

Commercial Vehicle

Policy Wordings

Please read this insurance Policy carefully to ensure that you understand the terms and conditions and that this Policy meets your requirements. If there are any changes that may affect the insurance cover provided, please notify us immediately.

Contents

	3	Introduction
Section I	3	Loss or Damage
Section II	4	Liability to Third Parties
Section III	6	Towing Disabled Vehicles
	6	No-Claim Discount
	6	Jurisdiction Clause
	6	Avoidance of Certain Terms & Right of Recovery
	7	Geographical Area
	7	Legislation
	7	Authorized Driver & Limitations as to Use
	7	General Exceptions
	11	Conditions

Introduction

WHEREAS the Insured by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to Liberty Insurance Pte Ltd (hereinafter called the "Company") for the insurance hereinafter contained and has paid or agreed to pay the Premium as consideration for such insurance.

NOW THIS POLICY WITNESSETH that in respect of events occurring during the Period of Insurance and subject to the terms exceptions and conditions contained herein or endorsed hereon (hereinafter collectively referred to as the Terms of this Policy)

Loss or Damage

1. The Company will indemnify the Insured against loss of or damage to the Motor Vehicle and its accessories and spare parts whilst thereon
 - a) by accidental collision or overturning or collision or overturning consequent upon mechanical breakdown or consequent upon wear and tear
 - b) by fire external explosion self-ignition or lightning or burglary housebreaking or theft
 - c) by malicious act
 - d) whilst in transit (including the processes of loading and unloading incidental to such transit) by
 - i) road rail inland water (excluding transit between Singapore and its offshore islands) lift or elevator

- ii) direct sea route but only across the straits between the island of Penang and the mainland of West Malaysia or across the straits between Changi Point, Singapore and Tanjong Berlungkor, Johor

2. At its own option the Company may pay in cash the amount of the loss or damage or may repair reinstate or replace the Motor Vehicle or any part thereof or its accessories or spare parts. The liability of the Company shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts. The Insured's estimate of value stated in the Schedule shall be the maximum amount payable by the Company in respect of any claim for loss or damage.

In the event of loss of or damage to the Motor Vehicle or its accessories or spare parts necessitating the supply of a part not obtainable from stocks held in the country in which the Motor Vehicle is held for repair or in the event of the Company exercising the option to pay in cash the amount of the loss or damage the liability of the Company in respect of any such part shall be limited to

- a)
 - i) the price quoted in the latest catalogue or price list issued by the Manufacturer or his Agents for the country in which the Motor Vehicle is held for repair or
 - ii) if no such catalogue or price list exists the price last obtained at the Manufacturer's Works plus the reasonable cost of transport otherwise than by air to the country in which the Motor Vehicle is held for repair and the amount of any relative import duty
- b) the reasonable cost of fitting such part

3. If the Motor Vehicle is disabled by reason of loss or damage insured under this Policy the Company will subject to a limit of S\$300 bear the reasonable cost of protection and removal to the nearest repairers and of delivery within the country where the loss or damage was sustained.
4. The Insured may authorize the repair of the Motor Vehicle necessitated by damage for which the Company may be liable under this Policy provided that:
 - a) the estimated cost of such repair does not exceed S\$300
 - b) a detailed estimate of the cost is forwarded to the Company without delay
5. If to the knowledge of the Company the Motor Vehicle is the subject of a Hire Purchase Agreement any payment in cash including payment in-lieu-of-repair shall be made to the Hire Purchase Owner(s) described in the Schedule of the Policy whose receipt shall be in full and final discharge to the Company in respect of such loss or damage whilst nothing herein shall be construed as constituting the Insured an agent or trustee for the Owner(s) or as an assignment (whether legal or equitable) by the Insured to the Owner(s) of his rights benefits and claims under this Policy, it being understood and agreed that the Insured shall not assign his rights benefits and claims under this Policy without the prior consent in writing of the Company.

