PACIFIC & ORIENT INSURANCE CO. BERHAD (No.12557-W)

Registration No. 197201000959 (12557-W)

A Member Of The Pacific & Orient Group

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CONTRACTORS' ALL RISKS POLICY

The benefits(s) payable under eligible certificate/policy product is (are) protected by PIDM up to limits. Please refer to PIDM's TIPS Brochure or contact Pacific & Orient Insurance Co. Berhad (Visit www.pidm.gov.my)

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For Non - Consumer Insurance Contracts (Insurance for purposes related to the Insured's trade, business or profession)

This Policy is issued in consideration of the payment of premium as specified in the Policy Schedule and pursuant to the answers given in the Insured's Proposal Form (or when the Insured applied for this insurance) and any other disclosures made by the Insured between the time of submission of the Insured's Proposal Form (or when the Insured applied for this insurance) and the time this contract is entered into. The answers and any other disclosures given by the Insured shall form part of this contract of insurance between the Insured and Pacific & Orient Insurance Co. Berhad (hereinafter called "the Company"). In the event of any pre-contractual misrepresentation made in relation to the Insured's answers or in any disclosures made by the Insured, it may result in avoidance of the Insured's contract of insurance, refusal or reduction of the Insured's claim(s), change of terms or termination of the Insured's contract of insurance.

This Policy reflects the terms and conditions of the contract of insurance as agreed between the Insured and the Company.

WHEREAS the Insured named in the Schedule hereto has made to **PACIFIC & ORIENT INSURANCE CO. BERHAD** (hereinafter called "the Company") a written proposal by completing a Questionnaire which together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein.

NOW THIS POLICY WITNESSETH that in consideration of the Insured having paid to the Insurers the premium mentioned in the Schedule and subject to the exclusion, provisions contained herein or endorsed hereon the Insurers will indemnify the Insured in the manner and to the extent hereinafter provided.

GENERAL EXCLUSIONS

The Insurers will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of:-

(a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot,strike, lock-out, civil commotion, military or usurped power, or malicious persons acting on behalf of or in connection with any political organisation,

(b) nuclear reaction, nuclear radiation or radioactive contamination;

(c) willful act or willful negligence of the Insured,

(d) cessation of work whether total or partial,

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of Exclusion (a) above any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

PERIOD OF COVER

(a) CONSTRUCTION PERIOD

The liability of the Insurers shall commence, notwithstanding any date to the contracy specified in the Schedule, with the unloading of the property specified in the Schedule at the Contract Site and shall expire on the date specified in the Schedule.

The Insured's liability expires also for parts of the insured contract works taken over or put into service by the Principal prior to the expiry date specified in the Policy whichever shall be earlier.

(b) MAINTENANCE PERIOD

If a maintenance period is specified in the Schedule, the liability of the Insurers during this period shall be limited to any loss or damage caused by the Insured Contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the Maintenance Clause of the contract.

SECTION 1

PROPERTY INSURED (*Material Damage****)***

THE INSURERS HEREBY AGREE with the Insured that if at anytime during the period of insurance stated in the Schedule, or during any further period of extension thereof, the property or any part thereof described in the Schedule shall suffer any unforeseen loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Insurers will pay or make good all such loss or damage up to an amount not exceeding 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 said Schedule as insured hereby.

The Insurers will also reimburse the Insured for the cost of clearance of debris following upon any event given rise to a claim under this Policy but not exceeding in all the sum set opposite thereto in the Schedule.

EXCLUSIONS TO SECTION 1

The Insurers shall not, however, be liable for:

(a) the deductibles 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) cost of replacement 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 or damage 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 waterborne vessels or aircraft;

(h) loss of or damage to files, drawings, accounts, bills, currencies, stamps, deeds, evidences of debt, notes, securities or cheques;

(i) loss discovered only at the time of taking an inventory.

PROVISIONS APPLYING TO SECTION 1

MEMO. 1. SUM INSURED : It is a requirement of this insurance that the amounts of insurance that the amounts of insurance stated in the Schedule not be less than.

for item 1 : the full value of the contract works at the completion of the construction, inclusive of materials, wages, feight, customs duties, dues and materials or items supplied by the Principal;

for item 2 and 3 : the replacement value of construction plant, equipment and construction machinery;

The Insured undertakes to notify the Insurers of any facts effecting a material increase or decrease of the sums insured.

Provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Insurers, before the occurrence of any claim hereunder.

If, in the event of loss or damage, it is found that the sum insured is less than the amount required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sum insured bears to the amount required to be insured.

MEMO 2. BASIS OF LOSS SETTLEMENT:

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

a) in the case of any damage which can be repaired – the cost of repairs necessary to restore the property to its condition immediately before the occurrence of the damage less salvaged, or

b) in the case of a total loss – the actual value of the property immediately before the occurrence of the loss less salvage, 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 damages which can be repaired shall be repaired shall be repaired , but if the cost of repairing any damage equals or exceeds the value of the property 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 Insurers 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.

