

QBE Insurance (Malaysia) Berhad

Reg. No. 161086-D

No. 638, Level 6, Block B1, Leisure Commerce Square, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya,
Postal Address P.O. Box 10637, 50720 Kuala Lumpur, MALAYSIA. Phone: 03-7861 8400 Fax: 03-7873 7430
www.qbe.com.my, Email: info.mal@qbe.com



QBE FIRE BUSINESS INTERRUPTION Insurance Policy

QBE INSURANCE (MALAYSIA) BERHAD welcomes you as a Policyholder and we take this opportunity to recommend that you thoroughly examine this Document which sets out the limitations and benefits of the insurance. Please store it in a safe place.

Should you have any query, please contact your Registered Agent/Broker or our QBE office, especially if the insurance is not completely in accordance with your intentions.

FFFFLP002-Q-0115 (FSA)

Fire Business Interruption Insurance Policy

CONTENTS

CONDITIONS	4
1. MISDESCRIPTION	4
2. PREMIUM PAYMENT	4
3. OTHER INSURANCE	4
4. DISPLACEMENT.....	5
5. EXCLUDED INTERRUPTION LOSS.....	5
6. EXCLUDED COVER	5
7. EXCLUDED COVER	5
8. CHANGE IN RISK.....	6
9. INCREASE IN RISK.....	6
10. CANCELLATION	6
11. CLAIM PROCEDURE	6
12. FRAUD.....	7
13. CONTRIBUTION.....	7
14. SUBROGATION.....	7
15. ARBITRATION.....	7
16. REINSTATEMENT OF SUM INSURED	7
17. TIME LIMITATION.....	7
18. MEANING	8
19. NOTICE	8
MEMORANDA.....	9
1. PREMIUM WARRANTY	9
2. DATE RECOGNITION	9
SPECIAL PERILS ENDORSEMENTS.....	10
1. RIOT, STRIKE & MALICIOUS DAMAGE ENDORSEMENT	10
2. (A) * ADDITIONAL PERILS ENDORSEMENT (A).....	11
2. (B) * ADDITIONAL PERILS ENDORSEMENT (B).....	12
CLAUSES/ENDORSEMENTS.....	12
1. ACCOUNTANTS' CLAUSE	12
2. PAYMENT ON ACCOUNT CLAUSE	12
3. DEPARTMENTAL CLAUSE	12
4. UPWARD ADJUSTMENT CLAUSE	12
5. ALTERNATIVE BASIS CLAUSE	13
6. SALVAGE SALES CLAUSE	13
7. MATERIAL DAMAGE PROVISIO WAIVER CLAUSE.....	13
8. INTERDEPENDENCY CLAUSE	13
9. ACCUMULATION OF STOCK CLAUSE	13
10. NEW BUSINESS CLAUSE	13
11. SELF-INSURANCE CLAUSE	14
12. SPECIFIED SUPPLIERS' PREMISES.....	14
13. UNSPECIFIED SUPPLIERS' PREMISES.....	14
14. SPECIFIED CUSTOMERS' PREMISES	15
15. PREVENTION OF ACCESS.....	15
16. PUBLIC UTILITIES	15
17. INFECTIOUS OR CONTAGIOUS DISEASES, MURDER, SUICIDE, PEST, FOOD OR DRINK POISONING; OR DEFECTIVE SANITARY ARRANGEMENTS.....	16
18. COINSURANCE AND LEADER CLAUSE	17
19. SANCTION EXCLUSION	17

SPECIFICATIONS 17

- 1. GROSS PROFIT DIFFERENCE BASIS WORDING..... 17
- 2. DUAL BASIS WAGES WORDING..... 18
- 3. GROSS PROFIT ADDITION BASIS WORDINGS..... 20
- 4. GROSS REVENUE WORDING 22
- 5. STANDING CHARGES ONLY WORDING 23
- 6. GROSS RENTAL WORDING 24
- 7. 100% WAGES WORDING 25
- 8. INCREASE COST OF WORKING ONLY WORDING 26
- 9. PRO RATA WAGES WORDING..... 26
- 10. BOOK DEBTS WORDING 27
- 11. ADDITIONAL INCREASE COSTS OF WORKING 28
- 12. AUDITOR’S FEES CLAUSE 28
- 13. 100% WAGES AND SALARIES ON PAYROLL BASIS WORDING 28
- 14. NET TAKINGS BASIS 29

FIRE BUSINESS INTERRUPTION INSURANCE POLICY

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 QBE Insurance (M) 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.