Exceptions to Section I

The Company shall not be liable to pay for

- (i) consequential loss depreciation wear and tear mechanical or electrical breakdowns failures or breakages
- (ii) damage caused by overloading or strain

- (iii) damage caused by explosion of any boiler forming part of attached to or on the Motor Vehicle
- (iv) damage to tyres unless the Motor Vehicle is damaged at the same time

Liability to Third Parties II

1. The Company will indemnify the Insured in the event of accident caused by or arising out of the use of the Motor Vehicle or in connection with the loading or unloading of the Motor Vehicle against all sums including claimant's costs and expenses which the Insured shall become legally liable to pay in respect of
 - a) death of or bodily injury to any person an unlimited amount in respect of any one claim or series of claims arising out of one event
 - b) damage to property subject to a limit of S\$500,000 in respect of any one claim or series of claims arising out of one event
2. In terms of and subject to the limitations of and for the purposes of this Section the Company will indemnify any Authorized Driver who is driving the Motor Vehicle provided that such Authorized Driver
 - (i) shall as though he were the Insured observe fulfill and be subject to the Terms of this Policy insofar as they can apply
 - (ii) is not entitled to indemnity under any other policy

3. In the event of the death of any person entitled to indemnity under this Section the Company will in respect of the liability incurred by such person indemnify his personal representatives in terms of and subject to the limitations of such Section provided that such representatives shall as though they were the Insured observe fulfill and be subject to the Terms of this Policy insofar as they can apply.
 4. The Company will pay all costs and expenses incurred with its written consent.
 5. In the event of accident involving indemnify under this Section to more than one person the Limits of Liability shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.
 6. The Company may at its own option
 - a) arrange for representation at any inquest or fatal inquiry in respect of any death which may be the subject of indemnity under this Section
 - b) undertake the defence of proceedings in any Court of Law in respect of any act or alleged offence causing or relating to any event which may be the subject of indemnity under this Section
- (iii) damage to property belonging to held in trust by or in the custody of or control of the Insured or a member of the Insured's household or being conveyed by the Motor Vehicle
 - (iv) damage to any bridge weighbridge or viaduct or to any road or anything beneath by vibration or by the weight of the Motor Vehicle or of the load carried by the Motor Vehicle
 - (v) damage to property caused by sparks or ashes from the Motor Vehicle if steam driven
 - (vi) damage to property caused by or arising out of the explosion of a boiler forming part of attached to or on the Motor Vehicle
 - (vii) death or bodily injury caused by or arising out of the explosion of a boiler forming part of attached to or on the Motor Vehicle except so far as is necessary to meet the requirements of the Legislation
 - (viii) compensation for damages in respect of judgments not in the first instance delivered by or obtained from a court of competent jurisdiction within West Malaysia or the Republic of Singapore
 - (ix) costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in West Malaysia or the Republic of Singapore

Exceptions to Section II

The Company shall not be liable in respect of

- (i) death bodily injury or damage caused or arising beyond the limits of any carriageway or thorough-fare in connection with the bringing of the load to the Motor Vehicle for loading thereon or the taking away of the load from the Motor Vehicle after unloading therefrom
- (ii) death of or bodily injury to any person in the employment of the Insured arising out of and in the course of such employment

Towing Disabled Vehicles

III

This Policy shall be operative whilst the Motor Vehicle is being used for the purpose of towing any one disabled mechanically propelled vehicle and the Company will indemnify the Insured in terms of Section II in respect of liability in connection with such towed vehicle provided that

- a) such towed vehicle is not towed for reward
- b) the Company shall not be liable by reason of this Section in respect of damage to such towed vehicle or property being conveyed thereby

No-Claim Discount

In the event of no claim being made or arising under this Policy during a period of insurance specified below immediately preceding the renewal of this Policy the renewal premium shall be reduced as follows:

Period of Insurance	Discount
The preceding year	10%
The preceding two consecutive years	15%
The preceding three or more consecutive years	20%

If the Company shall consent to a transfer of interest in this Policy the period during which the interest was in the Transferer shall not accrue to the benefit of the Transferee.

If more than one motor vehicle is described in the Schedule the No-Claim Discount shall be applied

as if a separate Policy had been issued in respect of each such motor vehicle.

