

SECTION 8

CLAUSES AND ENDORSEMENTS

1. TEMPORARY REMOVAL CLAUSE

a) Contents of Private Dwellings

(i) General Rule :

An insurance on Household Goods and Personal Effects in a private dwelling may be extended for perils not wider than the main policy to cover such property (except property for sale or exhibition or property in a furniture depository) whilst temporarily removed and whilst in transit by road, rail and inland waterway but remaining in Malaysia, Republic of Singapore and Brunei Darussalam for a sum not exceeding in all 15% of the sum insured by the item (or items) of the policy.

(ii) Endorsement Wordings
(Contents of Private Dwellings)

The property insured under (item(s) of) this Policy is covered whilst temporarily removed including whilst in transit but remaining in Malaysia, the Republic of Singapore or Brunei Darussalam for an amount not exceeding 15% of the sum insured under (each item of) this policy.

The amount recoverable under this extension in respect of (each item of) the policy shall not exceed the amount which would have been recoverable had the loss occurred in the premises from which the property was temporarily removed.

This extension does not apply to property in so far as it is otherwise insured nor to property removed for sale or exhibition or to a furniture depository.

N.B. The words in brackets may be omitted where appropriate.

b) Other Property Excluding Stock-in-Trade and Merchandise

(i) General Rule :

An insurance on property (other than stock-in-trade, merchandise and property) may be extended for perils not wider than the main policy to cover such property whilst temporarily removed for cleaning, renovation, modification, repair or other similar purposes elsewhere on the same premises or to any other premises and whilst in transit thereto and therefrom by road, rail or inland waterway, in Malaysia, Republic of Singapore and Brunei Darussalam.

**(ii) Endorsement Wording
(Other Property Excluding
Stock-in Trade and Merchandise)**

The property insured under item(s) of this Policy is covered (limited to 10% of the sum insured) whilst temporarily removed including whilst in transit 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, rail, or inland waterway, all in Malaysia, the Republic of Singapore or Brunei Darussalam.

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:-

- i) Motor Vehicles and Motor Chassis.
- ii) Property (other than machinery and plant) held by the Insured in trust.

2. REMOVAL OF DEBRIS

(i) General Rule :

Specified cover may be granted to insure the cost necessarily incurred in the removal of debris and/or dismantling, demolishing, shoring up or propping of the property insured following loss or damage by way of the perils insured by means of a separate item or be included as part of the sum insured of the items insured.

(ii) Endorsement Wording :

a) Removal of Debris (with separate sum insured)

The insurance by this item is in respect of 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 policy 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 policy.

(b) Removal of Debris (without separate sum insured)

The insurance on Item(s) No(s) hereby insured 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 the said Item(s) above of this policy 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 amount payable for such costs and expenses shall not exceed 10% of the Sum Insured of each Item or Ringgit Malaysia Two Million (RM2,000,000) in aggregate any one loss, whichever is lower.

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 policy.

Provided always the Company's maximum liability shall not exceed the sum stated in the Schedule for which the Item(s) is/are insured.

3. ARCHITECT'S, SURVEYOR'S AND CONSULTANT'S FEES

(i) General Rule :

Architect's, Surveyor's and Consulting Engineer's Fees may be covered by means of a separate item or be included as part of the sum insured of the items insured.

(ii) Endorsement Wording :

a) Architect's, Surveyor's, Engineer's and Consultant's Fees (with separate sum insured) applicable to item(s) no(s):

The insurance by this item(s) is in respect of Architect's, Surveyor's and Consulting Engineer's fees for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage by fire or other peril hereby insured against, but not such fees for preparing any claim hereunder. The amount payable for such fees shall not exceed those authorised under the scales of the Associations of the respective professions prevailing at the time of destruction or damage, subject to the limit of the sum insured on this item(s).

b) Architect's Surveyor's, Engineer's and Consultant's Fees (without separate sum insured)

The insurance on buildings, plant and machinery hereby insured includes Architect's, Surveyor's and Consulting Engineer's fees for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement of the property insured consequent upon its destruction or damage by fire or any other peril hereby insured against, but not such fees for preparing any claim hereunder. The amount payable for such fees shall not exceed those authorised under the scales of the Associations of the respective professions prevailing at the time of destruction or damage, subject to the Company's maximum liability for any loss damage and fees not exceeding the sum insured against each item.

4. OTHER CONTENTS CLAUSE

(i) General Rule :

An insurance on contents may be extended to include the "Other Contents" up to a maximum limit of RM1,000 without additional premium.

This extension is not applicable to insurance on stock-in-trade and/or merchandise.

(ii) Endorsement Wording :

It is agreed that the term "Other Contents" in so far as they are not otherwise insured is understood to include:-

- a) Money and stamps not otherwise specifically insured for an amount not exceeding RM
- 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 RM in respect of any one documents, 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 the Insured of the information contained therein for an amount not exceeding RM.....
- d) Patterns, models, moulds, plans and designs, for an amount not exceeding RM in respect of any one pattern, model, mould, plan or design.
- e) Employees' pedal cycles, clothing, tools and other personal effects for an amount not exceeding RM in respect of any one Employee.

Note : The monetary limit of RM1,000 maximum for items (a) to (e) are obligatory. Paragraph (e) may be omitted entirely if it is not desired to insure such property.

5. CAPITAL ADDITIONS CLAUSE**(i) General Rule :**

It is permissible for an insurance on buildings, machinery, plant, fixtures and fittings to be extended to cover alterations, improvements and additions for an amount not exceeding 10% by each item or RM1,000,000 per location whichever is the less.

