



## Enhanced Fire Policy

### IMPORTANT NOTICE

This is your Commercial Fire Enhanced Policy (Policy). Please read this Policy carefully together with your Schedule to ensure that you understand the terms and conditions and that the cover you require is being provided. If you have any questions after reading this document, please contact your insurance advisor or AXA Affin General Insurance Berhad. If there are any changes in your circumstances that may affect the insurance provided, please notify us immediately, otherwise you may not receive the full benefits of this Policy.

To help preserve the environment, the Company will send you one Policy booklet only. Please keep this Policy booklet in a safe place. In case of renewal and/or policy condition amendment, the Company will send you the policy schedule and endorsement only. If at any time you would like a replacement for this document, please contact us and we will be happy to provide one.

If, for any reason, you are unhappy with the service you have received from us, you can take the following steps:-

1. In the first instance, please write to our Customer Service Department at our current address. Alternatively, you can e-mail us at: [customer.service@axa.com.my](mailto:customer.service@axa.com.my)
2. If you are still not satisfied with the way any issue has been handled you can:
  - (a) Refer matters concerning claims to:  
Ombudsman for Financial Services - Level 14, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.  
Tel: (603) 2272 2811 Fax: (603) 2272 1577
  - (b) Submit your complaints/feedback at Laman Informasi, Nasihat dan Khidmat (LINK), Bank Negara Malaysia; or call BNMTELELINK at 1-300-88-5465; or fax to 03-2174 1515; or e-mail to [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my); or send letter to P.O Box 10922, 50929 Kuala Lumpur.

This Policy is issued in consideration of the payment of premium as specified in the policy schedule and pursuant to the answers given in your proposal form (or when You applied for this insurance) and any other disclosures made by You between the time of submission of your proposal form (or when You applied for this insurance) and the time this contract is entered into. The answers and any other disclosures given by You shall form part of this contract of insurance between You and Us. However, in the event of any pre-contractual misrepresentation made in relation to Your answers or in any disclosures given by You, only the remedies in Schedule 9 of the Financial Services Act 2013 will apply.

This Policy reflects the terms and conditions of the Policy as agreed between You and Us.

AXA Affin General Insurance Berhad (hereinafter called "the Company") agrees subject to the terms and conditions contained herein or endorsed or otherwise expressed hereon that if the Property Insured described in the said Schedule or any part of such property be destroyed or damaged by FIRE or LIGHTNING during the Period of Insurance stated in the Schedule or of 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 pay or make good to the Insured the actual value of the Property Insured at the time of the happening of its destruction or the actual amount of such damage.

Provided that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the Schedule to be insured thereon or in the whole the Total Sum Insured hereby or such other sum or sums as may be substituted therefor by endorsement hereon or attached hereto signed by or on behalf of the Company.

Provided always that the due observance and fulfillment of the terms and 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.

### CONDITIONS

#### 1. Duty of Disclosure

Where You have applied for this Insurance wholly for purposes unrelated to Your trade, business or profession, You had a duty to take reasonable care not to make a misrepresentation in answering the questions in the Proposal Form (or when You applied for this insurance) i.e. You should have answered the questions fully and accurately. Failure to have taken reasonable care in answering the questions may result in avoidance of Your contract of insurance, refusal or reduction of Your claim(s), change of terms or termination of Your contract of insurance in accordance with the remedies in Schedule 9 of the Financial Services Act 2013. You were also required to disclose any other matter that You knew to be relevant to Our decision in accepting the risks and determining the rates and terms to be applied.

You also have a duty to tell Us immediately if at any time after Your contract of insurance has been entered into, varied or renewed with Us any of the information given in the Proposal Form (or when You applied for this insurance) is inaccurate or has changed.

2. 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. 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 property hereby insured, 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 loss or damage, all benefit under this Policy shall be forfeited.
4. All Insurance under this Policy:
  - (a) on any building or part of any building,
  - (b) on any property contained in any building,
  - (c) on rent or other subject matter of Insurance in respect of or in connection with any building or any property contained in any building,
 shall cease immediately upon any fall or displacement
  - (i) of such building or of any part thereof,
  - (ii) of the whole or any part of any range of buildings or of any structure of which such building forms part.

PROVIDED that 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 leave such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material.

AND PROVIDED that such fall or displacement is not caused by fire, loss or damage by which is covered by the Policy or would be covered if such building, range of buildings or structure were insured under this Policy.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon the Insured.

