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
- (2) The provision of any insurance or reinsurance for the under noted perils:-
- * Fire, lightning, explosion;
 - * Earthquake;

 - * Aircraft and other aerial devices or articles dropped there from;
 - * Irradiation and radioactive contamination;

 - * Any other peril insured by the relevant local Nuclear Insurance Pool and/or Association; in respect of any other Property not specified in (1) above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

Definitions:

"Nuclear Material" means:-

- (i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and
- (ii) Radioactive Products or Waste.

"Radioactive Products or Waste" means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

"Nuclear Installation" means:-

- (i) Any Nuclear Reactor;
- (ii) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
- (iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

"Nuclear Reactor" means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

"Production and/or Use and/or Storage of Nuclear Material" means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

"Property" shall mean all land, buildings, structures, plant, equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

"High Radioactivity Zone or Area" means:-

- (i) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its support and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and
- (ii) For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of biological shield.

NMA 1975A

- B) Any other liability, loss, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, arising out of or in connection with nuclear reaction, nuclear radiation or radioactive contamination regardless of any other cause contributing concurrently or in any other sequence to the loss, save where such liability, loss, cost or expense arises under insurances or reinsurances expressly exempted from NMA 1975A in respect of which the insured has specifically granted cover.

8. PROPERTY DAMAGE CLARIFICATION CLAUSE

Property damage covered under this Agreement shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.



Consequently the following are excluded from this Agreement :-

- a. Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.
- b. Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

9. INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

- 1.0 In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
- 1.1 ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
- 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

10. POLITICAL RISK EXCLUSION ENDORSEMENT

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 the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

"Confiscation, expropriation, nationalization, commandeering, requisition or destruction of or damage to property by order of the Government de jure or de facto or any public, municipal or local authority of the country or area in which the property is situated; seizure or destruction under quarantine or customs regulation"

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 the above.

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 Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

11. INDUSTRIES, SEEPAGE, POLLUTION AND CONTAMINATION CLAUSE NO. 3 (NMA 1685) This Insurance does not cover any liability for:

1. Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph 1. shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
2. The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
3. Fines, penalties, punitive or exemplary damages.

This Clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this Clause not been attached.

12. ASBESTOS & SILICA EXCLUSION

It is hereby declared and agreed that this Policy excludes all claims arising out of Asbestos and Silica.

ASBESTOS : Directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the manufacture of, mining of, use of, sales of, installation of, survey or investigation of, management of, removal of, distribution of, existence of or exposure to



asbestos products, asbestos fibers or asbestos dust, or property or materials containing any of the foregoing, including without limitation all liability to pay claimants' or the Insured's legal costs and expenses or any other costs and expenses, howsoever incurred in the investigation, defense and/or settlement of any claim or Legal Proceeding against the Insured.

SILICA : Directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibers, silica dust or silica in any form, or to any obligation of the insured to indemnify any party because of Bodily Injury or Property Damage arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibers, silica dust or silica in any form.

13. ELECTRONIC DATA AND INTERNET ENDORSEMENT

It is noted and agreed that this Policy is hereby amended as follows:

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing inability or failure of the Insured to conduct business.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this Policy remain unchanged.