In the event that there is more than one location, the limit may be increased to RM2,000,000, this amount being the aggregate limit for all the locations.

This extension may only be granted where the total sum insured is RM1,500,000 or above but is not to be applied to insurance on Stock-in-trade and/or merchandise.

(ii) Endorsement Wording :

The insurance hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sum insured) to property specified in (Item(s) No(s) of) this policy for an amount not exceeding in respect of each item 10% of the sum insured by each item or RM1,000,000 per location whichever is the less.

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 Insurers 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, then the limit may be increased to RM2,000,000, this amount being the aggregate limit for all the locations.

6. MORTGAGEE (CHARGE) CLAUSE**(i) General Rule :**

Where the property insured is the subject of a charge (mortgage), the policy may be endorsed and be subjected to this clause.

(ii) Endorsement Wording :**A. Mortgagee (Charge) Clause 1**

Loss, if any, payable to 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) or the Owner of the within described property nor 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 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 therefor 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.

Non-Cancellation Clause

And it is further agreed that cancellation of this 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).

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.

B. Mortgagee (Chargee) Clause 2

It is hereby agreed that this Insurance {as to the interest of the Mortgagee (Chargee)} shall not be invalidated by any change of occupancy or increase of risk taking place in the property insured without the knowledge of the Mortgagee (Chargee) provided that the Mortgagee (Chargee) shall immediately on the same coming to his knowledge, give notice thereof to the Company and pay the additional premium (if any) which may be required by the Company from the date of such increase of risk.

Non-Cancellation Clause

And it is further agreed that cancellation of this 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).

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.

7. CONTRACT PRICE

Notwithstanding anything to the contrary contained in Condition 17 of the Policy, 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.

8. FOUNDATION EXCLUSION

The Insurance on Building(s) excludes that part of any building below the under* surface of its lowest floor (and those parts of the concrete foundations for machinery which extend above such level).

Note 1 : * "upper" may be substituted for "under".

Note 2 : The words in brackets may be omitted.

9. RENT

(a) Rent (applicable to owner non-occupier of the premises)

On..... months rent insured. Sum Insured :RM

This insurance on Rent applies only if (any of) the said buildings(s) or any part thereof is unfit for occupation in consequence of fire or any other peril hereby insured against and the amount payable shall not exceed such proportion of the sum insured on Rent as the period necessary for reinstatement or repairs bears to the total number of months of Rent insured.

(b) Rent (applicable to owner-occupier of the premises)

On..... months expenses insured. Sum Insured: RM

This insurance on Rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of fire or any other peril hereby insured against and the amount payable shall be the reasonable additional expenses necessarily incurred by the insured in renting an alternative premise elsewhere. Provided that the total amount payable shall not exceed such proportion of the expenses insured as the period necessary for reinstatement or repairs bears to the total number of months expenses insured.

(c) Rent (applicable to tenant-occupier of the premises)

(i) On months rent insured. Sum Insured RM...

(ii) On months expenses insured. Sum Insured RM...

This insurance on Rent applies only if any of the said building(s) or any part thereof is unfit for occupation in consequence of any fire or any other peril hereby insured against but only in respect of the period necessary for reinstatement or repair and the amount payable shall not exceed:

(i) the amount of rent that the insured is legally liable for; and/or

(ii) the reasonable additional expenses necessarily incurred by the insured in renting an alternative premise elsewhere.

Provided the total amount recoverable under this extension shall not exceed the Sum Insured stated.

10. COMPUTER SYSTEMS RECORDS**(i) General Rule :**

It is permissible to issue a separate policy or to add an appropriate item to the material damage policy as the case may be if a more extensive cover is required.

(ii) Endorsement Wording :

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. DESIGNATION CLAUSE

For the purpose of determining where necessary the item (column heading) under which any property is insured, the Company agrees to accept the designation under which such property is entered in the insured's books.

12. PAWNBROKERS

In the event of destruction or damage to pledged goods by fire or any other peril hereby insured against the amount payable shall not exceed the amount advanced by the insured on such goods plus 25% and the value of all goods which this clause applies shall be calculated on the same basis.

13. ESCALATION CLAUSE

In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item(s), the sum(s) insured thereby shall, during the period of insurance, be increased each day by an amount representing 1/365th of the specified percentage increase per annum.

Item Number	Specified percentage increase per annum
_____	_____
_____	_____
_____	_____
_____	_____

Unless specifically agreed to the contrary the provisions of this Clause shall only apply to the sums insured in force at the commencement of each period of insurance.

At each renewal date the Insured shall notify the Insurers:-

- i) the sums to be insured under each item above, but in the absence of such instructions the sums insured by the above items shall be those stated on the Policy (as amended by any endorsements effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this clause during the period of insurance up to that renewal date, and
- ii) the specified percentage increase(s) required for the forthcoming period of insurance, but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the period of insurance from renewal.

All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

14. COINSURANCE AND LEADER CLAUSE

It is hereby declared and agreed notwithstanding anything contained in the within policy, or on any endorsement hereon to the contrary that any reference to "the Company" shall be deemed to mean the following Companies each of which agrees for its individual proportion set against its name subject to the terms, exceptions and conditions herein or attached hereto or endorsed hereon, that if during the period of insurance stated in the Schedule the Insured shall sustain loss or damage in the circumstances provided for by this Policy indemnify the Insured in the manner herein described:

Company	Policy No.	Proportion	Signature
---------	------------	------------	-----------

It is further declared and agreed notwithstanding anything contained to the contrary that the lead co-insurer, is authorised to sign the Policy/Endorsement/Renewal Receipt.

