



CONTRACTORS' ALL RISKS / ERECTION ALL RISKS INSURANCE

PRODUCT DISCLOSURE SHEET

29th August 2018

Read this Product Disclosure Sheet before you decide to take out the Contractors' All Risk / Erection All Risk Insurance. Be sure to also read the policy wording for full terms and conditions.

1. What is this product about?

This policy is designed to meet the insurance obligations placed upon contractors under the conditions of their contract. This policy covers contractors against loss or damage to their construction works and liability to third parties as a result of performing their obligations under the contract.

2. What are the cover / benefits provided?

Section I – Material Damage

It covers any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded to the contract/erection works (item/property insured) during the period of insurance.

Section II – Third Party Liability

This covers third party liability for which we shall become legally liable to pay as damages consequent upon:

- (a) Accidental bodily injury to or illness of third parties; and/or
- (b) Accidental loss of or damage to property belonging to third parties

occurring in direct connection with the construction or erection of the item/property insured under Section I – Material Damage and happening on or in the immediate vicinity of the contract site during the period of insurance.

The period of insurance corresponds with the contract period inclusive of the defects liability or maintenance period stipulated in the contract.

3. What is the premium I have to pay?

The premium is noted on the quotation documents. It is calculated according to various factors of which the main factors are:

- Scope and nature of contract works
- Estimated contract value
- Duration of the contract

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

Type	Amount
Sales And Service Tax (SST)	6% of Gross Premium
Stamp Duty	RM 10
Commission paid to the intermediary	Up to maximum 15%

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

- Importance of Disclosure – You must disclose all material facts that you know or ought to know and confirm all the declarations/details are true and correct; otherwise your policy may be invalidated.
- Sum insured – you must ensure that the sum insured under Section 1 – Material Damage is not less than the full value of the contract works upon completion of construction (inclusive of all materials, wages, freight, custom duties, dues, materials or items supplied by the principal; and the replacement value of the construction plant, equipment and construction machinery (if any).
- Excess/Deductible - Being the amount you have to bear before we indemnify you.
- Premium Warranty – The premium due must be paid and received by us within sixty (60) days from the inception date of this policy/endorsement failing which the contract is automatically cancelled by us and we are entitled to the pro-rata premium for the period you were on risk.



- You must inform us in writing of any material changes in the risk during the period of insurance so that the necessary amendments are endorsed on your policy.
- Claims – Upon occurrence of an accident which gives rise to a claim, you shall notify us immediately by telephone or telegram as well as in writing. You should not admit liability, offer, promise or pay to claimant without our written consent.
- The cover may differ from the contractual obligation between principal and the contractor(s).

6. What are the major exclusions under this policy?

This policy does not cover the following:-

- War and related risks
- Any act of Terrorism
- Radioactive and nuclear energy risks
- Wilful acts or wilful negligence
- Cessation of work whether total or partial
- Wear & tear
- Faulty design
- Consequential loss of any kind or description whatsoever
- Deductibles
- Liability consequent upon bodily injury or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or members of their families.

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?

No you cannot cancel the policy. The period of insurance of your policy is for the duration of the contract for the construction works carried out.

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

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information about this insurance, please contact us at:

AIG Malaysia Insurance Berhad(795492-W)
Menara Worldwide, 198 Jalan Bukit Bintang,
55100 Kuala Lumpur, Malaysia
Tel: +603 2118 0188
Fax: +603 2058 5091
Email: AIGMYCare@aig.com
Web: <http://www.aig.my>

IMPORTANT NOTE

YOU SHOULD SATISFY YOURSELF THAT THE POLICY WILL BEST SERVE YOUR NEEDS. YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH THE AGENT OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.