



STAMP DUTY
PAID

Boiler and Pressure Vessel Policy

WHEREAS the Insured named in the Schedule hereto has made to Etiqa General Insurance Berhad (hereinafter referred to as the Company) a written proposal by completing a questionnaire and/or other statements made in writing and/or submission of insurance related documents by the Insured for the purpose of this Policy, is deemed to be incorporated herein.

WHEREAS the Insured named in the Schedule hereto has paid the premium stated in the Schedule as consideration for the indemnity hereinafter contained for the period of insurance stated in the Schedule;

NOW IT IS HEREBY AGREED that the Company will, during the period covered by this Policy or any renewal thereof and subject to the exclusions, provisions, definitions and conditions contained herein or endorsed hereon, indemnify the Insured against

- 1) Damage (other than by fire) to any boiler or pressure vessel described in the Schedule hereto and to other property of the Insured,
- 2) Liability of the Insured at law for damage to property not belonging to the Insured,
- 3) Liability of the Insured at law on account of fatal or non-fatal injuries to any persons other than the Insured's own employees or workmen or members of the Insured's family,

caused by and solely due to explosion or collapse as hereinafter defined of any boiler or pressure vessel described in the Schedule whilst in the course of ordinary working;

PROVIDED THAT the liability of the Company in respect of anyone boiler or pressure vessel in anyone year of insurance does not exceed the sum insured set opposite thereto in the Schedule and, in respect of damage to other property of the Insured and third party liability, the limit of indemnity so specified in the Schedule;

PROVIDED ALSO that in case of any claim against the Insured for damages as aforesaid the Insurers will in addition pay all costs and expenses recovered by any claimant against the Insured or incurred with the written consent of the Company in resisting such claim.

General Exclusions

The Company shall not be liable for

- 1) Defects due to the wearing away or the wasting of the materials of a boiler or a pressure vessel, whether by leakage, corrosion or by the action of the fuel or otherwise, the grooving or the fracturing of any of the parts of boiler or a pressure vessel, or for deterioration generally, or for the development of cracks, blisters, laminations and other flaws, or for fractures, failure of joints, or for bulging and deformation due to overheating of tubes (unless such defects, fractures, failures or bulging result in explosion or collapse), or for the cracking of sections of cast-iron heating boilers or other vessels constructed of cast-iron.
- 2) The failure of individual tubes in boilers of the water tube, locomotive or other multi-tubular types, in superheaters or in economizers (unless such defects result in explosion or collapse).
- 3) Damage to property belonging to the Insured or held by him in trust or on commission for which he is responsible, caused by fire arising from explosion or collapse or any other cause whatsoever, or damage to the plant resulting from any extraneous cause.
- 4) Damage and/or liability caused by the willful act or willful neglect of the Insured.
- 5) Loss sustained by stoppage of work.

- 6) Loss or damage which either in origin or extent is directly or indirectly, proximately or remotely occasioned or contributed to by any of the following, namely:
- (a) typhoon, hurricane, volcanic eruption, earthquake or other convulsion of nature,
 - (b) loss or damage directly or indirectly caused by or arising out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction of or damage to property by order of any government de jure or de facto or by public authority, nuclear reaction, nuclear radiation or radioactive contamination,
 - (c) any tests other than tests at a pressure not exceeding the maximum pressure permitted by the inspecting authority.

Definitions

The following terms, when used in this Policy, shall have the under mentioned meanings:

- 1) "Boiler" shall mean any fired closed container or a combined container piping system in which steam is generated under pressure. When use in the Schedule, the term "boiler" shall include fittings, built-in super heaters and economizers but shall not include steam or feed-water piping or separate economizers, the explosion of such items being covered by this Policy only if specifically listed in the Schedule.
- 2) "Vessel" shall mean any unfired closed container under steam or air pressure.
- 3) "Explosion" shall mean the sudden and violent rending or tearing apart of the structure of a boiler or vessel, or any part or parts thereof by force of internal steam, air or fluid pressure, causing bodily displacement of said structure accompanied by the forcible ejection of its contents.