MEMO 3. ENTENSION OF COVER :

Extra charges for overtime, nigthwork, work on public holidays, express freight, etc. are covered by this Insurance only if previously and specially agreed upon.

SECTION II

THIRD PARTY LIABILITY

The Insurers will indemnify the Insured against all sums which the Insured shall become legally liable to pay as damages consequent upon

a) accidental bodily injury or illness (whether fatal or not) to third parties

b) accidental loss or damage to property belonging to third parties

In respect of a claim for compensation to which the indemnity provided herein applies, the Insurers will in additions indemnity 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.

The Liability of the Insurers under this section shall exceed the limit of indemnity stated in the Schedule (Section II).

EXCLUSIONS TO SECTION II

The Insurers will not indemnify the Insured in respect of

1. expenditure uncured in doing or redoing or making goods or repairing or replacing any work or property covered or coverable under Section 1 of the Policy;

2. Damage to any property or land or buildings caused by vibration or by the removal or weakening of support or injury ot damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by Endorsement).

3. Liability consequent upon.

    a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal or any other firm connected with the contract work or members of their families;

    b) loss of or damage to property belonging to or held in care, cutody or control of the Contractors(s), the Principal or any other firm connected with the contract work 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 way of indemnity or otherwise unless such liability would have attached in the absence of such agreement.

SPECIAL CONDITIONS APPLYING TO SECTION II

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 Insurers who shall be entitled, if they so desire to take over and conduct in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discreation 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 Insurers may so far as any accident is conserned 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) or any lesser sum for which the claim or claims arising from such accident can be settled and the Insurers shall thereafter be under no further liability in respect of such accident under this section.

GENERAL CONDITIONS

1. The due observance and fulfillment of the Terms of this Policy in so far as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Insurers to make any payment under this Policy.
2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section (s) shall bear such meaning wherever it may appear.
3. The Insured shall take all reasonable precautions to prevent loss, damage or liability and to comply with sound engineering practice, statutaory requirements and manufacturer's recommendations and maintain in efficient condition all contract works, construction plant, equipment and construction machinery insured by this Policy.
4. The Insured shall immediately notify the Insurers in writing of any material change in the risk insured hereunder; the scope of cover and/or the premium shall, if necessary , be adjusted accordingly.
5. Representatives of the Insurers shall at any reasonable time have access to the site or premises and to all pertinent data, documents. Drawings, ect. And shall have the right to inspect any property insured.
6. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall:

   a) immediately notify the Insurers by telephone or telegram as well as in writing;

   b) take all steps within his power to minimize the extent of the loss or damage;

   c) preserve the damaged parts and make them available for inspection by a representative or surveyor of the Insurers;

   d) furnish all such information and documentary evidence as the Insurers may require;

   e) inform the police authorities in case of loss or damage due to theft or burglary;

   The Insurers shall not in any case be liable for loss, damage or liability of which no notice has been received by the Insurers within 14 days of its occurrence.

   Such notification being given to the Insurers under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs of alterations are affected. Nothing herein shall prevent the Insured from taking such steps as are absolutely necessary for the security and continuation of the contract work. If a representative of the Insurers does not carry out the inspection within a period of time which could be considered as adequate under the circumstances the Insured in entitled to proceed with the repairs or replacement.
7. The Insured shall at the expense of the Inssurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurers shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become or required before or after the Insured's indemnification by the Insurers.
8. All differences arising out of this Policy shall be referred to the decision of an Arbitrator be appointed in writing by the parties in dufference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The Arbitrators and the Umpire shall be qualified Engineers. The making of an award shall be a condition precedent to any right of action against the Insurers.
9. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in case of arbitration taking place as provided herein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under Policy shall be forfeited.
10. If at any time any claim arises under the Policy three be any other insurance covering the same loss, damage or liability the Insurers shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss or damage.

PREMIUM WARRANTY

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 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 authorized 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 authorized to receive such premium shall lie on the insurer.

IMPORTANT NOTICE

Your attention is drawn to the 60 days premium warranty attached to the policy.

By this warranty, the insurance policy is automatically cancelled unless the full preium is paid to the insurer within 60 days from the commencement date of cover. Please note that if this insurance is transacted through your insurance broker, the broker is acting on your behalf for the purpose of formation of this contract of insurance. It is important that you make full payment of the premium to your broker as soon as possible and in any case within the 60 days period of the premium warranty so as to enable your broker to remit the premiums early to your insurer. You are advised to request your broker to furnish you with the broker's and insurer's receipt on the premium that you paid.

Disputes can be referred to: Ombudsman for Financial Services (OFS) (Formerly known as Financial Mediation Bureau)
Tel No : 03-2272 2811