The No-Claim Discount is not affected by any notification or information which the Insured is obliged to provide to the Company unless it is in relation to a claim made on the Company.

Jurisdiction Clause

The indemnity under this Policy shall not apply in respect of judgments which are not in the first instance delivered by or obtained from a court of competent jurisdiction within the West Malaysia or the Republic of Singapore.

Avoidance of Certain Terms & Right of Recovery

Nothing in this Policy or any endorsement hereon shall affect the right of any person entitled to indemnity under this Policy or of any other person to recover an amount under or by virtue of the Legislation or the Agreement executed between the Minister of Transport of the Government of Malaysia and the Motor Insurers' Bureau of West Malaysia on 15 January, 1968, or the Agreement executed between the Minister for Finance of the Republic of Singapore and the Motor Insurers' Bureau of Singapore on 22 February, 1975.

BUT the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the Legislation or such Agreement.

Geographical Area

West Malaysia, the Republic of Singapore and that part of Thailand within 50 miles of the border between Thailand and West Malaysia.

Legislation

Motor Vehicles (Third-Party Risks and Compensation) Act (Chapter 189); Motor Vehicles (Third-Party Risks and Compensation) Rules, 1960; Road Transport Act, 1987 (Malaysia); Motor Vehicles (Third- Party Risks) Rules, 1959 (Malaysia) (the reference to Legislation under the heading "Avoidance of Certain Terms and Right of Recovery" is limited to Sections 78, 79 and 80 of the Federation of Malaya Ordinance and Sections 6, 7 and 8 of the Singapore Act).

Authorized Driver & Limitations as to Use

As described in the Certificate of Insurance.

General Exceptions

The Company shall not be liable in respect of

1. any accident loss damage or liability caused sustained or incurred
 - a) outside the Geographical Area

- b) whilst the Motor Vehicle is
 - i) being used otherwise than in accordance with the Limitations as to Use
 - ii) being driven by or is for the purpose of being driven by him in the charge of any person other than an Authorized Driver
 - iii) being driven by the Insured or by any person on the order of or with the permission of the Insured whilst under the influence of intoxicating liquor or drugs. Any conviction against the driver for an offence under Sections 68 to 71A of the Road Traffic Act (Chapter 276) and/or any statutory law prohibiting the abuse of drugs shall be conclusive evidence for Exception (b) (iii) to apply where the offence was committed at the time of an accident or event giving rise to a claim under this policy
 - iv) being used or driven when it is not registered under the Road Traffic Act or when its registration under the Road Traffic Act has been canceled

Reference to a provision of an Act of Parliament shall be deemed to include any amendment thereof or any corresponding provision in an Act passed in substitution.

2. any accident loss damage or liability (except so far as is necessary to meet the requirements of the Legislation) directly or indirectly proximately or remotely occasioned by contributed to by or traceable to or arising out of or in connection with
 - a) war invasion act of foreign enemies hostilities or warlike operations (whether

war be declared or not) civil war mutiny rebellion revolution insurrection military or usurped power

- b) strike riot civil commotion
- c) detention seizure confiscation or any attempt threat
- d) flood typhoon hurricane cyclone tornado volcanic eruption earthquake or other convulsion of nature

or by any direct consequences of any of the said occurrences and in the event of any claim hereunder the Insured shall prove that the accident loss damage or liability arose independently of and was in no way connected with or occasioned by or contributed to by or traceable to any of the said occurrences or any consequence thereof and in default of such proof the Company shall not be liable to make any payment in respect of such a claim.

- 3. any liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement.
- 4. any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party.
- 5.
 - a) any accident loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 - b) any liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of

this exception combustion shall include any self-sustaining process of nuclear fission.

- 6. any accident loss damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
- 7. any accident loss damage or liability caused sustained or incurred whilst the vehicle is being used Airside at any airport or aerodrome. The term "used Airside" shall mean the manoeuvring areas and aprons of the airport and service roads which are directly associated therewith.

