

Allianz Global Corporate & Specialty SE

BusinessTrust Insurance Policy



Allianz 

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Thank you for insuring with Allianz.

Please read this Policy carefully to make sure that You have the cover You need. The Schedule shows the Sections of the Policy You have chosen, the sums insured and any special terms that apply to this Policy.

If You have any queries, please contact Your Insurance Agent / Broker or Our office.

On behalf of Allianz Global Corporate & Specialty SE



Authorised Signature

Personal Information Collection Statement

All information and data, personal or not, collected or obtained or held by Us can and/or will be held, used, divulged, disclosed or otherwise transferred by Us to any person (which description includes a corporation, a partnership as well as other entities or bodies) as We may in Our discretion see fit for the purpose of:-

- (a) underwriting;
- (b) claim processing and/or investigation;
- (c) marketing;
- (d) statistical research for any purpose whatsoever;
- (e) data matching and/or verification; and/or
- (f) communication with You/ the Insured/ the payor/ claimant/ Your employees (if applicable).

For the aforesaid purpose, the data and information as aforesaid may and can, inter alia, be disclosed, divulged, supplied or otherwise transferred to any related or associated company of Us or any other company carrying on insurance or reinsurance or related or unrelated business or an intermediary or claims investigation or processing company or other service provider providing services relevant to insurance or other unrelated business or professional advisors or any association, federation or similar organization of insurance companies and/or other business participants in the insurance industry ("Federation") that exists or is formed from time to time for the benefit and interest of the insurance industry or any members thereof or for regulating the insurance companies or other business participants or any other individual/organization/ third party as We may consider necessary and desirable in Our own discretion.

We are also entitled, for such purpose, if it is necessary to do so, to obtain access to and/or verify any of Your [including Your employees (if applicable)] data with the information collected by the Federation from the insurance industry.

The information You give Us is on a voluntary basis (subject always to Your duty of making full and frank disclosure). However, failure to supply information may result in Our being unable to process Your application/claim and We shall not be responsible nor be held liable for any loss and damage that may be caused or occasioned to You in anyway whatsoever howsoever arising as a result of any failure due to such reason. You have the right to obtain access to and to request correction of any personal information concerning

Yourself (including Your employees where applicable) held by Us but We have the right to charge a reasonable fee for the processing of any data access request. Request for such access shall be made in writing and addressed to Allianz Global Corporate & Specialty SE. In case You may at any time choose, which You are entitled to, not to receive Our promotional materials, You should notify Us in writing.

In the event that any of the clauses as aforesaid shall be or become invalid or in any way unenforceable, the part which is void, invalid or unenforceable shall be severed from the remainder which shall not be prejudiced, derogated or otherwise in anyway affected by such invalidity and/or unenforceability.

The Policy

The Allianz BusinessTrust Insurance Proposal Form and/or Declaration signed by You together with any information supplied by or on behalf of You will be the basis of this Policy. In consideration of the payment of the premium specified in the Schedule, We undertake and agree, subject to the terms, Exclusions and Conditions specified in the Policy, to cover You to the extent and in the manner stated in the Sections specified to be operative in the Schedule occurring during the Period of Insurance.

The Allianz BusinessTrust Insurance Policy is an insurance contract between Allianz Global Corporate & Specialty SE and You.

The contract is evidenced by this document with the Schedule attached.

The Policy, Policy Schedule and all operative endorsements and clauses, if any, are to be read as one contract and words and expressions defined herein shall bear the same meaning wherever they appear.

General Definitions

Whenever these words are used this is what they mean unless specified meanings have been attached in any part of this Policy or of the Schedule:

"The Insured", "You" or "Your" means the person, company or firm as named **"The Insured"** in the Policy Schedule while carrying on the Business.

"We" or "Us" or "Our" or "Ourselves" or "The Company" means Allianz Global Corporate & Specialty SE.

"Business" means the **"Business"** stated in the Policy Schedule and no other for the purposes of this insurance.

"Premises" means the **"Premises"** stated in the Policy Schedule and occupied by the Insured for the purposes of the Business and situated in the building which is constructed of concrete, brick, stone, and roofed with concrete, asphalt, tiles, slates composed entirely of incombustible mineral ingredients, unless specially mentioned in the Policy Schedule.

"Stock" means goods insured at the Premises owned by the Insured or held in trust or on commission or for which he is responsible in connection with the Business including merchandise and material in trade (including raw material and work in progress) but excluding High Risk Stock unless specially mentioned in the Schedule.

"High Risk Stock" means tobacco, cigars, cigarettes, wines, spirits, furs, jewellery, valuable watches, articles of gold or silver, precious metals or stones, curios, works of art, non-ferrous metals, video and audio equipment, cassettes and discs and photographic equipment, computer or electronic integrated circuit chips or boards.