The Company agrees (subject to the Conditions contained herein or endorsed or otherwise expressed thereon) that if any building or other property or any part thereof used by the Insured at the Premises for the purpose of the Business be destroyed or damaged by:-

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

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

Then the Company will pay to the Insured in respect of each item in the Schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

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

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

CONDITIONS

1. MISDESCRIPTION

The Insured has a duty to disclose any matter that the Insured knows to be relevant to the Company's decision in accepting the risks and determining the rates and terms to be applied and any matter a reasonable person in the circumstances could be expected to know to be relevant otherwise 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.

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

2. PREMIUM PAYMENT

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

3. OTHER INSURANCE

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

4. **DISPLACEMENT**

Immediately upon any fall or displacement

- (a) of any building Damage to which might give rise to a claim under this Policy;
- (b) of any part of such building;
- (c) of the whole or any part of any range of buildings or of any structure of which such building forms part.

The insurance under this Policy shall cease in respect of loss resulting from Damage to such building or property therein

PROVIDED THAT -

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

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

5. **EXCLUDED INTERRUPTION LOSS**

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

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

6. **EXCLUDED COVER**

This insurance does not cover:-

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

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

7. **EXCLUDED COVER**

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

- (a) Earthquake, volcanic eruption, typhoon, hurricane, tornado, cyclone or other convulsion of nature or atmospheric disturbance,

-
- (b) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), mutiny, riot, civil commotion, insurrection, rebellion, revolution, conspiracy, military or usurped power, martial law or state of siege, or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
 - (c) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
 - (d) Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - (e) any act of terrorism
For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

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

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

8. CHANGE IN RISK

The insurance by this Policy shall cease if:-

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

9. INCREASE IN RISK

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

10. CANCELLATION

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

11. CLAIM PROCEDURE

On the happening of any Damage in consequence of which a claim is or may be made under this Policy, the Insured shall forthwith give notice thereof to the Company and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under this Policy shall, not later than thirty days after the expiry of the indemnity Period or within such further time as the Company may in writing allow, at his own expense deliver to the Company in writing a statement setting forth particulars of his claim, together with details of all other insurances (if any) covering the Damage or any part of it

or consequential loss or any kind resulting therefrom. The Insured shall at his own expense produce, procure and give to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by or on behalf of the Company for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith. No claim under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

12. FRAUD

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy; or if the Damage be occasioned by the willful act, or with the connivance of the insured; or, if the claim be made and rejected and an action or suit be not commenced within three months after such rejection, or (in case of an arbitration taking place in pursuance of the 14th Condition of this Policy) within three months after the Arbitrator or Arbitrators or Umpire shall have made their award, all benefit under this Policy shall be forfeited.

13. CONTRIBUTION

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

14. SUBROGATION

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

15. ARBITRATION

If any difference arises as to the amount of any loss such difference shall independently of all other questions be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference, or, if they cannot agree upon a single Arbitrator, to the decision of two disinterested persons as Arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an Arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole Arbitrator; and in case of disagreement between the Arbitrators, the difference shall be referred to the decision of an Umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the Arbitrators and preside at their Meetings. The death of any party shall not revoke or affect the authority or powers of the Arbitrator, or Arbitrators or Umpire respectively, and in the event of the death of an Arbitrator or Umpire, another shall in each case be appointed in his stead by the party or Arbitrators (as the case may be) by whom the Arbitrator or Umpire so dying was appointed. The cost of the reference and of the award shall be at the discretion of the Arbitrator, Arbitrators or Umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such Arbitrator, Arbitrators or Umpire of the amount of the loss if disputed shall be first obtained.

16. REINSTATEMENT OF SUM INSURED

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

17. TIME LIMITATION

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

- (a) One year from the end of the Indemnity Period, or if later,
- (b) Three months from the date on which payment shall have been made or liability admitted by the insurers covering the Damage giving rise to the said claim,

unless the claim is the subject of pending action or arbitration.