For all intents and purposes this policy shall have effect as though each of the above-mentioned insurance companies had issued a separate policy for its individual proportion of the sum insured.

14A. COINSURANCE CLAUSE (FOR DEALINGS WITH TAKAFUL COMPANIES)

The Insurers hereby severally agree, each for the proportion or share of participation set against its name, to indemnify the Insured by payment or at the option of the Insurers by reinstatement repair or replacement in accordance with the terms and conditions hereunder or endorsed herein or in a Certificate of Takaful.

Provided that :

1. The liability of the Insurers shall not exceed the limits of liability expressed in the said Schedule or such other limits of liability as may be substituted therefore by any endorsement or attached hereto, signed by or on behalf of the Insurers.
2. The liability of each of the Insurers individually in respect of such loss shall be limited to the proportion set against its name.

It is further agreed that the Following Insurer shall be subject to and follow the same intention, risks, terms and conditions, warranties, clauses, valuation, amendments or alterations of any description or any decision as may be made by the Lead Insurer irrespective of any variation or difference in terminology under either the Insurance Act 1996 or the Takaful Act 1984 as the case may be or as applicable therefore.

Notwithstanding that the Insurers hereby attest to the intention and meaning of the Special Memorandum as lodged with them, the Lead Insurer shall be entitled to investigate settle compromise control discharge or repudiate any claims and to institute prosecute defend settle and compromise any proceedings in respect of any risks and/or interest arising from this Policy and/or under the applicable provisions of either the Insurance Act 1996 or Takaful Act 1984 or both as the case may be or as applicable therefore.

To the extent the Lead Insurer is liable to pay under this Policy to that extent the Following Insurer shall follow the fortunes of the Lead Insurer in all respects all loss or damage provided for by this Policy.

<u>The Insurer</u>	<u>Share of Participation</u>	<u>Signed/Stamped</u>
1. (as the Lead Insurer) in compliance with the Insurance Act 1996 and the general principles of Insurance Law)	%
2. (as the Following Insurer and also as the Co Takaful as per Certificate No. under the Takaful Act 1984 and in compliance with Syariah Principles)	%

SPECIAL MEMORANDUM

The Special Memorandum serves to encapsulate the intentions and arrangements that were discussed and agreed upon between the parties as set below and with whom it shall be lodged with without altering reducing or amending the rights and duties of each party under the Insurance Policy Nos. or Co Takaful Certificate Nos. issued or signed accordingly under the provisions of the Insurance Act 1996 and/or Takaful Act 1984.

It has been agreed that:

1. For the purpose of determining any liability to indemnify the Insured under a policy of insurance including as prescribed by any endorsements attaching thereto, all parties shall primarily refer to a policy or conventional language as normally issued under the provisions of the Insurance Act 1996 and signed on by all insurers for their respective share of participation of such liability, all loss or damage provided for by this Policy.
2. For the purpose of determining any entitlement under al-Mudharabah to the favour of the Insured (or participant as equivalently known under a contract of takaful), the Co Takaful Certificate/s and any attachment thereto issued by (Insurer's Name) shall be referred to and it is hereby understood that the rate of al-Mudharabah returns shall be proportionate to the Co Takaful share of participation.
3. In as far as the required presence of representatives of the insurers is concerned, in particular for meetings with the (Insured's Name) or its representatives or for any other official occasion or functions related to matters of insurance, (Insurer's Name) may be called upon to act as the spokesperson without prejudice to the rights and duties of each insurer.
4. The Lead Insurer shall perform its obligations as prescribed under the Coinsurance Clause and shall be entitled to conduct an annual inspection or survey relating to risk management for and on behalf of all insurers for their own rightful purpose or for the benefit of the Insured.

5. The Insurers shall agree to nominate an internationally recognised and licensed loss adjuster or panel of such loss adjusters which is/are acceptable to the Insured.

6. Notwithstanding the above arrangement, (Broker's Name) shall retain its rights and perform its duties as the appointed Insurance Broker for the (Insured's Name).

Provided that all arrangements as set hereon or herewith are not against the provisions of any acts of law in Malaysia or guidelines or regulations that may be prescribed or to be prescribed from time to time by the Malaysian Authorities.

Hereby understood agreed and signed by, on behalf of :

(as the Insured)

.....
.....

On

(as the Lead Insurer)

.....
.....

On

(as the Following Insurer)

.....
.....

On

(as the Appointed Broker)

.....
.....

On

15. AUTOMATIC RENEWAL CLAUSE**(i) General Rule :**

The Automatic Renewal Clause may be used in conjunction with the Mortgagee/Chargee Clause or Leasing Endorsement or Hire Purchase Endorsement.

(ii) Endorsement Wording :

This Policy is deemed to be automatically renewed and the appropriate premium charged upon expiry unless otherwise instructed.

16. REINSTATEMENT VALUE CLAUSE

Notwithstanding anything to the Contrary contained in Condition 17 of the Policy, it is hereby declared and agreed that in the event of the property insured under (items Nos of) the within Policy 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 insured property 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 subject to the liability of the Company not being thereby 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 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 at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril insured against by this Policy, 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 applies 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 times 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 on the same or another site.
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.