"Contents" means property insured at the Premises consisting of:

1. business furniture, fixtures and fittings including landlord's fixtures, fittings and tenants improvements, belonging to the Insured or for which he is responsible;
2. plant, machinery, equipment, appliances and trade utensils which are not specifically insured;
3. deeds, documents and stationery;
4. the Insured's personal effects and those of any of the Insured's directors, partners or employees;
5. sanitaryware, fixed glass and mirrors;

but not Stock, Money, securities or other negotiable documents or travel tickets.

"Rent" means the amount payable in renting the Premises for the purposes of carrying on the Business.

"Money" means cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, unexpired units in franking machines and credit card sales vouchers all belonging to the Insured or for which the Insured has accepted responsibility.

"Employees" has the same meaning as assigned to that expression in the Ordinance.

"Hong Kong SAR" means Hong Kong Special Administrative Region.

Section I – Physical Damage

Cover

In the event of any physical and accidental loss, destruction of or damage to the property specified in the Schedule of this Policy,

the Company shall pay the value of the property at the time of loss or the amount of damage up to the Sum Insured as stated in the Schedule.

Sums Insured and Claims Settlement

The Sum Insured as stated in the Schedule in respect of:

1. **Contents** - representing the new replacement value of all Contents insured. In the event of any loss, destruction or damage, the Company shall:
 - a. in the case of the insured Contents being totally lost or destroyed, pay the cost of rebuilding or replacing the property.
 - b. in the case of damage, pay the cost of repairing or restoring the damaged portion(s) of the property to a condition equal to but not better or more extensive than its condition when new, provided that the following special conditions are complied with:
 - i. the work of reinstatement must be carried out without delay.
 - ii. the cost of reinstatement must be actually incurred.
 - iii. if the insured Contents, at the time of loss, destruction or damage, shall be covered by any other insurance (effected by or on behalf of the Insured) such other insurance must be on the same basis of reinstatement as stated above.

If the special conditions are not complied with, claims will be settled on an indemnity basis.

If, at the time of loss, destruction or damage, the Sum Insured represents less than 85% of the full reinstatement cost of the Contents covered within such Sum Insured, the Company shall pay only for that proportion of any loss, destruction or damage which the Sum Insured bears to such cost.

The Company's liability (unless otherwise specially mentioned in the Schedule) shall not exceed:

- a. HK\$50,000 any one item of office or business equipment or machinery; or
 - b. HK\$5,000 any one item of ornamental glass, china, porcelain, work of art or curiosity and HK\$20,000 in total; or
 - c. the value of the materials plus the cost of clerical and computer time expended in reproducing such records in respect of computer; or systems records up to an amount not exceeding HK\$20,000 in total; or
 - d. the value of the materials plus the cost of clerical labour expended in reproducing such records in respect of documents, manuscripts, files and business books up to an amount not exceeding HK\$10,000 in total; or
 - e. HK\$5,000 any one item and HK\$20,000 any one event in respect of clothing and personal effects belonging to Insured's directors, partners or employees; or
 - f. the Sum Insured as stated in the Schedule in total in respect of any loss destruction or damage during any one Period of Insurance.
2. **Stock** - representing the total Stock value at risk at any one time during the Period of Insurance. If the insured Stock is lost, destroyed or damaged by an insured cause, the Company shall indemnify the Insured against such loss, destruction or damage by payment, reinstatement or replacement at the Company's discretion.

If, at the time of loss, destruction or damage, the Sum Insured is less than the value of the Stock covered within such Sum Insured, the amount payable by the Company in respect of such loss, destruction or damage shall be proportionately reduced.

3. **Rent** - representing the amount of rent which the Insured is liable to pay during the period whilst Business is interrupted due to the Premises being unfit for occupation in consequence of loss, destruction or damage occurring in the Premises. In the event of any claim payable the amount shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of Rent insured.

Extensions to Section I

1. **Debris Removal Costs**

This Section is extended to include the cost of removing debris from the Premises necessarily and reasonably incurred including dismantling, demolishing, shoring up or propping of the property insured following loss, destruction or damage insured by this Section for an amount not exceeding 5% of the total Sum Insured under this Section.

2. **Temporary Removal**

This Section is extended to cover:

1. loss, destruction of or damage to the Contents insured (other than stock deeds, non-negotiable documents, personal effects, sanitaryware, fixed glass and mirror) whilst temporarily removed from the Premises but within Hong Kong SAR, provided that this extension does not cover loss, destruction or damage caused by typhoon, windstorm or flood unless the Contents are kept inside a building.
2. loss, destruction of or damage to deeds and other non-negotiable documents (but only for the value of the materials together with the cost of clerical labour expended in reproducing such deeds or documents, and not the value to the Insured of the information contained therein nor any expenses incurred in reproducing the information) whilst in transit within Hong Kong SAR by registered post or in personal custody of the Insured's directors, partners or employees until delivered to the consignee's address within Hong Kong SAR.