GENERAL POLICY CONDITIONS APPLICABLE TO ALL SECTIONS

1. **EFFECTIVE DATE:** The effective date of this Policy is as stated in the Policy Schedule.
2. **COMPLETENESS OF DOCUMENT:** 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.
3. **COMMUNICATION** : Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company
4. **ALTERATIONS:** The Company reserves the right to amend the terms and provisions of this Policy and may at any time be amended and changed by written agreement between the Company and the Insured. Any amendment to this Policy shall be binding on all persons whether insured under this Policy prior to, during, or after the effective date of the amendment. No alteration in this Policy shall be valid unless approved by an authorized representative of the Company and such approval be endorsed herein.
5. **CURRENCY OF SETTLEMENT:** All claim settlement under this Policy shall be in Ringgit Malaysia.
6. **NOTICE OF CLAIM:** Written notice of claim must be given to the Company within fourteen (14) days after the date of loss. The Insured Member hereunder shall produce for the Company's examination pertinent documents at such reasonable times and shall co-operate with the Company in all matters pertaining to any loss and/or claims. Failure to comply with this condition may prejudice the claim. Written notice of claim given by or on behalf of the Named Insured Member to the local Office of the Company, or to any authorized official of the Company providing information sufficient to identify the Insured Member shall be deemed notice to the Company. For convenience a notification format is attached at end of the Policy.
7. **PROOF OF LOSS:** Written proof of loss must be furnished to the Company at its said office within ninety (90) days after the date of loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time provided such proof is furnished as soon as possible and in no event, except in the absence of legal capacity, later than one (1) year from the time proof is otherwise required.
8. **LIMITATION OF CLAIMS:** No claim benefits shall be payable under this Policy if presented to the Company beyond a period of one (1) year from the date of loss.
9. **RECEIPTS:** The Company shall not be committed by any notice or any trust charge, a lien, assignment or other dealing with the Policy and the receipt of the Insured Member for any compensation payable herein shall in all cases be effectual discharge of liability of the Company.
10. **LEGAL PROCEEDINGS:** No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within one (1) year from the expiration of the time within which the written proof of loss is required by the Policy.
11. **ACTION AGAINST COMPANY.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until ninety days after the required proofs of loss have been filed with the company.



12. **SUBROGATION:** If the Company become liable for any payment under this Policy in respect of loss or damage the Company shall be subrogated, to the extent of such of such payment, to all the rights and remedies of the Insured against any party in respect of such loss or damage and shall be entitled at their own expense to sue in the name of the Insured. The Insured shall give to the Company all such assistance in his power as the Company may require to secure their rights and remedies and, at the Company's request shall execute all documents necessary to enable the Company effectively to bring suit in the name of the Insured including the execution and delivery of the customary form of loan receipt.
13. **SALVAGE AND RECOVERIES:** All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.
14. **FALSE OR FRAUDULENT CLAIMS:** if the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited.
15. **ABANDONMENT:** There shall be no abandonment to the Company any property.
16. **INSPECTION AND AUDIT:** The Company shall be permitted but not obligated to inspect the Insured's property at any time.

Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Company may examine and audit the Insured's books and records at any time during the Policy period and extension thereof and within two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

17. **ASSIGNMENT:** Assignment or transfer of this Policy shall not be valid except with the written consent of the Company.
18. **RIGHTS OF THIRD PARTIES EXCLUSION:** This Policy is effected solely between the Insured and the Company.

This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy.

This clause shall not affect the rights of the Insured.

19. **CHANGES.** Notice to any agent or knowledge possessed by any agent or by other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or change, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the company.
20. **CANCELLATION.** Both the Company and the Insured may cancel the Policy at any time by tendering at least thirty (30) days written notice to the other, by way of A R registered mail to their last known address as indicated in the Company's record. Premium refund will be according to the Company's preset scale.

If the insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Insured may elect to cancel Sections of the Policy mid-term, however, this will not attract any refund in premium.

21. **MIS-REPRESENTATION AND FRAUD :** This entire Policy shall be void if the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof; or in case of any fraud or false declaration by the Insured touching any matter relating to this insurance or the subject matter thereof; whether before or after a loss.
22. **COMPLIANCE WITH POLICY CONDITIONS:** Failure to comply with any of the provisions contained in this Policy shall invalidate all claims hereunder.
23. **ARBITRATION CLAUSE :**
 - a) Any dispute, difference or question which may arise at any time hereafter between the Company and the Insured and/or Insured Member and/or his/her legal representatives in relation to the true construction of the Policy or the rights or liabilities of parties hereto shall be referred to arbitration.
 - b) The arbitration shall be heard by a single arbitrator to be agreed by the parties hereto within fourteen (14) days of the commencement of the arbitration. In default of agreement, the arbitrator shall be appointed in accordance with and subject to the provisions of the Arbitration Act of Malaysia or any statutory modification or reenactment thereof for the time being in force.