16A. REINSTATEMENT VALUE (STRATA TITLED PROPERTY) CLAUSE

Notwithstanding anything to the contrary contained in Condition 17 of the Policy, it is hereby declared and agreed that in the event of the property insured under (items nos....) of the within Policy 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 insured property 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 subject to the liability of the Company not being thereby 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 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 the Sum Insured at the breaking out of any fire or at the commencement of any destruction of or damage to the property by any other peril hereby insured against be less than 85% of the sum representing the cost at the time of replacement or reinstatement which would have been incurred in replacement or reinstatement if the whole of the property insured had been destroyed then the Insured shall be considered being is own insurer for

the difference between the sum insured and the sum representing the full cost at the time of replacement or reinstatement which would have been incurred in replacement or reinstatement if the whole of the property insured had been destroyed 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 Special 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 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 on the same or upon 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 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.
- 6) In the event that the Company is liable to make any payment (other than payment representing the cost of replacing or reinstating the property destroyed or damaged) under the provisos of this clause the Company shall only make such payment in accordance with the Strata Titles Act, 1985 and the Strata Titles (Federal Territory of Kuala Lumpur) Rules, 1988 and/or its subsequent amendments.

17. REINSTATEMENT - DAY ONE BASIS

Memorandum

Day One Basis (Non-Adjustable) Memorandum applicable to Item(s) No(s) (Buildings and/or Machinery)

1. Notwithstanding anything to the contrary contained in Condition 17 of the Policy, it is hereby declared and agreed that the Insured having stated in writing the Declared Value incorporated in such item to which this Memorandum applies, the Premium has been calculated accordingly.

"Declared Value" shall mean the Insured's assessment of the cost of replacement or reinstatement of the property insured arrived at in accordance with the opening paragraph of the Reinstatement Value Memorandum, at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for :-

- (i) the additional cost of reinstatement to comply with Public Authority requirements,
- (ii) professional fees,
- (iii) debris removal costs.

2. At the inception of each period of insurance the Insured shall notify the Insurers of the Declared Value of the property insured by each of the said item(s). In the absence of such declaration the last amount Declared by the Insured shall be taken as the Declared Value for the ensuing period of insurance.
3. Notwithstanding any general indication or endorsement to the contrary the following wording applies to Special Provision 3 of the Reinstatement Value Clause:-
 3. If at the time of loss the Declared Value of the property covered by such item be less than the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum) at the inception of the period of insurance then the Insurer's liability for any loss hereby shall be limited to that proportion hereof which the Declared Value bears to the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum). Each item of the policy (if more than one) to which this Memorandum applies shall be separately subject to the foregoing provision.

and the following new Special Provision 6 is incorporated into the Reinstatement Value Clause

6. Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the policy if this Memorandum had not been incorporated therein the rights and liabilities of the Insurers and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of the Policy including any Conditions of Average therein, as if this memorandum had not been incorporated therein except that the sums insured shall be limited to 120% of the Declared Value.

Memorandum

Day One Basis (Adjustable) Memorandum applicable to Item(s) No(s)(Buildings and/or Machinery)

1. The Insured having stated in writing the Declared Value incorporated in each item to which this Memorandum applies, the premium has been calculated accordingly.

"Declared Value" shall mean the Insured's assessment of the cost of replacement or reinstatement of the property insured arrived at in accordance with the opening paragraph of the Reinstatement Value Clause, at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for:-

 - (i) the additional cost of reinstatement to comply with Public Authority requirements,
 - (ii) professional fees,
 - (iii) debris removal costs.
2. At the inception of each period of insurance the Insured shall notify the Insurers of the Declared Value of the property insured by each of the said item(s). In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing period of insurance.

3. The premium thereon is provisional. On expiry of each period of insurance the premium shall be adjusted by 50% of the difference between:-
 - (i) the provisional premium at the commencement of the period and
 - (ii) the premium calculated at the terms which have applied during the period under adjustment based on the Declared Value for the subsequent period of insurance.
4. For purposes of paragraph 3 of this Memorandum only:-
 - (i) if the policy (or any item thereof) is cancelled or not renewed the Insured shall provide the Declared Value of the property insured by each of the said item(s) calculated in accordance with paragraph 1 of this Memorandum but at the level of costs applying at the date of cancellation or non-renewal,
 - (ii) where property has not been reinstated following loss the Insured shall provide the Declared Value as though the property had not been damaged or destroyed,
 - (iii) where a declaration of the Declared Value is not submitted to the Insurers an additional premium of 10% of the provisional premium shall become payable.
5. Notwithstanding any general indication or endorsement to the contrary the following wording applies to Special Provision 3 of the Reinstatement Value Clause:-
 3. If at the time of loss the Declared Value of the property covered by such item be less than the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum) at the inception of the period of insurance then the Insurer's liability for any loss hereby shall be limited to the proportion hereof which the Declared Value bears to the cost of replacement or reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum). Each item of the policy (if more than one) to which this Memorandum applies shall be separately subject to the foregoing provision.

and the following new Special Provision 6 is incorporated into the Reinstatement Value Clause

6. Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the policy if this Memorandum had not been incorporated therein the rights and liabilities of the Insurers and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of the Policy including any Conditions of Average therein, as if this Memorandum had not been incorporated therein except that the sums insured shall be limited to 120% of the Declared Value.