The Company's liability under this Extension Temporary Removal shall in no case exceed in total in respect of:

- | | |
|---|------------|
| a. surveying or photographic equipment | HK\$ 5,000 |
| b. any one loss of documents in transit | HK\$ 5,000 |
| c. any other Contents | HK\$50,000 |

3. **Temporary Storage**

This Section is extended to cover loss, destruction of or damage to Stock (other than High Risk Stock) caused by an insured cause whilst temporarily stored in a public or private godown or other storage place than in the Insured's Premises elsewhere within Hong Kong SAR, provided that

- a. the godown or storage place is situated within a Class I construction building.
- b. no other insurance is effected to cover the same subject matter of insurance whether or not such policy is effected by the Insured.

The Company's liability under this Extension - Temporary Storage shall in no case exceed HK\$200,000 in total.

4. **Exhibition / Trade Fair**

This Section is extended to cover loss, destruction of or damage to the Stock (other than High Risk Stock) caused by an insured cause whilst displayed in any exhibition hall or trade fair centre within Hong Kong SAR, provided that

- a. the duration of display shall not exceed 14 consecutive days,
- b. the goods must be securely kept and locked in a confined storage room after normal exhibition time daily.

The Company's liability under this Extension – Exhibition / Trade Fair shall in no case exceed HK\$200,000 in total, however, loss or damage incurred during transit to or from for the purpose of exhibition or trade fair is expressly excluded.

5. **Capital Additions**

This Section is extended to include any additions and extensions to Contents insured under this Section, but not appreciations in value, made after the commencement of each Period of Insurance for an amount not exceeding 10% of the Sum Insured on Contents as stated in the Schedule, provided that the Insured shall declare quarterly in writing to the Company within 30 days following the end of each quarter the value of such additions and extensions and shall pay the appropriate additional premium as may be required from the inception of the additional cover.

6. **Non-Invalidation**

The insurance by this Section shall not be invalidated by any act or omission or by any alteration (which increases the risk of loss, destruction or damage) unknown to the Insured or beyond the control of the Insured, provided that

- a. the Insured notifies the Company immediately the Insured becomes aware of such act, omission or alteration; and
- b. the Insured pays any additional premium as may be required as a result of any such alteration.

7. **Workmen**

Workmen are allowed in or about any of the insured Premises for the purpose of carrying out minor works or repairs or maintenance of the Premises without prejudicing the terms of this insurance.

8. **Contract Price**

If goods sold (but not delivered), for which the Insured is responsible, are subject to a sale contract which by reason of its conditions is cancelled due to loss, destruction or damage (the subject of a valid claim under this Section) of or to the Stock insured, the amount payable in respect of such goods shall be based on the contract price.

For the purposes of this insurance, the replacement cost of all goods to which this clause could apply in the event of loss, destruction or damage shall also be ascertained on this basis.

9. **Public Authorities**

This Section is extended to include any additional cost of reinstatement of the destroyed or damaged property hereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Ordinance, Law Statute or with Bye-Laws of any Municipal or Local Authority, provided however that

1. the amount recoverable under this Extension shall not include:
 - a. the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws in the following circumstances;
 - i. in respect of destruction or damage occurring prior to commencement of cover granted by this Policy;
 - ii. in respect of destruction or damage not insured by this Policy;
 - iii. under which notice has been served upon the Insured prior to the happening of the destruction or damage;
 - iv. in respect of undamaged property or undamaged portions of property.

- b. the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or Bye-laws not arisen,
 - c. the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owners thereof by reason of compliance with any of the aforesaid Regulations or Bye Laws.
2. the work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after that destruction or damage or within such further time the Company may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Company under this Extension not being thereby increased.
 3. if the liability of the Company under the policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this Extension shall be reduced in like proportion.
 4. the total amount recoverable under this Section of this Policy shall not exceed the Sum Insured thereby in respect of such item insured.
 5. all the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they have been incorporated herein.

10. Replacement of Locks

This Section is extended to include the cost incurred in the necessary replacement of locks pertaining to the Premises or to any safe(s) or strongroom(s) in the building(s) following the theft of the keys to such locks from the Premises or from the home of the Insured's directors, partners or employees of the Business (who are authorised to hold such keys), provided that

- a. the theft involves entry to or exit from the Premises or any persons' home by forcible violent and visible means
- b. the keys of the safe(s) or strongroom(s) are not left in the Premises out of working hours.

The amount recoverable under this Extension shall not exceed HK\$5,000 in total.