Flue Gas Explosion: "Explosion" shall also mean any damage to the structure of a boiler by force of the sudden and accidental combustion or explosion of ignited furnace or flue gases.
- 4) "Collapse" shall mean the sudden and dangerous distortion of any part of a boiler or vessel caused by the crushing stress of external steam or fluid pressure, whether attended by rupture or not ; it shall not mean any slowly developing deformation due to any cause.

Boiler Warranties

It is hereby warranted that during the currency of the Insurance;

- 1) The Boiler and Pressure Plants described in the Schedule shall be inspected within the statutory periods by inspectors authorized by the appropriate the Malaysia Government authorities. For the Boiler and Pressure Plants described in the Schedule where there is no statutory requirement for Government inspection; the inspections are to be carried out by an independent competent person;
- 2) The Boilers and Pressure Plants described in the Schedule shall only be operated by attendants holding a valid certificate of competency issued under the Malaysia Government appropriate Act.
- 3) At the time of any explosion or collapse of any boiler or other apparatus insured hereunder the Insured shall be in possession of the unqualified permission in writing of the competent inspecting authority to operate the said boiler or apparatus. If the maximum pressure or load upon the safety valve immediately prior to the explosion or collapse was in excess of that stipulated by the said authority, the Insured shall not be entitled to any compensation or indemnity under this Policy in respect of such explosion or collapse.

Conditions

- 1) The due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Insurers.
- 2) The Insured shall at his own expense take all reasonable precautions to prevent loss, damage or liability and to comply with statutory requirement and manufacturers recommendations.
- 3)
 - a) Representatives of the Insurers shall at all reasonable times have the right to inspect and examine the plant and the Insured shall provide the representatives of the Insurers with all details and information necessary for the assessment of the risk, e.g. the inspection reports issued by the inspectors authorized by the appropriate authorities.
 - b) The Insured shall immediately notify the Insurers in writing of any material change in the risk and cause such additional precautions to be taken as circumstances may require. This shall also apply if fuel is to be used that for which the boiler was designed or which was used at the time the insurance was effected. Non-compliance with this condition shall result in suspension of this Policy in respect of the item or items where the change in risk has occurred.
- 4) In the event of any occurrence which might give rise to a claim under this Policy the Insured shall
 - a) immediately notify the Insurers by telephone or telegram as well as in writing, giving an indication as to the nature and extent of loss or damage;
 - b) take all reasonable steps within his powers to minimize the extent of the loss or damage;
 - c) preserve the damaged or defective parts and make them available for inspection by an official or surveyor of the Insurers;
 - d) furnish all such information and documentary evidence as the Insurer may require.

The Company may at their own option repair or replace what is damaged or pay in cash for the loss or damage.

The Company shall not be liable for the cost of any repairs undertaken by the Insured without the Insurers' written permission.

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

Upon notification of a claim being given to the Insurers, the Insured may proceed with the repair of any minor damage provided that the carrying out of such repair is without prejudice to any question of liability of the Insurers and that any damage part requiring replacement is kept for inspection by the Insurers, but in all other cases a representative of the Insurers shall have the opportunity of inspecting the damage before any alterations repairs or replacements are effected. If an inspection by a representative of the Insurers does not take place within a period of 14 days from the date of the notification of the claim, the Insured shall be entitled to proceed with the repairs or replacement. Nothing contained herein shall prevent the Insured from taking such steps as are absolutely necessary to maintain the operation of the plant.

The liability of the Insurers under this Policy in respect of any item of property sustaining damage, for which indemnity is provided, shall cease if the said item is kept in operation without being repaired to the satisfaction of the Insurers.

- 5) The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurers are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Company.
- 6) No admission, offer, promise, payment or indemnity shall be made or on behalf of the Insured without the written consent of the Insurers who are entitled if they so desire to take over and conduct in the name of the Insured the defense or settlement of any claim for indemnity or damage or otherwise and who have full discretion in the conduct of any proceedings or in the settlement of any claim, and the Insured shall give all such information and assistance as the Insurers may require.