18. REINSTATEMENT IN COMPLIANCE WITH THE REQUIREMENT OF PUBLIC AUTHORITIES

Notwithstanding anything to the contrary contained in Condition 17 of the Policy, it is hereby declared and agreed that the insurance by (Item No.....of) this Policy 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 Bye-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 Bye-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 Policy,
 - 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 Bye-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 Bye-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 Bye-Laws so necessitate) subject to the liability of the Company under this extension not being thereby increased.
- 3) If the liability of the Company under (any item of) the Policy apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy 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 Policy shall not exceed the sum insured thereby.
- 5) All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

19. DECLARATION POLICIES

Special Conditions For Declaration Policies

- 1) In consideration of the premium by this Policy being provisional in that it is calculated on 100% of the sum insured hereby and is subject to adjustment on expiry of each period of insurance:-

The Insured agrees to declare to the Company in writing the value of his stocks, less any amount insured by Policies other than Declaration Policies, on the following basis namely(insert the appropriate wording in accordance with Rule 1.25.5 of Section 1) and to make such declaration within thirty days of the(insert the appropriate day or date) of each calendar month, such declaration to be signed by the Insured or by a responsible person authorised to sign on his behalf.

If other Policies on a declaration basis cover the stock hereby insured the declarations shall be made so as to apportion to each Policy a share of the value of the stocks insured under such Declaration Policies, pro-rata to the respective amounts named in the Policies.

In the event of a declaration not being made within the thirty days mentioned above then the Insured shall be deemed to have declared the sum insured hereby as the value at risk.

On the expiry of each period of insurance the premium shall be calculated at the rate applicable on the average sum insured, namely, the total of the values declared or deemed to have been declared divided by the number of declarations due to have been made. If the resultant premium be less than the provisional premium the difference shall be repaid to the Insured but such repayment shall not exceed 50% of the provisional premium.

- 2) The basis of value for declarations shall be the market value and any loss hereunder shall be settled on the basis of the market value immediately anterior to the loss.
- 3) If at the time of any loss, there be any other subsisting insurance or insurances on other than a declaration basis, whether effected by the Insured or by any other person or persons, covering the stocks hereby insured, this Policy shall apply only to the excess of the value of such stocks at the time of the loss over the sum insured by such insurance or insurances, and this Company shall not be liable to pay or contribute more than that proportion of such loss which such excess (or, if there be other declaration insurances covering the same stocks, a rateable proportion of such excess), but not exceeding the sum insured hereby, bears to the total value of the stocks.
- 4) If after the occurrence of a loss it is found that the amount of the last declaration previous to the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last declaration bears to the amount that ought to have been declared.

- 5) In the event of a loss occurring the Insured undertakes to pay extra premium on the amount of any loss pro rata from the date of such loss to the expiry of the period of insurance, the premium being calculated at the rate applicable to the stocks destroyed and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment of premium.
- 6) In the event of this Policy being cancelled by the Insured during its currency (whether stocks exists or not) the premium to be retained by the Company shall be the appropriate short period premium calculated on the average amount insured up to the date of cancelment, or 50% of the provisional premium whichever is the greater; but if the Policy is cancelled by the Insured after a loss has occurred the premium to be retained by the Company shall be the pro-rata proportion of the premium calculated on the average amount insured up to the cancelment plus the pro-rata proportion of the premium from the date of loss to the expiry of the period of insurance on the amount of the loss paid, or 50% of the provisional premium whichever is the greater.
- 7) It is warranted that every other Policy on a declaration basis covering the stocks insured hereby shall be indetical in wording with this Policy.
- 8) This insurance is subject in all respects to the printed conditions of the Policy except in so far as they may be varied by these Special Conditions.

20. TEMPORARY STORAGE CLAUSE

(i) General Rule :

It is permissible to cover property (excluding Buildings) insured under a policy whilst temporarily stored anywhere in Malaysia, Brunei Darussalam and Singapore.

No additional premium for the temporary storage need be charged for periods of storage not exceeding sixty (60) days. However, if the period of storage exceeds sixty (60) days, the normal rates at the premises of storage are applicable on a pro rate basis for that period exceeding the sixty (60) days limit.

(ii) Endorsement Wording :

The property (excluding buildings) insured under this Policy is covered whilst temporarily stored anywhere in Malaysia, Brunei Darussalam and Singapore 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 RM500,000 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).

21. LEASING ENDORSEMENT

(i) General Rule :

It is permissible to attach the Leasing Endorsement to the policy where the property insured is the subject of leasing arrangement.

(ii) Endorsement Wording :

It is hereby understood and agreed that(hereinafter referred to as the lessors) are the owners of the property insured by item 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 and it is further understood and agreed that the lessors are interested in any monies which but for this endorsement could be payable to the insured under this policy in respect of loss of or damage to the property (which loss or damage is not made good by repair reinstatement or replacement under the terms of the policy) and such monies shall be paid to the lessors as long as they are the owners of the property and their receipt shall be a full and final discharge to the company in respect of such loss or damage. Save as by this endorsement expressly agreed nothing herein shall modify or affect the rights and liabilities of the insured or the company respectively under or in connection with this policy.

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.

22. SMOKE DAMAGE ENDORSEMENT

(i) General Rule :

It is permissible to extend the policy to include loss or damage due to smoke damage and a deductible of RM50,000 is mandatory and may not be waived or reduced.

(ii) Rate : 10% of the basic fire rate.

(iii) Endorsement Wording :

Notwithstanding anything contained in this policy to the contrary, it is hereby declared and agreed that in consideration of the payment of an additional premium, the insurance under item no: of this Policy shall extend to include:-

Destruction of or damage to the property insured (by fire or otherwise) directly caused by smoke 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, and while in or on the described premises but not smoke from fire-places or industrial apparatus.