11. Fire Extinguishing Expenses

This Section is extended to include the necessary and reasonable cost incurred in extinguishing fire including cost of replenishment of fighting appliances or fire brigade charges, up to but not exceeding HK\$20,000 in total.

12. Automatic Reinstatement of Sum Insured

Unless the Company advises the Insured to the contrary, the Sum Insured shall be automatically restored in full from the date of the loss, destruction or damage, provided that the Insured

- a. pays any additional premium as may be required; and
- b. complies with any recommendations the Company may make to prevent any further loss, destruction or damage.

13. Designation

When determining the item under which any property is insured (except the property which is specifically excluded by this Policy), the Company agrees to accept the designation under which the property has been entered in the Insured's books.

14. Cost of Temporary Protection

This Section is extended to cover the cost of temporary protection reasonably necessary for the safety and protection of the Premises pending repair or replacement of damage caused by an insured event, subject to a maximum limit of HK\$25,000 in total.

15. Brand and Label

If branded or labelled Stock covered by this Policy is damaged and the Company elect to take all or any part of such Stock at the agreed or appraised value, the Insured may at his own expense, stamp 'salvage' on the Stock or its containers or may remove the brands or label if such stamp or removal will not physically damage the Stock but shall re-label the Stock or containers in compliance with the requirements of any applicable law.

Exclusions to Section I

This Section does not cover:

1. loss or damage other than accidental physical loss or destruction of or damage to the property by an external cause not specifically excluded by this insuring Section.
2. loss of or damage to:
 - a. explosives
 - b. money or securities of any kind.
3. information contained in documents, manuscripts, business books, certificates and recording tapes and discs (including computer tapes and disks).
4. damage to property insured caused by its own spontaneous fermentation or heating or its undergoing any heating process or any process involving the application of heat.
5. loss, destruction of or damage to any electrical plant, apparatus or installation caused by its own over-running, excessive pressure, short circuiting or self-heating.
6. loss or damage due to mechanical or electrical breakdown, derangement or failure but any loss or damage resulting therefrom is not excluded.
7. loss or damage in respect of or caused by wear, tear, depreciation, insects, moths, mildew, fungus, mold, vermin, scratching of glass or any process of cleaning, dyeing, repairing, restoring or renovation.
8. loss or damage in respect of or caused by inherent vice, latent defect or faulty or defective design, materials or workmanship.
9. loss or damage caused by operational error or omission.
10. damage resulting from any process of production, packing, treatment, testing, commissioning, servicing or repair.
11. loss or damage in respect of or caused by corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring or scratching.
12. loss or damage in respect of or caused by joint leakage, failure of welds, cracking, fracturing, collapse of boilers, economizers, superheaters, pressure vessels or any range of steam and feed piping connected to them.
13. loss or damage in respect of or caused by change in temperature, colour, flavour, texture or finish.
14. loss or damage due to stoppage of work.
15. loss of or damage to property in the open or in transit unless it is otherwise covered under Extension 2 – Temporary Removal.
16. loss or damage due to accumulation of water resulting from circumstances where the Insured could but has failed to, take reasonable steps to prevent such accumulation.
17. loss or damage caused by subsidence, ground heave or landslide.
18. loss arising from fraud or dishonesty of any member of the Insured's household or any director, partner or employee or any third party.
19. loss or damage caused by delay, confiscation or detention by Customs or other Officials or Authorities.
20. loss of Stock due to larceny or theft not accompanied by forcible violent and visible means, substitution, disappearance, unexplained or inventory shortage.

21. loss due to misfiling or misplacing of information.
22. damage to the property in any building which is unoccupied or left unattended more than a period of 14 consecutive days.
23. loss or damage other than by fire due to explosion of any non-domestic boiler or pressure vessel (or its contents) belonging to or under the control of the Insured.
24. shortage arising from error or omissions, or revealed only at the time of stocktaking or making of an inventory and not identifiable with a specific occurrence insured by this Section.
25. damage to property being worked upon or in any process of repair, alteration or servicing.
26. damage to property or its structure in the course of construction or erection and materials or supplies connected with them.
27. loss of or damage to property insured by theft not accompanied by forcible and violent entry to or exit from the Premises.
28. the amount of the excess as stated in the Schedule.

Section II – Business Interruption

Definitions

(For the purposes of the following definitions any adjustment implemented in current cost accounting shall be disregarded.)

Loss

Loss of or damage to the property insured by Section I of this Policy provided that payment has been made or liability has been admitted under Section I of this Policy unless such payment or liability has been excluded by this Policy as being below the excess.

Interruption

Interruption or disruption of Business at the Premises.

Income/Turnover

The money paid or payable to the Insured for goods sold and delivered and for services provided at the Premises in the course of the Business at the Premises.