#### 5(1) This insurance does not cover:

- (a) Loss by theft during or after the occurrence of a fire.
- (b) Loss or damage to property occasioned by its own fermentation, natural heating or spontaneous combustion [except as may be provided in accordance with Condition 8(f)] or by its undergoing any heating or drying process.
- (c) loss or damage occasioned by or through or in consequence of
  - (i) The burning of property by order of any public authority
  - (ii) Subterranean Fire

(d) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.

5(2) This insurance does not cover 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. For the purposes of this Condition 5(2) only combustion shall include any self-sustaining process of nuclear fission.

6. 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) Earthquake, volcanic eruption or other convulsion of nature.
- (b) Typhoon, hurricane, tornado, cyclone or other atmospheric disturbance.
- (c) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war.
- (d) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, 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.
- (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 or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance, except to the extent that the Insured shall prove that such loss or 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 or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

7. This insurance does not cover any liability for: Loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the Property Insured caused by:

- (a) pollution or contamination which itself results from a contingency hereby insured against.
- (b) any contingency hereby insured against which itself results from pollution or contamination.

8. Unless otherwise expressly stated in the Policy this Insurance does not cover:

- (a) Goods held in trust or on commission.
- (b) Bullion or unset precious stones.
- (c) Any curiosity or work of art for an amount exceeding RM500/=.
- (d) Manuscripts, plans, drawings, or designs, patterns, models or moulds.
- (e) Securities, obligations, or documents of any kind, stamps, coins or paper money, cheques, books of account or other business books, or computer systems records.
- (f) Coal, against loss or damage occasioned by its own spontaneous combustion.
- (g) Explosives.
- (h) Any loss or damage occasioned by or through or in consequence of explosion; but loss or damage by explosion of domestic boilers and gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works, will be deemed to be loss by fire within the meaning of this Policy.
- (i) Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, lalang, prairie, pampas or jungle, and the clearing of lands by fire.

9. Under any of the following circumstances the insurance 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 the Policy, by or on behalf of the Company.

(a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by fire.

(b) If the building insured or containing the insured property becomes unoccupied and so remains for a period of more than thirty (30) days.

(c) If 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 pass 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 Insured's property is situated has been issued.

10. This insurance does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured by or would, but for the existence of this Policy, be insured by any Marine Policy or Policies except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this Insurance not been effected.

11. 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 Policy has been in force. This insurance may also be terminated at the option of the Company by sending fourteen (14) days' notice by registered letter to the Insured at his last known address, 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 cancellation. The amount to be refunded upon termination of the Policy shall be subject to the minimum premium to be retained by the Company.

12. On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company

(a) A claim in writing for the loss and damage containing as particular an account as may be reasonably practicable of all the several articles or items of property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage, not including profit of any kind.

(b) Particulars of all other Insurances, if any.

The Insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the fire and the circumstances under which the loss or damage occurred, and any matter touching the liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company 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 Policy shall be payable unless the terms of this conditions have been complied with.

13. The insurance under this Policy extends to include:

(a) wages of the Insured's employees other than full-time members of a Works Fire Brigade.

(b) the cost of replacement of fire fighting appliances and destruction of or damage to materials (including employees' clothing and personal effects) unless otherwise specifically insured.

(c) Fire Brigade charges.

Provided always that the liability of the Company in respect of such wages, costs and charges shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the Property Insured by this Policy or immediately threatening to involve such property.

14. On the happening of any loss or damage to any of the Property Insured by this Policy, the Company may:

(a) Enter and take and keep possession of the building or premises 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 building or on the premises 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 conditions shall be exercisable by the Company at any time until notice in writing is given by the Insured that he makes no claim under the Policy 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 power hereunder, incur any liability to the Insured or diminish its right to rely upon any of the conditions of this Policy in answering to any claim.

If the Insured or any person 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, all benefit under this Policy shall be forfeited.

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

15. 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 loss or 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 (3) months after such rejection, or (in the case of an Arbitration taking place in pursuance of the Condition 22 of this Policy) within three (3) months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Policy shall be forfeited.

16. The Company may at its option reinstate or replace the property 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 Insurers 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 elect to reinstate or replace any property the Insured shall, at his 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 shall be unable to reinstate or repair the property hereby 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 such property if the same could lawfully be reinstated to its former conditions.