18. MEANING

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

19. NOTICE

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

MEMORANDA

This policy extends to include the following Memoranda:-

1. Premium Warranty

It is 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 on the period they have been on risk.

Where the premium payable pursuant to this warranty is received by an authorised agent of the insurer, the payment shall be deemed to be received by the insurer for the purposes of this warranty and the onus of proving that the premium payable was received by a person, including an insurance agent, who was not authorised to receive such premium shall lie on the insurer.

2. Date Recognition

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

- (a) The Company will not pay for any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to :
 - (i) correctly recognize any date as its true calendar date ;
 - (ii) 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
 - (iii) 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.

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.

SPECIAL PERILS ENDORSEMENTS

This Policy extends to include the following endorsements only when specified in the Schedule

1. RIOT, STRIKE & MALICIOUS DAMAGE ENDORSEMENT

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

(A) Riot and Strike damage directly caused by :-

- (1) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in Condition 6 of the Special Conditions hereof.
- (2) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequences of any such disturbance.
- (3) The wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out.
- (4) The action of any lawfully constituted Authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act.

(B) Malicious Damage directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an occurrence mentioned in Condition 6 of the Special Conditions hereof.

SPECIAL CONDITIONS

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

Condition 6.

This insurance does not cover :-

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

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

Condition 7.

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

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.

-
- (b) Mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.
 - (c) Act of terrorism committed by a person or persons acting on behalf or in connection with any organisation.

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

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

Condition 10.

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

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

- (1) The liability of the Company shall in no case under this endorsement and the Policy exceed the sum insured by the Policy.
- (2) All the conditions of this Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the above Special Conditions.
- (3) The Special Conditions herein shall apply only to the insurance granted by this extension and the Conditions of the Policy shall apply in all respects to the insurance granted by the Policy as if this endorsement had not been made thereon.

2 (a) * ADDITIONAL PERILS ENDORSEMENT (a)

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

- 1) Aircraft and other aerial devices or articles dropped therefrom
 - 2) Earthquake and volcanic eruption
 - 3) Hurricane, cyclone, typhoon, windstorm
 - 4) Flood (including overflow of the sea)
 - 5) Explosion but excluding loss or damage to boilers, economizers or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion
 - 6) Impact by any road vehicles, animals not belonging to or under the control of the Insured, or any member of his family, or any person in and upon the Insured's service
- or
- Impact by any road vehicles, animals including any road vehicles, horses or cattle belonging to or under the control of the Insured, or any member of his family, or any person in and upon the Insured's service
- 7) Bursting or overflowing of water tanks, apparatus or pipes installed in or on the premises insured but excluding water discharged or leaking from an installation of automatic sprinklers
 - 8) Bush/lalang fire
 - 9) subsidence and/or heave of the site on which the buildings stand or land belonging thereto, or landslip
 - 10) Fire only caused by spontaneous fermentation, heating or combustion
- or
- Spontaneous fermentation, heating or combustion

- 11) Smoke damage due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by exhaust pipe or vent pipe, but not smoke from fire-laces or industrial apparatus.
- 12) water or other fire extinguishing agent accidentally discharged or leaking from an automatic sprinkler installation and/or drencher and/or fire suppression or extinguishing installation or apparatus
- 13) loss or damage to property occasioned by its undergoing any heating or drying process, but excluding loss or damage due to smoke, fumes, scorching, charring, chemical reaction, change of state or original composition, or discoloration.

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

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

2. (b) * ADDITIONAL PERILS ENDORSEMENT (b)

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

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

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

CLAUSES/ENDORSEMENTS

This Policy extends to include the following clauses/endorsements only when specified in the Schedule :-

1. Accountants' Clause

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

2. Payment On Account Clause

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

3. Departmental Clause

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

4. Upward Adjustment Clause

In the event of the * Gross Profit/Gross Rental/Gross Revenue earned during any annual period of insurance (or during the accounting period of 12 months more nearly concurrent with any period of insurance) as certified by the Insured's Auditors being greater than the Sum Insured thereon, the Insured will be held covered to the extent of _____ % of the Sum Insured thereof and pro-rata additional premium not exceeding _____ % of the premium paid on such Sum Insured for such period of insurance will be charged in respect of the difference.

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

* To delete appropriately

realised during the period between the)
commencement of the business and the)
date of the damage

After twelve months of trading have been completed the normal specification wording operates.