Gross Profit

The amount by which

1. the sum of the amount of the Turnover and the amount of the closing stock and work in progress shall exceed
2. the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

Rate of Gross Profit

The percentage which represents the amount of the Gross Profit earned on the Turnover during the financial year immediately before the date of Loss at the Premises.

Annual Turnover

The turnover during the twelve months immediately before the date of the Loss at the Premises.

Standard Turnover

The Turnover during that period in the 12 months immediately before the date of the Loss which corresponds with the period of Interruption.

Indemnity Period

The period commencing from the date of Loss occurring during the Period of Insurance and ending not later than the Maximum Indemnity Period shown in the Policy Schedule during which the results of the Business shall be affected in consequence of the Loss.

Uninsured Working Expenses

Bad debts, purchases, discounts allowed and any other expenses as may be stated in the Policy Schedule.

Cover

In the event of Loss occurring the Company shall under this Section indemnify the Insured up to the Sum Insured against each item as described in the Schedule during the Indemnity Period in respect of

1. Additional Expenditure

Cost of additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing interruption of or interference with the Business which but for such expenditure would have taken place during the Indemnity Period in consequence of the Loss.

2.a. Income

Loss of Income in consequence of Interruption of the Business following the Loss property for the purpose of the Business at the Premises.

or

2.b. Gross Profit

Loss of Gross Profit in consequence of Interruption of Business following the Loss property for the purpose of the Business at the Premises due to

- i. 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 Loss, fall short of the Standard Turnover,
- ii. 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 Loss, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.

The Sums Insured and Claims Settlement

The Company's liability under this Section shall not exceed the amount stated in the Schedule as the sum against each of the items hereby insured, but for the purpose of item 2a. Income or 2b. Gross Profit above the following shall be applied:

1. deduction may be made from the claim for any sum saved during the Indemnity Period in respect of charges and expenses of the Business as may cease or be reduced in consequence of the Loss,
2. if the Sum Insured in respect of:
 - a. Income be less than the Income during the 12 months immediately before the date of the Loss occurred, the amount of claim payable shall be proportionately reduced,
 - b. Gross Profit be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover, the amount of claim payable shall be proportionately reduced.

Adjustments shall be made to the figures representing the Rate of Gross Profit or Income/Turnover as may be necessary to provide for trends or other circumstances affecting or would have affected the Business had the insured event not occurred.

3. 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 others on his behalf, the money paid or payable in respect of such sales or services shall be brought into the account in arriving at the loss of Income or Gross Profit during the Indemnity Period.

Extensions to Section II

1. The Company shall also indemnify the Insured against loss if the Business at the Premises suffers Interruption due to:
 - a. Closure by Public Authority
The closure of all or part of the Premises, by a competent public authority, due to:
 - i. accident causing defects in the drains or other sanitary arrangement at the Premises,
 - ii. the discovery of vermin or pests at the Premises.
 - b. Murder or Suicide
Murder or suicide at the Premises.
 - c. Prevention of Access
Inability or difficulty in entering or using the Premises, due to:
 - i. property in the vicinity thereof being damaged or destroyed by any cause not specifically excluded under Section I of this Policy,
 - ii. the action taken, in an emergency, by a competent public authority in the interest of public safety.
 - d. Public Utilities
Loss, destruction or damage by a cause not otherwise specifically excluded under Section I of this Policy occurring at
 - i. generating station or sub-station from which the Insured obtains electricity,
 - ii. premises from which the Insured obtains gas,
 - iii. water works of pumping station from which the Insured obtains water.

For the purpose of Extension 1 under this Section, the Company's liability shall apply only to the period beginning 48 hours after the occurrence of the Interruption of the Business in consequence of the afore-mentioned event(s).

2. **Auditor's and Accountant's Fees**
The Company will also pay the fees necessarily and reasonably incurred by the Insured to the professional accountant for producing and certifying any claim details which the Company may require.
The amount payable under this Extension shall not exceed 5% of the amount of claim indemnifiable and the Company's total liability under this Section (including fees payable following a valid claim) during any Period of Insurance is limited to the Sum Insured by each item.
3. **Automatic Reinstatement of Sum Insured**
Unless the Company advises the Insured to the contrary, the Sum Insured shall be automatically restored in full from the date of the Interruption, provided that the Insured
 - a. pays any additional premium as may be required; and
 - b. complies with any recommendations the Company may make to prevent any further loss.
4. **Return of Premium**
If the Income or Gross Profit insured under this Section, in the event of the Income or Gross Profit earned during the accounting period of 12 months most nearly concurrent with any period of insurance as certified by the professional accountant being less than the Sum Insured thereon, upon declaration by the Insured of the actual Income or Gross Profit, a proportionate return of premium, not exceeding 50% of the premium paid, shall be made in respect of the difference, provided that no claim has been made during and/or in respect of the Period of Insurance. In the event that no declaration is made within 6 months of the expiry of the Period of Insurance, no return premium is to be made.