24. **LIMITATION OF TIME OF BRINGING ARBITRATION:** If a claim is made under the Policy and is rejected by the Company, the Insured or his/her legal personal representatives shall commence arbitration proceedings in accordance with Clause (21) of Clause 9 hereof within six (6) months of such rejection, failing which Company shall be discharged from all liability whatsoever for that claim.
25. **RENEWAL:** This policy may be renewed with the consent of the Company from term to term.
26. **CONFLICT IN POLICY TERMS:** In the event of ambiguity or conflict between the policy terms under the General Policy Conditions and the Specific Terms expressed in the various specific Sections of cover, the terms in that specific Section shall prevail over the General Terms.



27. **TERMS OF POLICY CONFORMED TO STATUTE.** Terms of this policy which are in conflict with the statutes of the country wherein this policy is issued are hereby amended to conform to such statutes.
28. **SEVERABILITY:** Any provision of this Policy or of any Section which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining terms, Sections or Sub-sections hereof.
29. **DECLARATION:** By acceptance of this policy the insured agrees that the statements in the declarations are the agreements and representations of the insured, that this policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the insured and the company or any of its agents relating to this insurance
30. **DUTY OF DISCLOSURE:** The Insured must take reasonable care to ensure that all your answers to the questions are complete, correct, honest and to the best of insured's knowledge. You also have a duty to inform Company of any change in the information given to us earlier before we issue the policy schedule to you, before you renew or change any of the terms of your policy. If insured does not, the Company may:
- declare insured's policy void from inception (which means treating it as invalid) and the Company may not return the premium or recover any unpaid premium;
 - cancel this policy and return any premium less the Company's cancellation charge or recover any unpaid premium;
 - recover any shortfall in premium;
 - not pay any claim that has been or will be made under the policy; or
- be entitled to recover from The Insured the total amount of any claim already paid under the policy or any claim the Company have to pay under any relevant legislation, plus any recovery costs.
31. **SERVICE TAX:** The amount of Premium payable by insured for this Policy include an amount on account of the ST payable by insured ST refers to any service tax, value added tax, goods and services tax, consumption tax, or tax, duty, charge or imposition of a similar nature whatsoever by whatever name known, which may from time to time be imposed or charged (including any increases or decreases to the rate) by any competent tax authority.

Issued by

A handwritten signature in cursive script that reads "AIG Malaysia". The signature is written in black ink and is positioned below the text "Issued by".

IN WITNESS WHEREOF, AIG Malaysia Insurance Berhad has caused this policy to be signed by its Authorized Representative



DISCLOSURE & POLICY STATEMENT
KETERANGAN & KENYATAAN POLISI

1. Under the prudential framework of Corporate Governance the following avenues have been set up to handle customer grievances:

Di bawah rangka kewaspadaan Kawalan Korporat, cara-cara berikut telah disediakan kepada sesiapa yang ingin membuat aduan:-

a) The Customer Care Officer of AIG Malaysia Insurance Berhad (795492-W) ("Company") at tel: 603 2118 0188 or fax: 603 2685 4896 or via e-mail to AIGMYCare@aig.com. At branch level, complaints can be received by the respective Branch Managers who will direct it to the Customer Care Officer. *Pegawai Khidmat Pelanggan AIG Malaysia Insurance Berhad (795492-W) ("Syarikat") di tel: 603 2118 0188 atau faks: 603 2685 4896 atau e-mel pada AIGMYCare@aig.com. Bagi bahagian cawangan, segala aduan boleh ditujukan kepada Pengurus Cawangan yang akan memanjangkan kepada Pegawai Khidmat Pelanggan.*

b) Ombudsman for Financial Services (OFS) at tel: 03-2272 2811 or fax: 03-2272 1577

Any policyholder who is not satisfied with the decision of an insurance company may write to the OFS, giving details of the dispute, the name of the insurance company and the policy number. Copies of the correspondence between the policyholder and the insurance company must be submitted to facilitate OFS's reference.