If a law or laws are named in a section of the Policy entitled "Avoidance of Certain Terms and Right of Recovery" or in the Policy Schedule under the heading of "Legislation" all references to specific Sections of such laws are deemed to be deleted so that the references to such law or laws are left to apply to each law in its entirety.

War and Terrorism Exclusion

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

- (1) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not) civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) Any act of terrorism

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 organization(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 (1) and/or (2) above.

If the Company 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 Insured.

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

IT Clarification Clause

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

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

Consequently the following are excluded from this Policy:

1. Loss of or damage to data or 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 which is the direct consequence of insured physical

damage to the substance of property shall be covered

2. 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

Nuclear Energy Exclusion Clause

This Policy shall exclude nuclear energy risks. For all purposes of this Policy nuclear energy risks shall mean:

- (1) All Property on the site of a nuclear power station. Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station
- (2) All Property on any site including but not limited to the sites referred to in (1) above used or having been used for:
 - a) the generation of nuclear energy or
 - b) the Production, Use or Storage of Nuclear Material
- (3) Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association
- (4) The supply of goods and services to any of the sites, described in (1) to (3) above, unless such insurances shall exclude the perils of irradiation and contamination by Nuclear Material

Except as undernoted, Nuclear Energy Risks shall not include:

- i) Any insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in (1) to (3) above (including contractors' plant and equipment)

- ii) Any Machinery Breakdown or other Engineering insurance not coming within the scope of (1) above

Provided always that such insurance shall exclude the perils of irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:

- (1) The provision of any insurance whatsoever in respect of:
 - a) Nuclear Material
 - b) any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association
- (2) The provision of any insurance for the undernoted perils:
 - a) fire, lightning, explosion
 - b) earthquake
 - c) aircraft and other aerial devices or articles dropped therefrom
 - d) irradiation and radioactive contamination
 - e) any other peril insured by the relevant local Nuclear Insurance Pool and/or Association

in respect of any other Property not specified in (1) above which directly involves the production, use or storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

Definitions

“Nuclear Material” means:

- i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor,

either alone or in combination with some other material; and

- ii) Radioactive Products or Waste

“Radioactive Products or Waste” means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

“Nuclear Installation” means:

- i) Any Nuclear Reactor
- ii) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
- iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material

“Nuclear Reactor” means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

“Production, Use or Storage of Nuclear Material” means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

“Property” shall mean all land, buildings, structures, plant, equipment vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

“High Radioactivity Zone or Area” means:

- i) For nuclear power stations and Nuclear Reactors, the vessel or structure which

immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and

- ii) For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield

Radioactive Exclusion

Any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
3. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

Asbestos Exclusion

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

Seepage Pollution & Contamination Clause (NMA 1685) Sudden and Accidental

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is hereby noted and agreed that this Policy does not cover liability in respect of:

1. personal injury or bodily injury or loss of, damage to, or loss of use of property directly

or indirectly caused by seepage, pollution or contamination, provided always that this paragraph shall not apply to liability for personal injury or bodily injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is a consequence of an otherwise under this Policy indemnifiable sudden, unintended and unexpected happening

2. the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is a consequence of an otherwise under this Policy indemnifiable sudden, unintended or unexpected happening
3. fines, penalties, punitive or exemplary damages

This clause shall not extend this Policy to cover any liability which would not have been covered under this Policy had this clause not been attached.

Conditions

1. This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such specific meaning wherever it may appear.
2. Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company.
3. The Insured shall take all reasonable steps to safeguard the Motor Vehicle from loss or

damage and to maintain the Motor Vehicle in efficient condition and the Company shall have at all times free and full access to examine the Motor Vehicle or any part thereof or any driver or employee of the Insured. In the event of any accident or breakdown the Motor Vehicle shall not be left unattended without proper precautions being taken to prevent further loss or damage and if the Motor Vehicle be driven before the necessary repairs are effected any extension of the damage or any further damage to the Motor Vehicle shall be excluded from the scope of the indemnity granted by this Policy.