11. 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 amount on the interest insured herein.

In consequence of the foregoing, the Insured agrees to be his own insurer for the difference of% 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.
- (b) any expenditure payable in the exercise of Condition 14 of this Policy; and
- (c) any refund premium due in accordance to the terms and provisions of the Premium Adjustment Clause where such a Clause is provided for and form part 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 amount of the interest insured herein at the time of loss, the Condition of Average expressed in the specification of this Policy shall apply accordingly.

12. Specified Suppliers' Premises

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that, subject to the conditions of the policy, loss as insured by Items(s) No.(s)..... of this policy resulting from interruptions of or interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location under (each of) Item(s) No(s) shall not exceed the percentage of the sum insured thereunder shown against each situation.

Supplier	Situations	Insurere's Liability
As specified in the schedule		
_____	_____	_____
_____	_____	_____

Insurers will only be liable for any loss indemnifiable under this extension once the period of the loss has exceeded seventy-two (72) hours from the time that the insured is first impacted by a shortage in supplies and shall continue until such time that supplies have been restored in sufficient quantities to enable the insured to maintain the pre loss level of production.

13. Unspecified Suppliers' Premises

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that, subject to the conditions of the policy, loss as insured by Items(s) No.(s)..... of this policy resulting from interruptions of or interference with the business in consequence of damage (as within defined) to property at the undernoted situations shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Provided that the liability under this memorandum in respect of any one location shall not exceed 10% of the sum insured thereunder or RM 10 million, whichever is the lower.

Situations:

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

Insurers will only be liable for any loss indemnifiable under this extension once the period of the loss has exceeded seventy-two (72) hours from the time that the insured is first impacted by a shortage in supplies and shall continue until such time that supplies have been restored in sufficient quantities to enable the insured to maintain the pre loss level of production.

14. Specified Customers' Premises

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that subject to the conditions of the policy, loss as insured by Item(s) No(s) of this policy resulting from interruption or interference with the business in consequence of damage (as within defined) to property at any premises in Malaysia, Singapore or Brunei of the undernoted customer(s) shall be deemed to be loss resulting from damage to property used by the insured at the premises.

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

Customer	Situations	Limit of Liability
As specified in the schedule		
_____	_____	_____
_____	_____	_____

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

15. Prevention of Access

In consideration of the payment of an additional premium which is included in the premium hereon it is hereby agreed and declared that subject to the conditions of the Policy, loss as insured by Item(s) No(s) of this Policy resulting from interruption of or interference with the business in consequence of damage by insured peril (as within defined) to property in the vicinity of the Insured's premises which shall prevent or hinder the use thereof or access thereto, whether the premises or property of the insured therein shall be damaged or not, shall be deemed to be loss resulting from damage to property used by the insured at the premises.

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the accident, beginning with the date of the occurrence and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean months.

The Insurer's liability under this memorandum shall not exceed 10% of the Sum Insured or RM10 million, whichever is lower in any one period of insurance, after the application of all other terms and conditions of the policy.

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

16. Public Utilities

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

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

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

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

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

* Delete as appropriate.

17. Infectious or Contagious Diseases, Murder, Suicide, Pest, Food or Drink Poisoning; or Defective Sanitary Arrangements

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

- (i) Human infectious or contagious disease manifested within any person whilst in the Premises
- (ii) Murder or suicide occurring at the Premises
- (iii) Injury or illness sustained by any person arising from or traceable to foreign injurious matter in the food or drink provided on the Premises.
- (iv) Vermin or pests at the Premises
- (v) Defects in the drains and other sanitary arrangements at the Premises

which directly and solely results in the restriction of use of the Premises (whether total or partial) by the order of the competent public authority.

