

**PRODUCT DISCLOSURE SHEET
CONTRACTOR'S ALL RISKS**

(Please read this Product Disclosure Sheet before you decide to take out a Contractor's All Risks Insurance Policy. Be sure to also read the general terms and conditions stated in the policy).

1. What is this product about?

This policy provides All Risks coverage unless specifically excluded under the policy for contractors to meet their insurance obligations under the contract conditions for projects awarded such as, construction of buildings, roads, railway lines, airports, tunnels, bridges, towers, dams, etc.

This policy covers the contract work to be executed in accordance with the contract, any temporary works, construction materials, construction plant and equipment used at the work site and any third party liability arising out of the performance of the contract.

2. What are the covers / benefits provided?

This policy has two sections, namely :

• **Section I – Material Damage**

It covers any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded under the policy:

- a) to the contract work executed
- b) to the contractor's plant, machinery and equipment used for the contract at work site
- c) to Principal's existing property

• **Section II – Third Party Liability**

It covers the contractor for all sums which he shall become legally liable to pay as damages consequent upon:

- a) accidental bodily injury to or illness of third parties (whether fatal or not)
- b) accidental loss of or damage to property belonging to third parties occurring in direct connection with the construction of the items insured under Section I and happening on or in the immediate vicinity of the work site during the period of cover.

Duration of cover corresponds with the contract period including maintenance period as stipulated in the Letter of Award. You need to purchase a new insurance policy to cover each project undertaken.

3. How much premium do I have to pay?

The total premium that you have to pay may vary depending on the Contract Value, the scope of work of the project to be executed, the risk exposure, the extensions to basic cover required and the underwriting requirements of the company:

- Estimated Contract Value : RM _____
- Rate Applicable : _____ %
- Sum Insured for Extensions of cover : RM _____
- Loadings Applicable to the Extensions : _____ %

The estimated total premium that you have to pay is: RM _____

4. What are fees and charges that I have to pay?

The fees and charges that you will have to pay are:

| Type | Amount |
|---|-----------------------------------|
| Service tax | 5% of the premium (if applicable) |
| Stamp duty | RM10.00 |
| Commission paid to the insurance agent (if any) | 15% of the premium |

5. What are some of the key terms and conditions that I should be aware of?

Some of the key terms and conditions that you should be aware of are:

- **Duty of disclosure** - you must give all the facts in your application form fully and faithfully otherwise your policy may be void.

- **Duty of Assured** – you shall take all reasonable precautions and comply with all reasonable recommendations of the company to prevent loss, damage or liability and comply with statutory requirements and manufacturer's recommendations.
- You must ensure that your sum insured stated in the Schedule are adequate:
 - a) **Contract Works** - full Value of the contract works at the completion of the construction inclusive of all materials, wages, freight, customs duties, dues and materials or items supplied by the Principal.
 - b) **Construction Plant and Equipment** - the replacement value of construction plant and equipment, which shall mean the cost of replacement of the insured items by new items of the same kind and capacity.
- Any extension of the contract period may be considered subject to advance notification to the company in writing and submission of relevant documents.
- **Underinsurance** - if the sum insured stated in the Schedule is less than the amount required to be insured at the time of loss, you are deemed to be self-insuring for the difference. The average condition shall apply in event of a claim.
- **Excess** - is the amount of loss that you have to bear in event of a claim.

6. What are the major exclusions under this policy?

This policy does not cover certain losses, such as:

- a) loss or damage due to faulty design
- b) the cost of replacement, repair or rectification of defective material and/or workmanship
- c) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions
- d) loss or damage to construction plant, equipment and construction machinery due to electrical or mechanical breakdown, effective lubrication or lack of oil or coolant.
- e) consequential loss of any kind or whatsoever including penalties, losses due to delay, lack of performance, loss of contract.
- f) loss, damage or liability caused by or arising out of :
 - war, riot, strike, civil commotion
 - nuclear reaction, nuclear radiation or radioactive contamination
 - willful act or willful negligence
 - cessation of work whether total or partial

(Note : This list is non-exhaustive. Please refer to the policy contract for the full list of exclusions under this policy.)

7. Can I cancel my policy and how do I cancel it?

There is no cancellation provision under this policy.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any changes to your contact details. This is to ensure that all the correspondence will reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about our Contractor's All Risks insurance or any other types of insurance products, you may contact us directly or any of our branches or your insurance agent at your convenience. Alternatively, you may visit our website at www.kurnia.com

If you have any enquiries, please contact us at:

Kurnia Insurans (Malaysia) Berhad
No. 9, Jalan PJS 8/9
46150 Petaling Jaya

Toll Free: 1-800-886-333

Fax : 03-7875 9933

IMPORTANT NOTE:

YOU MUST ENSURE THAT YOUR PROPERTY IS INSURED AT THE APPROPRIATE AMOUNT. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.

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