17. In the event of a loss to the Property Insured (other than stock and building item) herein, the Company shall pay the insured value or the market value of the insured property, whichever is the lower, subject to the deduction of any excess and amounts which the insured is required to bear under the Policy. For the purpose of this conditions, the term market value shall mean the value of the Property Insured herein at the time of damage or loss less due allowance for wear and tear and/or depreciation.

The Market Value of the insured property shall for the purpose of this conditions be determined by a valuation obtained by the Company from the manufacturer, authorised sole agent or agent authorised

broker, authorised distributor or building contractor of the cost of replacement or reinstatement, subject to the application of appropriate depreciation, of the insured property damaged or lost as it was at the time of the occurrence of such damage or loss.

In the event that there is, at the time of damage or loss no manufacturer, authorised sole agent or agent, authorised broker, authorised distributor or building contractor for the insured property, the valuation shall be obtained from a Loss Adjuster licensed under the Financial Services Act 2013 or Registered Valuer under the Valuers and Appraisers Act 1981 and to be mutually appointed by both parties. The valuation of the insured property by the manufacturer, authorised sole agent or agent, authorised broker, authorized distributor, building contractor, Loss Adjuster licensed under the Financial Services Act 2013 or Registered Valuer under the Valuers and Appraisers Act 1981 shall be conclusive evidence in respect of the market value of the insured property in any legal proceedings against the Company.

18. The Insured shall, at the expense 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 or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

19. If at the time of any loss or damage happening to any property hereby insured, there be any other subsisting Insurance or Insurances, whether effected by the Insured or by any other person or persons, covering the same property, this Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

20. If the property hereby insured shall, at the breaking out of any fire, 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.

21. In the event of a loss, the insurance hereunder shall be maintained in force for the full sum insured and the Insured shall be liable to pay an additional premium at the rate stated on the Policy calculated on the amount of loss on a pro rata basis from the date of such loss to the expiry of the current period of insurance.

22. If any difference arises as to the amount of any loss or damage such difference shall independently of all other questions be referred to the decision of an Arbitrator, to be appointed in writing by the parties in difference, or, if they cannot agree upon a single Arbitrator, to the decision of two disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two (2) calendar 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 (2) 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, Arbitrators or Umpire respectively; and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The costs of the reference and of the award shall be in the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss or damage if disputed shall be first obtained.

23. In no case whatever shall the Company be liable for any loss or damage after the expiration of twelve (12) months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

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

25. This Policy and the Schedule herein 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 said Schedule shall bear such meaning wherever it may appear.

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#### **PREMIUM WARRANTY**

It is a fundamental and absolute Special Condition of this Policy 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 Certificate.

If this conditions 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 authorised 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 authorised to receive such premium shall lie on the Company.

Subject otherwise to the terms and conditions of this Policy.

**PROPERTY DAMAGE CLARIFICATION CLAUSE**

Property damage covered under this Policy 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 deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Policy:

- A. Loss of or damage to data or software, but not limited to 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.

**DATE RECOGNITION ENDORSEMENT**

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 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 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 Insurer 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 Insurer 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, 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.

Subject otherwise to the terms and conditions of the Policy.

**RADIOACTIVE/NUCLEAR ENERGY RISKS EXCLUSION CLAUSE**

This insurance does not cover 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. ionising radiations from or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel:

- 2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly of nuclear component thereof
- 3. any weapon of war employing atomic or nuclear fission and/or fussion or other like reaction or radioactive force or mater

**ELECTRICAL INSTALLATIONS CLAUSE (A) – (APPLICABLE TO MANUFACTURING RISKS AND WORKSHOPS)**

This Company is expressly declared to be free from liability for loss of or damage to, any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by over-running, excessive pressure, short-circuiting, self-heating, arcing or leakage of electricity from whatever cause (lightning included) arising.

Provided that this exemption shall only apply to the particular electrical machine, apparatus, or portion of the electrical installation so affected, and not to other machines, apparatus or electrical installation destroyed or damaged by fire set up by such particular machine, apparatus or other electrical installation.

Subject otherwise to the terms and conditions of the Policy.