Ombudsman Perkhidmatan Kewangan (OPK) di tel: 03-2272 2811 atau faks: 03-2272 1577

Pemegang polisi yang tidak berpuas hati dengan keputusan sesebuah syarikat insurans boleh menulis surat aduan kepada OPK dengan butir-butir pertikaian, nama syarikat insurans dan nombor polisi. Salinan surat antara pemegang polisi dan pihak syarikat insurans perlu diserahkan kepada OPK untuk rujukan.

An award of the OFS is binding on the Company. The policyholder can choose to accept or not. Acceptance is acknowledged only if it is in writing within 14 days of the decision. The Company shall settle the award within 30 days of policyholder's acceptance. But if the policyholder is not satisfied, he can reject the OFS's decision and pursue an alternative legal recourse instead. There is no fee charged for services of the OFS.

Pihak Syarikat adalah terikat kepada keputusan OPK. Pemegang polisi boleh memilih sama ada bersetuju atau tidak. Persetujuan hanya diterima secara bertulis dalam tempoh 14 hari. Pihak Syarikat akan menyelesaikan tuntutan dalam tempoh 30 hari dari persetujuan pemegang polisi. Sekiranya pemegang polisi tidak berpuas hati dengan keputusan OPK, beliau boleh memilih untuk mengambil tindakan alternatif undang-undang. Tidak ada yuran bayaran yang dicaj untuk perkhidmatan OPK.

The address is / *Alamat ialah:-*

Ombudsman Perkhidmatan Kewangan

Tingkat 14, Blok Utama
Dataran Kewangan Darul Takaful
No 4 Jalan Sultan Sulaiman 50000
Kuala Lumpur

c) Laman Informasi Nasihat dan Khidmat of Bank Negara Malaysia (BNM) at tel: 1-300-88-5465 (1300-88-LINK) or fax: 03-2174 1515.

Any policyholder who is not satisfied with the conduct of an insurance company may write to the Corporate Communication Department of BNM, giving details of the complaint, the name of the insurance company and the policy number or the claim number. Documentary support should be provided to facilitate reference.

Laman Informasi Nasihat dan Khidmat di Bank Negara Malaysia (BNM) di tel: 1-300-88-5465 (1300-88-LINK) atau faks: 03-2174 1515. Pemunya polisi yang tidak puas hati dengan bimbingan pihak syarikat insurans boleh membuat aduan kepada Jabatan Komunikasi Korporat di BNM dengan butir-butir pertikaian, nama pihak syarikat insurans dan nombor polisi atau nombor tuntutan. Sokongan dokumen perlu diserahkan untuk rujukan.

The address is / *Alamat ialah:-*

Pengarah

Laman Informasi Nasihat dan Khidmat (LINK)
Tingkat Bawah, Blok C
Bank Negara Malaysia
Peti surat 10922
50929 Kuala Lumpur

2. By virtue of the Financing Anti-Money Laundering, Anti-Terrorism Act and Proceeds of Unlawful Activities Act 2001, any 'Suspicious Transaction' as classified by the law is required to be reported to the Competent Authority at Bank Negara Malaysia.

Bersandarkan Akta Pencegahan Pengubahan Wang Haram, Pecegahan Pembiayaan Keganasan dan Hasil daripada Aktiviti Haram 2001, sebarang 'Transaksi yang Mencurigakan' seperti yang termaktub di bawah undang-undang hendaklah dilaporkan kepada pihak berkuasa yang berkenaan di Bank Negara Malaysia.

3. For all intents and purposes where there is a conflict or ambiguity as to the meaning in the English provisions or the Bahasa Malaysia provisions of any part of the contract, it is hereby agreed that the English version of the contract prevails.

Boleh dikatakan di mana terdapat konflik atau keaburan berkenaan makna dalam peruntukan Bahasa Inggeris atau peruntukan Bahasa Malaysia tentang mana-mana bahagian kontrak, adalah dipersetujui bahawa versi kontrak Bahasa Inggeris akan mengatasi dan diikuti.