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

SPECIAL CONDITIONS

1. Notifiable Disease or illness shall mean illness sustained by any person resulting from -
 - a) food or drink poisoning, or
 - b) any human infectious or human contagious disease [excluding Acquired Immune Deficiency Syndrome (AIDS)]an outbreak of which the competent local authority has stipulated shall be notified to them.
2. For the purpose of this memorandum
Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident, beginning -
 - a) in the case of (i), (iv) and (v) above, with the date of the occurrence or discovery
 - b) in the case of (ii) and (iii) above, with the date from which the restrictions on the Premises are appliedand ending not later when restrictions are lifted or the Maximum Indemnity Period thereafter, whichever is the shorter period.
Maximum Indemnity Period shall mean months
Premises shall mean only those Locations stated in the Premises definition; in the event that the policy includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this memorandum.
3. The Insurer shall not be liable under this memorandum for any costs incurred in the cleaning, repair, replacement, recall or checking of property.
4. The Insurer shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.
5. The Insurer's liability under this memorandum shall not exceed 10% of Sum Insured or RM 10 million, whichever is lower in any one period of insurance, after the application of all other terms and conditions of the policy.

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

18. 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:

<u>Company</u>	<u>Policy No.</u>	<u>Proportion</u>	<u>Signature</u>
----------------	-------------------	-------------------	------------------

As specified in the schedule

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.

19. Sanction Exclusion

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

SPECIFICATIONS

This Policy extends to include the following Specifications only when specified in the Schedule :-

1. Gross Profit Difference Basis Wording

Specification referred to in Policy No.: in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On Gross Profit	As specified in the schedule

The Insurance Under Item No. 1 is limited to loss of Gross Profit due to (a) reduction in Turnover and (b) Increase in Cost of Working and the amount payable as Indemnity thereunder shall be :

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

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

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

Definitions

Gross Profits The amount by which the sum of the Turnover and the closing Stock shall exceed the sum of the Opening stock, Work-in-Progress and the Specified Working Expenses.

N.B. 1

The amount of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's normal accountancy methods due provision being made for depreciation.

N.B. 2

The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured unless otherwise defined in this specification.

Specified Working Expenses

As declared in schedule

Turnover

The money (less discount received) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

Indemnity Period

The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage

Maximum Indemnity Period

As per policy schedule

<p>Rate Of Gross Profit - The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of damage</p> <p>Annual Turnover - The Turnover during the twelve months immediately before the date of the damage</p> <p>Standard Turnover - The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>to which such adjustment shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.</p>
---	--	--

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

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

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

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

2 Dual Basis Wages Wording

Specification referred to in Policy No..... .. in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On Wages	As specified in the schedule

The Insurance Under Item No. 1 is limited to loss in respect of Wages and the amount payable as indemnity thereunder shall be :-

a) IN RESPECT OF REDUCTION IN TURNOVER

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

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

b) IN RESPECT OF INCREASE IN COST OF WORKING. So much of the additional expenditure described in Clause (b) of the relative gross profit item as exceeds the amount payable thereunder : but not more than the additional amount which would have been payable in respect of Reduction in Turnover under the provisions of Clause (a) (i) and (ii) of this Item had such expenditure not been incurred :

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

Definitions

Indemnity Period	The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
Maximum Indemnity Period	As specified in the schedule months
Initial Period	The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than weeks thereafter.
Remainder percentage	..... per cent
Alternative Period	The portion of the Indemnity Period beginning with the occurrence of the damage and ending not later than weeks thereafter.
Wages	The remuneration (including EPF contribution, SOCSO, bonuses, holiday pay or other payments pertaining to Wages) of all employees
Rate of Wages	The Rate of Wages to Turnover during the financial year immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or after the damage or circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
Turnover	The money (less discount allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises.

Annual Turnover	The Turnover during the twelve months immediately before the date of the damage.
Standard Turnover	The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period.
Shortage in Turnover	The amount by which the Turnover during a period shall in consequence of the damage fall short of the part of the Standard Turnover which relates to that period.

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

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

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

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

3 Gross Profit Addition Basis Wordings

Specification referred to in Policy No. in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On Gross Profit	As specified in the schedule

The Insurance Under Item No. 1 is limited to loss of Gross Profit due to (a) Reduction In Turnover and (b) Increase In Cost Of Working and the amount payable as Indemnity thereunder shall be

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

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

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

Definitions

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

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

Insured
Standing
Charges As specified in the schedule
.....