**UNVALUED POLICY CLAUSE**

This is an unvalued Policy. The onus is on the Insured to prove the actual value of the Property Insured at the time of the happening of its destruction or the actual amount of such damage

**RESTRICTION OF SPRAY PAINTING/POWDER SPRAYING WARRANTY 4B - (APPLICABLE TO MANUFACTURING RISKS AND WORKSHOPS, EXCEPT MOTOR REPAIR WORKSHOPS GARAGES AND SERVICE STATIONS (WITH SPRAY PAINTING) UNDER PIAM TRADE CODE 2806.**

Warranted that during the currency of this Policy no spray painting/powder spraying or any process in connection therewith be carried on in the premises described herein.

**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).

**The following Endorsements/ Clauses/ Warranties shall apply to form part of the respective Sections of the Policy**

**IMPROVEMENT WORK**

It is understood and agreed that this Policy automatically extends to include minor alterations and/or construction and/or re-construction and/or additions and/or maintenance and/or modifications and/or work carried out on any premises of the Property Insured under this Policy, subject to a maximum limit defined hereunder during the commencement of this policy:

Section 1 : Material Damage (Limit MYR 200,000 any one project and in the aggregate)

Section 2 : Third Party Liability (Limit MYR 100,000 any one loss and in the aggregate for Third Party Property Damage and/or Third Party Bodily Injury)

**Section 1 : MATERIAL DAMAGE**

The Insurer hereby agree with the Insured that if at any time during this period of cover the Improvement Work as defined herein shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Insurer will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding MYR 200,000 any one project and in the aggregate.

### **SPECIAL EXCUSION TO Section 1 (Material Damage)**

The Insurer shall not, however, be liable for:

- (a) the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
- (b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- (c) loss or damage due to faulty design;
- (d) the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- (e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- (f) mechanical and/or electrical breakdown or derangement of construction plant, equipment and construction machinery;
- (g) loss of or damage to vehicles licensed for general road use or water borne vessels or aircraft;
- (h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques;
- (i) loss of damage discovered only at the time of taking an inventory.

### **Basis of Loss Settlement:**

In the event of any loss or damage the basis of any settlement under this Policy shall be

- (a) in the case of damage which can be repaired – the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
- (b) in the case of a total loss – the actual value of the items immediately before the occurrence of the loss less salvage,

however, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with.

The Insurers will 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. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b), above.

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

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

### **Section 2 : THIRD PARTY LIABILITY**

The Insurer will indemnify the Insured against such sums subject to a limit of MYR 100,000 any one loss and in the aggregate as damages consequent upon:

- (a) accidental bodily injury to or illness of third parties (whether fatal or not)
- (b) accidental loss of or damage to property belonging to third parties

occurring in direct connection with the construction or erection of the items insured under Section 1 and happening on or in the immediate vicinity of the site during the Period of Cover.

In respect of a claim for compensation to which the indemnity provided herein applies, the Insurer will in addition indemnify the Insured against:

- (a) all costs and expenses of litigation recovered by any claimant from the Insured, and
- (b) all costs and expenses incurred with the written consent of the Insurers,

provided always that the liability of the Insurers under this section shall not exceed the limits of indemnity stated in the Policy.

### **SPECIAL EXCLUSIONS TO Section 2 (Third Party Liability)**

The Insurer shall not indemnify the Insured in respect of:

1. the deductible stated in the Schedule to be borne by the Insured in any one occurrence.

2. the expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section 1 of this Policy.
3. damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement)
4. liability consequent upon
  - (a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section 1, or members of their families;
  - (b) loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section 1, or an employee or workman of one of the aforesaid;
  - (c) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
  - (d) any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

### **SPECIAL CONDITIONS APPLYING TO THIRD PARTY LIABILITY**

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Insurer who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Insurers may require.
2. The Insurer may so far as any accident is concerned pay to the Insured the limit of indemnity for any one accident (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) of any lesser sum for which the claim or claims arising from such accident can be settled and the Insurer shall thereafter be under no further liability in respect of such accident under this section.

### **DEFINITION**

"Improvement Work" means an interior renovation works and interior building mechanical and electrical installation works and in no case excavation work exceeding 3 meter in depth and underground utilities works shall apply to this extension. Further to this, the Improvement Work can only be carried out in the premise of residential properties, retail and commercial complexes, hotels, offices, educational facilities, religious institution and industrial facilities. The following plants shall be excluded from the extension therein: petrochemical, cement plant, chemical and fertilizer plant, steel mill, pulp and paper mills, semiconductor, power plant, waste recover & recycling plant.