- 7) This Policy may be terminated at the request of the Insured at any time, in which case the Insurers will retain the customary short-period rate for the time this Policy has been in force. This Policy may equally be terminated at the option of the Insurers by seven days' notice to that effect being given to the Insured, in which case the Insurers shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Insurers may have incurred.
- 8) If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall 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 arbitrators, one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.
- 9) If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in the case of arbitration taking place as provided for herein, within three months after the arbitrators or umpire have made their award, all benefit under this Policy shall be forfeited.
- 10) Whenever a claim arises under this Policy and the same loss, damage or liability is covered by any other insurance, the Insurers shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss, damage or liability. The Insured shall be obliged to inform the Insurers of any other insurance covering the same insured property.

Provisions

Memo 1 - Sum Insured

It shall be a requirement of this Policy that the sum insured for each boiler and pressure vessel is equal to the cost of replacement by a new item of the same kind and capacity, which means its cost of replacement including, e.g., freight, dues and custom duties, if any, and cost of erection. If the sum insured is less than the amount required to be insured, the Insurers shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

Memo 2 - Basis of Indemnity

- (a) In cases where damage to an item can be repaired - the Insurers shall pay expenses necessarily incurred to restore the damaged machine to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs, as well as ordinary freight to and from a repair shop, customs duties and dues, if any, but, for the boiler and pressure vessels listed in the Schedule, only to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the Insured, the Insurers shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the item immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

- (b) In cases where an insured item is destroyed - the Insurers shall pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection and customs duties, if any, but, for the boiler and pressure vessels listed in the Schedule, only provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item, The Insurers shall also pay any normal charges for the dismantling of the items destroyed, but the salvage shall be taken into account.

Any extra charges incurred for overtime, night work, work on public holidays, and express freight shall be covered by this Policy only if especially agreed in writing.

The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy. The cost of any provisional repairs shall be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total cost of repair.

The Insurers shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

Memo 3 - Inspections

All the plant described in the Schedule shall be inspected within the statutory periods by inspectors authorized by the appropriate authorities.

Memo 4 - Boiler Attendant

The said boilers shall only be operated by attendants holding a valid certificate of competency issued under the appropriate Boiler Act.

Memo 5 - Operational Status

At the time of any explosion or collapse of any boiler or other apparatus insured hereunder the Insured shall be in possession of the un-qualified permission in writing of the competent inspecting authority to operate the said boiler or apparatus. If the maximum pressure or load upon the safety valve immediately prior to the explosion or collapse was in excess of that stipulated by the said authority, the Insured shall not be entitled to any compensation or indemnity under this Policy in respect of such explosion or collapse.

Clauses

The following Clauses are applicable to this Policy:

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 policy.

If this condition is not complied with then this contract is automatically cancelled and the insurer shall be entitled to the pro rata premium for the period they have been on risk.

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

Subject otherwise to the terms and conditions of this policy.

2) Property Damage Clarification Clause

Property damage covered under this Agreement shall mean physical damage to the substance property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data software or computer programs that it caused by a deletion a corruption or a deformation of the original structure.

Consequently the following are excluded from this Agreement:

- A. Loss of or damage to data of software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage.

Notwithstanding this exclusion, loss of or damage to data or software in the direct consequence of insured physical damage to the substance of property shall be covered.

- B. Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

3) Theft by Deception Clause

The Company shall not be liable for any loss or damage caused by or attributed to the act of cheating by any person within the meaning of the definition of the offence of cheating set out in the Penal Code. Cheating as defined in the Penal Code is as follows:-

"Whoever, by deceiving any person, fraudulently or dishonestly induces the person so deceived to deliver any property or intentionally induces the person so deceived to do or omit to do anything which he would not do or omit if he were not so deceived, and, which act or omission causes or is likely to cause damage or harm to that person in body, mind, reputation or property, is said to 'cheat'."

4) Property Electronic Data And Internet Endorsement

The Insurer will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing inability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, riot otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2 or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.