In respect of loss or damage caused by the peril hereby insured against, the Company shall not be liable for the first RM50,000 of each and every loss as ascertained after the application of any condition of average.

Provided always that all the conditions of the Policy (except in so far as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any destruction or damage as aforesaid shall be deemed to be destruction or damage by fire.

23. BRAND, LABEL AND TRADEMARK CLAUSE

(i) General Rule :

It is permissible to attach the Brand, Label and Trademark Clause to the policy for property bearing a brand, label or trademark at the request of the Insured.

(ii) Endorsement Wording :

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.

24. GOODS AND STOCKS UNDERGOING ANY HEATING OR DRYING PROCESS ENDORSEMENT

(i) General Rule :

It is permissible to extend the policy to include loss or damage to goods and stocks undergoing any heating or drying process.

(ii) Rate: 0.01% per annum of the sum insured on the item concerned or 10% of the basic fire rate for the item sum insured whichever is the higher.

(iii) Endorsement Wording :

Notwithstanding anything to the contrary contained in Condition 5(i)(b) of the Policy, it is hereby understood and agreed that the insurance under item no: of this Policy shall extend to include loss or damage to the property occasioned by its undergoing any heating or drying process provided that loss or damage due to smoke, fumes, scorching, charring, chemical reaction, change of state or original composition or discolouration of the property is excluded.

25. SPRINKLER LEAKAGE ENDORSEMENT

(i) General Rule :

It is permissible to extend the policy to include loss or damage resulting from leakage from an Automatic Sprinkler Installation.

The following rules shall be applied for tenant-occupied buildings only :

- a) Where the tenant can provide the maintenance contract or inspection report from the sprinkler installation's engineer, special condition 1 of the Sprinkler Leakage Endorsement may be waived without additional premium to be charged.
- b) If the maintenance contract or inspection report cannot be provided, a loading of 10% of the appropriate rate applicable to the Sprinkler Leakage Endorsement would be chargeable to waive special condition 1 of the Endorsement

(ii) Rate :

- (a) Buildings : 0.005% of total sum insured on buildings
- (b) Contents : 0.025% of total sum insured on contents.
- (c) Deletion of : 10% loading on the Sprinkler
Exclusion (d) leakage rate.
and/or (e)

(iii) Endorsement Wording :

In consideration of the payment of an additional premium, it is hereby declared and agreed that the insurance under this policy extends to include loss of or damage to the property insured directly caused by water or other fire extinguishing agent accidentally discharged or leaking from the automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus.

Provided always that otherwise the insurance under this endorsement and the Policy shall be subject to all the terms, limitations, stipulations, exclusions, provisions and exceptions printed on, expressed in, endorsed upon or attached to the Policy and that without in any way limiting the generality of the foregoing, the liability of the Company shall in no case under this endorsement exceed in respect of each item the sum expressed in the Schedule or in the whole the total sum insured.

This insurance does not cover loss or damage occasioned by or through or in consequence of:-

- a) explosion, the blowing up of buildings or blasting
- b) the order of any authority
- c) heat caused by fire
- d) repairs or alterations to the buildings or premises
- e) the automatic sprinkler installation being either repaired, removed or extended.

No liability shall attach if the building insured or containing the insured property becomes unoccupied and so remains for a period of more than thirty (30) days unless the Insured obtains the sanction of the Company signified by endorsement upon the Policy.

SPECIAL CONDITIONS

- 1) The Insured shall at all times during the currency of this Policy take all reasonable steps to maintain in proper working order the installation of Automatic Sprinklers, including the Automatic Alarm signal.
- 2) The Company shall not be responsible for loss or damage which may occur after notice has been given to the Insured by the Company that Sprinkler Installations is/are liable to accident by reason of defective construction or condition nor if the Insured is himself aware of defect in construction or condition.

26. HIRE PURCHASE ENDORSEMENT**(i) General Rule :**

It is permissible to attach the Hire Purchase Endorsement to the policy where the property insured is the subject of hire purchase.

(ii) Endorsement Wording :

It is hereby understood and agreed that(hereinafter referred to as the Owners) are the owners of the property insured by item(s) and that such property is the subject of a 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 the terms of this Policy shall be made to the Owners 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 Hire Purchase Agreement to the contrary this Policy is issued to the Insured namely: as the principal party and not as agent or trustee for the Owners and nothing herein shall be construed as constituting the Insured, as 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.

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 .

27. INTERNAL REMOVAL CLAUSE**(i) General Rule :**

It is permissible to apply the above Clause to the policy where appropriate.

(ii) Endorsement Wording :

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

28. OUTBUILDING CLAUSE

(i) General Rule :

It is permissible to apply the above clause to the policy where appropriate.

(ii) Endorsement Wording :

The insurance by each item under Buildings is understood to include walls, gates and fences, small outbuildings, extensions, annexes, exterior staircase, fuel installations, steel or iron frameworks and tanks in the said premises and the insurance by each item under Contents extends to include the contents of each outbuilding.

29. APPRAISEMENT CLAUSE

(i) General Rule :

It is permissible to apply the above clause to the policy where appropriate.

(ii) Endorsement Wording :

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

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

30. VEHICLE LOAD CLAUSE

(i) General Rule :

It is permissible to apply the above clause to the policy where appropriate.

(ii) Endorsement Wording :

In the event of any of the Insured's vehicles being left loaded overnight whilst in 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 by any of the perils insured against by this Policy.