Section III – Money

Definition

Business Hours

The period during which the Premises are actually occupied for Business purposes and during which the Insured's directors, partners or employees entrusted with Money are in the Premises.

Insured Person

The Insured or any partners, directors or employees of the Insured aged between 18 and 70 years.

Bodily Injury

An injury caused by violent, external and visible means arising from a sudden and unforeseen accident resulting solely and independently of any other cause in (i) death or (ii) medical and/or surgical treatment.

Loss of Sight

Total loss of sight of an eye which has lasted three months of the Insured Person's lifetime and is at the end of that period beyond hope of improvement.

Loss of Limb

Loss by physical severance or permanent and total loss of use of an entire hand or arm or an entire foot or leg.

Permanent Total Disablement

A disablement which permanently, completely and continuously prevents the Insured Person from attending to his usual occupation or any other occupation for which he is fitted by knowledge and training, and which having lasted 104 weeks of the Insured's lifetime is considered at the end of that period beyond hope of improvement.

Temporary Total Disablement

A disablement which completely and continuously prevents the Insured Person from attending to his/her occupation.

Medical Expenses

Expenses necessarily and reasonably incurred for medical and/or surgical treatment within 104 weeks of the happening of the Bodily Injury provided such treatment is received from a legally qualified and registered medical practitioner.

Cover

Loss of Money while in the personal custody of the Insured's directors, partners or employees and in transit within Hong Kong SAR or on the Premises for the purposes of Business. The Company will indemnify the Insured up to the Sum Insured as specified in the Schedule.

Warranties

Record of Money

It is warranted that a complete record shall be kept of Money in transit and on Premises insured by this Section and such record shall be deposited in some place other than in any safe or strongroom containing Money.

Keys and Combination Codes

It is warranted that no keys or combination codes of any safe or strongroom containing Money shall be left in the Premises out of Business Hours when the Premises are unattended.

Locked safe or strongroom

It is warranted that all Money must be securely kept in a locked safe or strongroom in the Premises out of Business Hours.

Transit Warranty

It is a condition precedent to liability under this Section that whenever Money (other than crossed cheques, crossed postal or money orders, crossed bankers' draft, unexpired units in franking machines or credit sales vouchers) exceeding an amount of HK\$50,000 is being conveyed in any one transit then such Money shall be in the custody of two authorized persons.

Extensions to Section III

This Section is extended to cover the followings:

1. Safes and Strongrooms

Loss of or damage to any safe or strongroom caused by theft or attempted theft of Money. The amount recoverable shall be limited to a maximum of HK\$5,000.

2. Cash Carrying Cases or Bags

Loss of or damage to any cash carrying case, bag or security waistcoat caused by theft or attempted theft of Money. The amount recoverable shall be limited to a maximum of HK\$2,500.

3. Franking Machines

Loss of or damage to any franking machine caused by theft or attempted theft of Money. The amount recoverable shall be limited to a maximum of HK\$1,500.

4. Cash Cheques

Loss of Money following violence or threat of violence to Insured's directors, partners or employees resulting in the forced signing of a cash cheque. The amount recoverable shall be limited to a maximum of HK\$10,000.

5. Holiday Money Accumulation

If the Insured suffers a claim for loss of Money during week-ends, public holidays and the day immediately following a public holiday the Sum Insured under this Section shall be automatically increased by an additional sum of HK\$20,000.

6. Personal Assault

If an Insured Person suffers Bodily Injury, as a result of an attempt by thieves to steal the Money or other property insured under this Policy or if loss of or damage to their personal effects as a result of an attempt by thieves to steal the Money or other property insured under this Policy, the Company shall pay the amount as follows:

	Limits (any one person)
1. Death	HK\$25,000
2. Loss of Sight	HK\$25,000
3. Loss of Limb	HK\$25,000
4. Permanent Total Disablement	HK\$25,000
5. Temporary Total Disablement	HK\$ 250 per week
6. Medical Expenses	HK\$ 1,500
7. Loss of or damage to clothing and personal effects	HK\$ 1,500

Provisions

- The aggregate amount payable under item 1, 2, 3 and 4 shall not be more than HK\$25,000 any one Insured Person.
- No payment shall be made under item 1, 2, 3 or 4 except on proof that loss or disablement has continued for twelve months from the date of Bodily Injury and in all probability, shall continue for the remainder of the Insured Person's life.
- Weekly benefit under item 5 is payable up to 104 weeks from the date of Bodily Injury. No payment shall be made if any benefit under item 1, 2, 3 and 4 becomes claimable.
- The Insured Person must obtain and follow the advice of a legally qualified and registered medical practitioner as soon as practicable.