4. **PERSONAL DATA CONSENT:** You are deemed to have read, understood, and consented to the collection and subsequent processing of your personal information by AIG Malaysia (whether obtained during the application process or administration of this policy) in accordance with AIG Malaysia's Privacy Notice as from time to time published on AIG Malaysia's website at <http://www.aig.my/privacy-notice>, a copy of which has also been furnished to you. If you submit information relating to other individuals, you are further deemed to represent and warrant that you have the authority to provide information relating to the other individuals to AIG Malaysia, that you have informed the other individuals about the purposes for which his/her personal information is collected, used and disclosed as well as the parties to whom such personal information may be disclosed by AIG Malaysia, and that the other individuals agree and consent that AIG Malaysia may collect, use and process his/her personal information in accordance with AIG Malaysia's Privacy Notice. Requests to obtain access, correct, or withdraw your consent to the use of your personal information can be made by mail: Customer Care, AIG Malaysia Insurance Berhad, Menara Worldwide 198, Jalan Bukit Bintang, 55100 Kuala Lumpur, phone: 603 2118 0188, fax: 603 2685 4896 or email: AIGMYCare@aig.com.

KESEITUJUAN DATA PERIBADI: Anda adalah dianggap telah membaca, memahami dan bersetuju dengan pengumpulan dan pemrosesan seterusnya maklumat peribadi anda oleh AIG Malaysia (sama ada yang diperolehi semasa proses permohonan atau pentadbiran polisi ini) mengikut Notis Privasi AIG Malaysia seperti yang diterbitkan dari semasa ke semasa pada laman web AIG Malaysia di <http://www.aig.my/privacy-notice>, di mana satu salinan juga telah diberikan kepada anda. Jika anda mengemukakan maklumat berkaitan individu lain, anda juga dianggap untuk mewakili dan menjamin bahawa anda mempunyai kuasa untuk mengemukakan maklumat yang berhubungan dengan individu lain kepada AIG Malaysia, bahawa anda telah memaklumkan kepada individu lain mengenai tujuan maklumat peribadinya boleh dikumpul, digunakan dan didedahkan serta pihak maklumat peribadinya boleh didedahkan oleh AIG Malaysia, dan bahawa individu lain bersetuju dan membenarkan AIG Malaysia mengumpul, menggunakan dan memproses maklumat peribadinya mengikut Notis Privasi AIG Malaysia. Permohonan untuk akses, pembetulan atau menarik balik persetujuan untuk kegunaan maklumat peribadi anda boleh dibuat secara surat: Customer Care, AIG Malaysia Insurance Berhad, Menara Worldwide 198, Jalan Bukit Bintang, 55100 Kuala Lumpur, telefon: 603 2118 0188, faks: 603 2685 4896 atau e-mel: AIGMYCare@aig.com



IMPORTANT NOTICE

Please take note that a Product Disclosure Sheet is attached to your policy contract:
The Product Disclosure Sheet contains a summary of the product features. If you have any queries or are unsure of any of the policy terms or conditions, kindly call our Customer Service at **603 2118 0188** (Monday – Friday, 9am – 5pm).

NOTIS PENTING

*Sila ambil perhatian bahawa sesalanan Helaian Pendedahan Produk adalah dilampirkan dengan kontrak polisi anda:
Helaian Pendedahan Produk mengandungi ringkasan ciri-ciri produk. Jika anda ada sebarang pertanyaan atau tidak pasti mengenai apa jua*

*terma-terma atau syarat-syarat polisi, sila hubungi Talian Perkhidmatan Pelanggan kami di **603 2118 0188** (Isnin – Jumaat, 9pagi – 5petang)*

(CPAR Version Jan 2018)



AIG Malaysia Insurance Berhad (795492-W)
Menara Worldwide,
198, Jalan Bukit Bintang,
55100 Kuala Lumpur.

Telephone: 603 2118 0188
Facsimile: 603 2685 4896
www.aig.my