31. ALTERATIONS AND REPAIRS CLAUSE

(i) General Rule :

It is permissible to apply the above clause to the policy where appropriate.

(ii) Endorsement Wording :

Notwithstanding condition 9(a), workmen are allowed on or about the insured property to carry out alterations and repairs provided the trade, manufacture, nature of occupation and/or construction of the building remains unchanged.

32. AGGREGATE CONDITION OF AVERAGE CLAUSE

(i) General Rule :

In respect of specially rated risks only, where one policy insures several individually separate properties (including buildings, machinery and stock) belonging to the same insured at the same location, the application of policy condition 20 may be relaxed by applying the Aggregate Condition of Average Clause.

(ii) Endorsement Wording :

It is hereby noted and agreed that notwithstanding the declaration of individual sums insured within the policy, policy condition 20 of this policy will apply as though reference to property therein is in respect of all properties of the same insured at the same location insured therein. Accordingly, the sentence "Every item, if more than one, of the Policy shall be separately subject to this condition" appearing in the text of condition 20 is deemed to have been deleted.

33. AGREED VALUE ENDORSEMENT FOR ART OBJECTS/PAINTINGS, ANTIQUES AND SUCH LIKE ITEMS

It is hereby declared and agreed that in the event of the undernoted item(s) of property insured being totally lost, destroyed or damaged by any peril insured against, the liability of the insurers shall not exceed the corresponding agreed value stated in the schedule below :-

Property Insured	Agreed Value
_____	_____
_____	_____
_____	_____
_____	_____

Notwithstanding anything contained in this policy to the contrary, where any insured items consist of articles in a pair or set, the Company shall not be liable to pay more than the proportionate value of any particular parts which may be lost, without reference to any special value which such article or articles may have as part of such pair or set.

Subject otherwise to the terms exceptions and conditions of the policy.

34. OTHER INSURANCE CLAUSE

It is understood and agreed that the insured shall be deemed to have complied with condition no. 3 of this policy provided that he has declared to the company the total amount of insurance effected with other Insurance Companies on the property hereby insured.

35. PAIRS AND SETS CLAUSE

It is hereby declared and agreed that notwithstanding anything contained in this policy to the contrary, where any insured item consists of articles in a pair or set, the Company shall not be liable to pay more than the proportionate value of any particular part or parts which may be lost, without reference to any special value which such article may have as part of such pair or set.

Subject otherwise to the terms exceptions and conditions of the policy.

36. FLOATING INSURANCE

(a) Specified locations

The stocks insured under (item.. of) this Policy is subject to a floating sum insured declared hereon against all the locations as specifically described in the schedule.

Provided always the Company's maximum liability shall not exceed the floating sum insured stated in the schedule for which the item is insured.

Note: The premium charged thereon shall be calculated based on the highest amongst the rates applicable to the said locations concerned.

(b) Unspecified locations

The stocks insured under (item....of) this Policy is subject to a floating sum insured declared hereon all the locations owned and/or occupied by the Insured anywhere in Malaysia.

Provided always that :-

- (i) there shall be a minimum of ten (10) locations covered under this item in the policy.
- (ii) the sum insured any one location shall not exceed the limit of RM500,000.

In the event of any loss or damage, the Company's maximum liability shall not exceed the sum of RM500,000 for any one of the unspecified location and the floating sum insured declared hereon in respect of all the unspecified locations covered under the policy.

Note :

- (i) The total sum insured floating for the unspecified locations shall be greater than RM500,000
- (ii) The premium charged is subject to a 25% loading on the highest rate applicable on the policy.

(c) Unspecified homogeneous locations

The stocks insured under (item....of) this Policy is subject to a floating sum insured declared hereon against all the locations owned and/or occupied by the Insured anywhere in Malaysia.

Provided always that :

- (i) there shall be a minimum of one thousand (1,000) locations under this item at inception of the Policy.
- (ii) the sum insured limit per unit of stock shall not exceed RM5,000.00
- (iii) the Insured shall declare to the Company in writing the total value of the stocks within thirty days of the.....(insert the appropriate day or date) of each calendar month.
- (iv) the basis of value for declaration shall be the full value of the stocks insured, any loss shall be settled on the basis of the market value immediately anterior to the loss.

In the event of any loss or damage, the Company's maximum liability shall not exceed the sum insured limit of RM5,000 per unit of stock and the floating sum insured declared hereon in respect of all the unspecified locations covered under the policy.

37. AUTOMATIC INCLUSION CLAUSE (FOR INSURANCE OF RUBBER TREES ONLY)

(i) General Rule :

The above Clause is not applicable where the total sum insured is less than RM1,500,000.00

(ii) Endorsement Wording :

Where the Insured has acquired newly planted trees in the existing or in new acreage acquired, the insurance hereby extends to cover such acquired newly planted trees in the existing or in the new acreage acquired (but not appreciation in value in excess of the sum insured) specified in (Item(s) No(s).....of) this policy for an amount not exceeding in respect of each Scheme 10% of the sum insured and subject to a maximum of RM5,000 whichever is the less.

The Insured undertakes to advise the Company every three months of such additions and to pay the appropriate additional premium thereon.

38. TENANTS CLAUSE (AS TO INTEREST OF THE OWNER)**(i) General Rule :**

It is permissible to attach the above Clause to the policy at the request of the Insured.