Exclusions to Section III

This Section does not cover:

- money in gaming, amusement, change giving or vending machines.
- loss due to fraud or dishonesty by the Insured's director, partner or employee or any member of Insured's household or any third party.
- shortages due to error or omission.
- unexplained disappearance of Money.
- loss of Money from unattended motor vehicles.
- loss resulting from a safe or strongroom being opened by the use of keys or combination codes unless such keys or codes have been obtained by violence or threat of violence to the Insured's directors, partners or employees.
- interruption of Business or any other consequential loss as a result of loss of Money.

Section IV – Liabilities**1 - Employee's Compensation****Definitions**

"The Ordinance" means the Employees' Compensation Ordinance (Chapter 282 of the laws of Hong Kong) currently in force at the inception of this Policy.

"the Proposal and Declaration" means any signed proposal form and declaration and any information supplied by or on behalf of the Insured in addition thereto or in substitution therefor.

"Disease" means a disease contracted by an Employee of the Insured as result of his exposure to the nature of his employment with the Insured. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance under this Policy.

"The Business" means the usual work and activities carried on by the Insured pertaining to its Business as specified in the Schedule and no others.

"Accident" means an accident or a series of accidents arising out of one event.

"Pneumoconiosis" and **"Mesothelioma"** have the same meaning as assigned to those expressions in the Pneumoconiosis and Mesothelioma (compensation) Ordinance (Chapter 360 of the laws of Hong Kong).

"Noise-induced Deafness" has the same meaning as assigned to that expression in the Occupational Deafness (Compensation) Ordinance (Chapter 469 of the laws of Hong Kong).

"Earnings" means all gross wages, salaries, remunerations, commissions, bonuses, overtime, termination payments, allowances and the like, director's fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in any kind by the Insured to his Employees.

"Geographical Area" means the territorial limits of Hong Kong SAR or elsewhere as may be agreed by the Company.

Cover

If any Employee in the Insured's immediate employ shall sustain bodily injury or death by Accident or Disease caused during the Period of Insurance within the Geographical Area and arising out of and in the course of his/her employment by the Insured in the Business, the Company shall subject to the Limit of Indemnity and to the terms, Exclusions and Conditions contained herein or endorsed hereon (all of which are hereinafter collectively

referred to as the “Terms of this Section”) indemnify the Insured against his/her liability in respect of such bodily injury or death under the Ordinance, and independently of the Ordinance to pay compensation and damages and claimant’s costs and expenses, and also indemnify the Insured against costs and expenses incurred by or on behalf of the Insured with the Company’s written consent in connection therewith provided that in the event of any change to the Ordinance during or subsequent to the Period of Insurance altering the Insured’s legal liability under the Ordinance the Company’s liability shall be limited such sums as the Company would have been liable to pay if the ordinance had remained unaltered.

It is further provided that

1. the due observance and fulfilment of the terms of this Section in so far as they relate to anything to be done or not to be done or to complied with by the Insured; and
2. the truth of the statements and answers in the Proposal and Declaration and the Estimated Earnings Declaration and the Actual Earnings Declaration;

shall be conditions precedent to the liability of the Company to make payment or to provide indemnity under this Policy.

Policy Limit of Indemnity

1. In respect of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Policy, the Company’s indemnity to the Insured including costs and expenses incurred by or on behalf of the Insured with the Company’s written consent shall in the aggregate be limited to the amount specified in the Schedule as “Policy Limit of Indemnity”, irrespective of the number of Employees who may sustain bodily injury or death consequent on or attributable to the same occurrence of Accident or Disease.
2. In relation to any liability of the Insured in respect of a Disease contracted by an Employee due to the nature of his employment with Insured during a period that extends over more than one policy period of insurance
 - a. the aggregate of the Company’s indemnity to the Insured under all insurance policies including costs and expenses incurred by or on behalf of the Insured shall not exceed the Limit of Indemnity of the insurance policy that was in force at the time the nature of the Employee’s employment to which such Disease was due first affected the Employee; and
 - b. subject to the limitation of paragraph 2.a. hereof, the Company’s indemnity to the Insured under this Policy including costs and expenses incurred by or on behalf of the Insured shall be limited to such proportion of the Insured’s liability in respect of such Disease as that part of the Employee’s period of employment falling within the Period of Insurance of this Policy bears to the total period of his employment to the nature of which Disease was due.
3. If the occurrence of any Accident or Disease results in indemnity hereunder to more than one Insured, the limitations of the Company’s liability specified in paragraphs 1. and 2. hereof shall apply to the aggregate of indemnity to all Insureds.
4. At any time after the occurrence of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Policy, the Company may pay to the Insured the full amount of the Company’s liability specified in paragraph 1. and 2. hereof (after the deduction of any sum already paid) or any lesser amount for which such claim or claims can be settled and shall relinquish the conduct of any defence settlement or proceedings relating to such

claim or claims, and shall not thereafter be responsible for any compensation, damages or costs in respect thereof or for any costs or expenses whatsoever incurred by the Insured after the Company shall have relinquished such conduct or for any loss, damage or expenses caused to the Insured in consequence of any act or omission of the Company in connection therewith or of the Company relinquishing such conduct.