5) Date Recognition Clause

It is noted and agreed that this Policy is hereby amended as follows:

- A. The Company will not pay for any loss or damage including loss of use with or without physical damage or any consequential loss directly or indirectly caused by, consisting of, or arising from, the failure or inability of any computer, data processing equipment, media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the failure or inability of such device and/or software as listed above to:
 1. Correctly recognize any date as its true calendar date;
 2. Capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
 3. Capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
- B. It is further understood that the Company will not pay for the repair or modification of any part of any electronic data processing system or any 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 and above, is excluded regardless of any other cause that contributed concurrently or in any other sequence to the same.

6) Exclusion Of Terrorism

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement 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.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

7) Institute Cyber Attack Exclusion (CL380) 10/11/03

7.1 Subject only to clause 7.2 below, in no case shall this agreement cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.

7.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 7.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

8) Total Asbestos Exclusions

It is hereby understood and agreed that this contract shall not cover any actual or alleged liability whatsoever for any claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

9) Jurisdiction Clause

This policy shall be governed by and construed in accordance with Malaysia Law. The Insurers and the Insured agree that the Courts of Malaysia shall have the sole jurisdiction over any legal action or proceeding arising out of or in connection with this policy, including but not limited to the execution, interruption and compliance with this policy, and that any final order or judgment of such courts shall be conclusive. The Insurers hereby waive any objection to proceeding in such courts on the grounds that the proceedings have been brought in an inconvenient forum.

General Provision

Right to terminate due to Anti-Money Laundering and Counter Financing of Terrorism

If We discover, or have justified suspicion, that the Policy is exploited for money laundering activities or to finance terrorism, We reserve the right to terminate the Policy immediately. We shall deal with all premiums paid and all benefits or sums payable in respect of the Policy in any manner which we deem appropriate, including but not limited to handling it over to the relevant authorities.

Complaint Procedures

If You feel that Our service to You needs improvement, please let Us have Your feedback by contacting Us by post at:

Complaint Management Unit

Etiqa General Insurance Berhad (9557-T)

Level 5, Tower B, Dataran Maybank

No. 1, Jalan Maarof

59000 Kuala Lumpur, Malaysia;

Or by telephone on 1300 13 8888 or +603 2780 4500 (Overseas)

Facsimile Number: +603 2785 3093

E-mail: cmu@etiqa.com.my

We assure You that Your feedback will be looked into.

The Ombudsman for Financial Services (OFS) and Bank Negara Malaysia's Customer Services Bureau (CSB) provide alternative avenues for members of the public to seek redress against unfair market practices.

Procedure for Complaint to OFS

If You feel that Our service to You needs improvement, please let Us have Your feedback by contacting Us by post at:

Complaint Management Unit.

The Ombudsman for Financial Services (OFS) may be contacted by the Claimant or Insured Person, in the event that the Claimant or Insured Person is dissatisfied with the decision of Etiqa General Insurance Berhad to a dispute, or Etiqa General Insurance Berhad's failure to respond to a complaint within sixty (60) days. The OFS contact details are as follows:

- Email : enquiry@ofs.org.my
- Facsimile Number : +603 2272 1577
- Postal address : Chief Executive Officer
Ombudsman for Financial Services
(Formerly known as Financial Mediation Bureau)
Level 14, Main Block
Menara Takaful Malaysia
No.4, Jalan Sultan Sulaiman
50000, Kuala Lumpur

Alternatively, the Claimant or Insured Person may file the dispute in person at the OFS office.

The OFS must be contacted within six (6) months from the date of the final decision from Etiqa General Insurance Berhad to the dispute of the Claimant or Insured Person. For further details on the OFS, please obtain the information pamphlets from Etiqa General Insurance Berhad or visit the OFS website at www.ofs.org.my

Engagement of the OFS is subject to the terms of reference pursuant to section 126 of the Financial Services Act 2013. Contacting the OFS does not affect the Claimant's or Insured Person right to take legal action against Etiqa General Insurance Berhad should they be dissatisfied with the outcome by the OFS.