(ii) Rate: 10% of the basic trade/occupation rate (for fire and lightning only)**(iii) Endorsement Wording :**

It is hereby agreed that this insurance as to the interest of the Insured where the property insured is used or occupied by a tenant of the Insured, shall not be invalidated by any change of occupancy or increase of risk taking place in the property insured without the knowledge of the Insured provided that the Insured shall immediately on the same coming to his knowledge, give notice thereof to the Company and pay the additional premium (if any) which may be required by the Company from the date of such increase of risk.

Subject otherwise to the terms and conditions of the Policy.

39. SELF-INSURANCE CLAUSE

It is hereby declared and agreed that the Insured agrees to self-insure and that the sum(s) insured nominated under [item(s) no(s)of] this Policy represent(s) only% of the actual Market Value (or reinstatement value in the event that this Policy is on reinstatement value basis) of the property insured herein.

In consequence of the foregoing, the Insured agrees to be his own insurer for% and undertakes to bear that rateable proportion of :-

- (a) each and every loss or damage (including any amounts in respect of fees charges costs and expenses) payable under this Policy; and
- (b) any expenditure payable in the exercise of Condition 18 of this Policy.

It is further declared and agreed that in the event the sum(s) insured under [item(s) no(s)..... of] this Policy is less than% of the actual value of the insured property at the time of loss, Condition 20 of this Policy (Average Clause) shall apply accordingly.

40. AUTOMATIC HOLD COVER (PROPERTIES IN NEW LOCATIONS) CLAUSE

It is understood and agreed that any additional properties situated in locations within Malaysia not insured by the Policy which may be acquired by the Insured during the currency of this Policy is automatically held covered up to 10% of the Policy limit or RM1 million, whichever is the lower, provided that the Insured shall advise the Company within 30 days of any acquisition of any such properties and shall pay the additional premium from effective date of acquisition.

Subject otherwise to the terms, exceptions and conditions of the Policy.

41. DEDUCTIBLES AND EXCESS CLAUSE**(i) General Rule :**

The above Clause is applicable to insurance which have been arranged on co-insurance basis and where the individual co-insurer is to issue their own policy for their respective share.

(ii) Endorsement Wording :

It is hereby declared and agreed that the deductibles and/or excess as specified in the schedule and/or endorsement and/or clauses attaching to this policy shall be applied in the following manner and as ascertained after the application of any condition of average :-

- a) only one deductible and/or excess, as may be applicable, will be applied for each and every loss or losses arising out of one event, irrespective of the number of co-insurers;
- b) the deductible and/or excess shall be apportioned amongst the co-insurers;
- c) the deductible and/or excess apportioned above, shall be applied to the respective rateable liability of each co-insurer;
- d) in no event shall the insured be liable to bear more than one policy deductible and/or excess as the case may be.

Subject otherwise to the terms, conditions and exceptions of this policy.

42. DATE RECOGNITION**(i) General Rule :**

It is obligatory that the Date Recognition Clause (a) or (b) or (c) be included in all policies (including consequential loss insurance) issued under the Fire Tariff.

Members would however have the discretion to retain or to delete the paragraph designated as the Saving Clause (i.e. the boxed wordings) based on the underwriters' assessment of the risk in terms of the risk owners Y2K readiness/compliance.

(ii) Endorsement Wording :**(a) DATE RECOGNITION (For Fire Insurance Policy Only)**

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 an insured peril as defined in the policy.

Subject otherwise to the terms and conditions of the policy.

(b). DATE RECOGNITION(For Houseowner/Householder Policy or Fire Consequential Loss Policy)

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 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.

**Saving
clause**

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

Subject otherwise to the terms and conditions of the policy.

(c). **DATE RECOGNITION (For Industrial All Risks Insurance Policy only)**

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

- A. 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 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 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.

**Saving
clause**

This endorsement shall not exclude subsequent loss or damage or consequential loss which itself results from a Defined Peril. Defined Peril shall mean fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hurricane, cyclone, typhoon, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcanic eruption, flood, bursting or overflowing of water tanks or pipes, subsidence and landslip and spontaneous combustion.

Subject otherwise to the terms and conditions of the policy.

43. WAIVER OF SUBROGATION RIGHTS OF INSURERS

(i) General Rule :

The waiver of subrogation rights of insurers is confined and/or restricted to specific named legal entities only.

(ii) Rate: 0.005% on the sum insured and subject to a minimum premium of RM50.00 per named basis, whichever is the higher.

(iii) Endorsement Wording :

In consideration of the payment of an additional premium, the Company agrees to waive any rights and remedies or relief or indemnity to which it may become entitled by subrogation against the following entity(ies) :-

However, the Company's entitlement to enforce any rights and remedies or to obtain relief or indemnity from any other party(ies) by way of subrogation shall remain unaffected.

44. VOLUNTARY DEDUCTIBLES

This Policy does not cover the amounts of the deductibles stated in the Schedule in respect of each and every loss or series of losses arising out of any one event as ascertained after the application of all other terms and conditions of the policy including any other deductibles and condition of average.

The duration and extent of any loss occurrence arising out of any one event so defined shall be limited to :-

72 consecutive hours as regards cyclone, hurricane, typhoon and/or windstorm.

72 consecutive hours as regards earthquake, and/or flood (including overflow of the sea).

72 consecutive hours and within the limits of one City or Town as regards civil commotions, riot and strike and/or malicious damage.

168 consecutive hours for any other catastrophe of whatsoever nature.

Warranted that during the currency of the Policy the insured shall not effect insurance in respect of the amounts of the deductibles stated in the schedule.

45. 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 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."

46. 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 or 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 fuel or 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 or nuclear component thereof
- 3) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

47. 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.