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

Indemnity
Period The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

Maximum
Indemnity
Period As specified in the schedule
..... months

Rate Of Gross Profit - The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of damage) to which such adjustment shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

Annual Turnover - The Turnover during the twelve months immediately before the date of the damage)

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

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

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

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

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

4 Gross Revenue Wording

SPECIFICATION referred to in Policy No. in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1.	On Gross Revenue
	As specified in the schedule

The Insurance Under Item No. 1 is limited to (a) Loss Of Gross Revenue and (b) Increase In Cost Of Working and the amount payable as indemnity thereunder shall be :

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

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

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

Definitions

Indemnity Period The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage

Maximum Indemnity Period months

Gross Revenue The money paid or payable to the Insured in respect of work done and services rendered in the course of the business at the premises, excluding

Standard Gross Revenue - The Gross Revenue during the period in the twelve months immediately before the date of damage which corresponds with the Indemnity Period) to which such adjustment shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

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

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

Premium Adjustment Clause. In the event of the Gross Revenue (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) earned during the financial year most nearly concurrent with any period of insurance as certified by the Insured's Professional Accountants being less than the Sum Insured thereon a pro-rata return of premium not exceeding 50 per cent of the premium paid on such Sum Insured for such period of insurance will be made in respect of the difference. If any damage shall have

occurred giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as is not due to such damage.

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

5 Standing Charges Only Wording

Specification referred to in Policy No. in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On standing charges Only	As specified in the schedule

The Insurance Under Item No. 1 is limited to loss in respect of Insured Standing Charges due to (a) Reduction In Turnover and (b) Increase In Cost Of Working and the amount payable as indemnity thereunder shall be :

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

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

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

Definitions

Net Profit	The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.
Insured Standing Charges	The amount of the undermentioned Insured Standing Charges, or if the business is showing a net trading loss the amount of the said Insured Standing Charges less such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the Standing Charges of the business
List of Insured Standing Charges	As specified in the schedule
Turnover	The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business at the premises
Indemnity Period	The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage
Maximum Indemnity Period	..... months

Rate Payable - The percentage that the Insured Standing Charges bears to the Turnover during the financial year immediately before the date of damage) to which such adjustment shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures as nearly as

Annual Turnover - The Turnover during the twelve months immediately before the date of)

the damage) may be reasonably practicable the results
) which but for the damage would have been
Standard Turnover - The Turnover during) obtained during the relative period after the
 the period in the twelve months immediately) damage.
 before the date of damage which)
 corresponds with the Indemnity Period)

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

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

6 Gross Rental Wording

Specification referred to in Policy No. in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On Gross Rental	As specified in the schedule

The Insurance Under Item No. 1 is limited to (a) Loss Of Gross Rental and (b) Increase In Cost Of Working and the amount payable as indemnity thereunder shall be :

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

Less any sum saved during the Indemnity Period in respect of such of the Expenses and Charges payable out of Gross Rental as may cease or be reduced in consequence of the damage

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

Definitions

- Gross Rental The money paid or payable to the insured by tenants in respect of rental of the Premises.
- Indemnity Period The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage
- Maximum Indemnity Period months

Standard Gross Rental - The Gross Rental) to which such adjustments shall be made
 during the period corresponding with the) as may be necessary to provide for the
 Indemnity Period in the twelve months) trend of the business and for variations in
 immediately before the date of damage which) or special circumstances affecting the
 corresponds with the Indemnity Period) business either before or after the
) damage or which would have affected the
Annual Gross Rental - The Gross Rental) business had the damage not occurred so
 during the twelve months immediately before) that the figures as nearly as may be
 the date of the damage) reasonably practicable the results which
) but for the damage would have been
) obtained during the relative period after
) the damage.

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

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

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

7 100% Wages Wording

Specification referred to in the policy no. in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On Wages	As specified in the schedule

The Insurance On Item No. 1 is limited to loss in respect of WAGES due to (a) Reduction of Turnover and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be :-

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

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

provided that if the sum insured by this item be less than the sum produced by applying the Rate of wages to the annual Turnover (or to a proportionately increased multiple thereof where the Maximum indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Definitions

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

Indemnity Period The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.

Maximum Indemnity Period months

Rate Of Wages - The Rate of Wages earned on the Turnover during the financial year immediately before the date of the damage) to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have bear

Annual Turnover - The Turnover during the twelve months immediately before the date of the damage)

Standard Turnover - The Turnover during the period in the twelve months immediately before)

the of the damage which corresponds with the) obtained during the relative period after the
Indemnity Period.) damage.