4. In the event of any occurrence which may give rise to a claim under this Policy the Insured shall as soon as possible give notice thereof to the Company with full particulars. Every letter claim writ summons and process shall be notified or forwarded to the Company immediately on receipt. Notice shall also be given to the Company immediately the Insured shall have knowledge of any impending prosecution, inquest, fatal enquiry or offer of composition in connection with any such occurrence. In case of theft or other criminal act which may give rise to a claim under this Policy the Insured shall give immediate notice to the Police and co-operate with the Company in securing the conviction of the offender.
5. a) No admission offer promise or payment shall be made by or on behalf of the Insured or any person claiming to be indemnified without the written consent of the Company. The Company shall be entitled at its sole discretion to:
take over and conduct in the name of the Insured or such person the defence or settlement of any claim; prosecute in the name of the Insured or such person for its own benefit any claim for indemnity or damages or otherwise; and/or conduct and settle proceedings as it sees fit.

The Insured accepts that the Company has these rights and that to evaluate and exercise these rights, the Insured and any person claiming to be indemnified must assist the Company by:
providing all such information and assistance as the Company may require;
allowing the Company the right to examine the nature and extent of all damage to the Motor Vehicle before it is repaired. The Company has this right whether or not the Insured is entitled or intends to claim an indemnity under this policy for the damage to the Motor Vehicle insured.

- b) In case damage to the Motor Vehicle insured is indemnifiable by this policy the Insured shall decide whether or not to claim for it and if so shall submit such a claim to the Company within fourteen days of occurrence or discovery of damage. The cost of repair is subject to adjustment by the Company before any repair may commence if it exceeds S\$300 in total.
6. At any time after the happening of any event giving rise to a claim or series of claims under Section II-1(b) of this Policy the Company may pay to the Insured the full amount of the Company's liability under Section II-1(b) and relinquish the conduct of any defence settlement or proceedings and the Company shall not be responsible for any damage alleged to have been caused to the Insured in consequence of any alleged action or omission of the Company in connection with such defence settlement or proceedings or of the Company relinquishing such conduct nor shall the Company be liable for any costs or expenses whatsoever incurred by the Insured or any claimant or other person after the Company shall have relinquished such conduct.

7. The Company may cancel this Policy by sending seven days' notice by registered letter to the Insured at his last known address and in such event will return to the Insured the premium paid less the pro rata portion thereof for the period the Policy has been in force or the Policy may be cancelled at any time by the Insured on seven days' notice and (provided no claim has arisen during the then current Period of Insurance) the Insured shall be entitled to a return of premium less premium at the Company's Short Period rates for the period the Policy has been in force.

Company's Short Period Rates	
Period of Insurance	Short Period Premium Charged as Percentage (%) of the Annual Premium
Not exceeding 1 week	12.5%
Not exceeding 1 month	25%
Not exceeding 2 months	37.5%
Not exceeding 3 months	50%
Not exceeding 4 months	62.5%
Not exceeding 6 months	75%
Not exceeding 8 months	87.5%
Exceeding 8 months	Full Annual Premium

8. If at the time any claim arises under this Policy there is any other insurance covering the same loss damage or liability the Company shall not be liable to pay or contribute more than its rateable proportion of any loss damage compensation costs or expenses. Provided always that nothing in this Condition shall impose on the Company

any liability from which but for this Condition it would have been relieved under proviso (ii) of Section II-2 of this Policy.

9. All differences arising out of this Policy 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 appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an Award shall be a condition precedent to any right of action against the Company. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

10. The due observance and fulfillment of the Terms of this Policy insofar as they relate to anything to be done or not to be done by the Insured and the truth of the statements and answers in the proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.

The validity of this Policy is subject to the condition precedent that:

- a) for the risk insured, the named insured has never had any insurance terminated in the last twelve (12) months due solely or in part to a breach of any premium payment condition; or

- b) if the named insured has declared that it has breached any premium payment condition in respect of a previous policy taken up with another insurer in the last twelve (12) months:
 - i) the named insured has fully paid all outstanding premium for time on risk calculated by the previous insurer based on the customary short period rate in respect of the previous policy; and
 - ii) a copy of the written confirmation from the previous insurer to this effect is first provided by the named insured to the Company before cover incepts