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

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

8 Increase Cost of Working Only Wording

Specification referred to in policy no. in the name of and forming an integral part of the policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On Increase in Cost of Working Only	As specified in the schedule

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

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

less any sum saved during the Indemnity Period in respect of any revenue expenditure as may cease or be reduced in consequence of the damage:

provided always that the liability of the Company shall not exceed:

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

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

Definitions

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

9 Pro Rata Wages Wording

Specification referred to in the policy no. in the name of and forming an integral part of that policy.

<u>Item No.</u>	<u>Sum Insured</u>
1. On Wages	As specified in the schedule

The Insurance Under Item No. 1 is limited to loss incurred by the insured by the payment of Wages for a period beginning with the occurrence of the damage and ending not later than the Indemnity Period.

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

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

Definitions

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

Indemnity Period The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity period thereafter during which the results of the business shall be effected in consequence of the damage

Maximum Indemnity Period Weeks

10. Book Debts Wording

SPECIFICATION referred to in Policy No..... in the name of and forming an integral part of that policy.

Item No.	Sum Insured
1. On Book Debts	As specified in the scuedule

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

- (i) the difference between
 - (a) Book Debts
 - and
 - (b) the total of the amounts received or traced in respect thereof
- (ii) the additional expenditure incurred with the previous consent of the company in tracing and establishing customer's debit balance after the damage;

provided that if the Sum Insured by this Item be less than the Book Debts the amount payable shall be proportionately reduced.

DEFINITIONS

Books Debts The total declared in the statement last given under the provisions of Memo 1 adjusted for :-

- (a) bad debts;
- (b) amount debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customer's account in the period between the date to which said last statement relates and the date of the damage, and
- (c) any abnormal conditional of trade which had or could have had as material effect on the business, so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the damage had the damage not occurred.

Customers' Accounts This insurance applies to outstanding debit balances derived from accounts of all room guests on credit or otherwise, F & B guest on credit; travel agent on credit; international credit card companies and other trade debtors

Warranty	It is warranted that the Insured's books of account or other business books or records or computer storage media in which customers' account are shown shall be kept in fire resisting safes and cabinets.
Memo 1	The Insured shall within thirty days of the end of each month deposit with the Company a signed statement showing the total amount outstanding in customers' accounts as set out in the Insured's accounts as the end of the said month.

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

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

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

11. Additional Increase Costs of Working

The insurance under item No. is limited to such further additional expenditure beyond that recoverable under clause (b) of item No. on gross profit and item No. on wages/payroll as the insured shall necessarily and reasonably incur during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing the reduction in turnover.

12. Auditor's Fees Clause

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

13. 100% Wages and Salaries on Payroll Basis Wording

SPECIFICATION referred to in Policy No : in the name of and forming an integral part of that policy.

Item No.	Sum Insured
1. On Payroll	As specified in the schedule

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

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

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

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

Definitions	
Payroll	The remuneration (including employees provident fund, bonuses, socso contribution, pensions insurance costs or other payments pertaining to payroll) of all employees
Wages	payments made to employees who are concerned with production and all others whose remuneration is not included as salaries.
Salaries	payments made usually weekly or monthly to staff permanently employed and whose duties are not directly concerned with production or, if so are in an executive capacity.
Indemnity Period	The period beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the damage.
Maximum Indemnity	..... months.

RATE OF PAYROLL	)	to which such adjustments shall
The Rate of Payroll earned	)	be made as may be necessary
on the Turnover during the	)	to provide for the trend
financial year immediately	)	of the business and for
before the date of the damage.	)	variations in or other circumstances
	)	affecting the business
ANNUAL TURNOVER	)	either before or after the
The Turnover during the	)	damage or which would have
twelve months immediately	)	affected the business had
before the date of the damage.	)	that the figures thus
	)	adjusted shall represent as
STANDARD TURNOVER	)	nearly as may be reasonably
The Turnover during that	)	practicable the results immediately
period in the twelve months	)	before the damage which but for the
which corresponds with the	)	damage would have been obtained
Indemnity Period.	)	during the relative period after the damage

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

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

14. Net Takings Basis

Specification referred to in Policy No. in the name of and forming an integral part of that policy.

Item No.	Sum Insured
1. On Net Takings	As specified in the schedule

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

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

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