5. If there should be any shortfall in the actual Earnings declared in accordance with paragraph 2. of Insurance Premium of this Section from the respective actual Earnings, the extent of the Company’s Indemnity shall be reduced proportionately by the extent of under-insurance; and the balance shall be borne by the Insured himself. If no declaration of the actual Earnings by the Insured is received by the Company as prescribed, for the purpose of this clause the Earnings estimated by the Insured as at the commencement of the Period of Insurance shall be used in lieu of the actual Earnings that should have been declared to determine the extent of the under-insurance if any.

Avoidance of Certain Terms and Right of Recovery

If the Company is obliged by the Ordinance to pay an amount for which the Company would not otherwise be liable under this Policy, the Insured shall forthwith repay the amount to the Company

Exclusions to Section IV, item 1 - Employees’ Compensation

The Company shall not be liable for:

1. any liability to employees of contractors or sub-contractors to the Insured.
2. any liability which attaches to the Insured by virtue of an agreement but which would not have attached in the absence of such agreement.
3. any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party.
4. liability to any person who is not an Employee within the meaning of the Ordinance.
5. any liability arising from pneumoconiosis or Mesothelioma or Notice-Induced deafness.
6. any late payment, surcharge, fines, penalties or punitive aggravated or exemplary damages for which the Insured may become liable under the Ordinance or independently of the Ordinance.
7. any injury by Accident or Disease where the Company has not been given sufficient notice of the institution of proceedings in a court or tribunal to enable the Company to be added as a party to the proceedings.

Terrorism Endorsement

Notwithstanding any provision to the contrary in this Policy or any endorsement thereto it is hereby agreed that in respect of any bodily injury or death by Accident or Disease (“the Loss”) directly or indirectly caused by, resulting from or in connection with any act of terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the Loss:

- a. the Policy Limit of Liability shall be such amount which the Company actually receives from the Government of the Hong Kong Special Administrative Region of the People’s Republic of China (“the Government”) pursuant to an Agreement for Provision of Facility dated 11th January 2002 between the

Government and the Company under which the Government agreed to make available to the Company and other direct insurance companies authorised to underwrite employees' compensation insurance business in Hong Kong SAR a facility to enable them to meet claims under employees' compensation insurance policies in respect of death and injury arising out of an event of terrorism ("the Facility Agreement").

- b. the Company will only be required to make payment after the Company has received from the Government (a) an approval letter confirming that the Company should settle the claim and (b) payment under the Facility Agreement.
- c. for the avoidance of doubt, the Company shall have no obligation to make payment if for whatever reason it does not receive payment from the Government under the Facility Agreement, whether or not due to the Government's contention that the Loss does not fall within the scope of the Facility Agreement or the Company's breach of the Facility Agreement.
- d. subject always to the exceptions and conditions of the Facility Agreement, this Policy shall not cover any difference in limits between the minimum cover required under the Employees' Compensation Ordinance and the limits provided by this Policy, its endorsements or extensions.

For the purpose of the above an act of terrorism means the use of force or violence or other means or the threat thereof, of any person or persons, whether acting alone or on behalf of or in connection with any organisation or government, for political, religious, or ideological purposes with an intention to influence any government and/or to put the public, or any section of the public, in fear.

If the Company alleges that the Loss falls within the scope of this Endorsement, the burden of proving the contrary shall be upon the Insured.

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

Words and phrases in this Endorsement shall have the same meaning as in this Policy.

Conditions to Section IV, item 1 - Employee's Compensation

Insurance Premium

1. Prior to the commencement of the Period of Insurance, the Insured shall provide the Company with record of past wage roll certified as being correct by the appropriate officer of the Insured. Such certified wage roll shall be referred to herein as "the Estimated Earnings Declaration" on the basis of which a deposit premium becomes payable to the Company.
2. The Insured shall within ninety (90) days after the expiry of the Period of Insurance or upon cancellation of the Policy supply the Company with a further declaration stating the actual Earnings of Employees during the Period of Insurance (which declaration is referred to herein as "the Actual Earnings Declaration"). If the actual Earnings shall differ from the estimated Earnings, the difference in premium shall be met by a further proportionate adjustment premium to be paid to the Company or by a premium refund to the Insured as the case may be.
3. It is hereby declared that the premium payable by the Insured in consideration of the indemnity provided under this Policy is the sum of the deposit premium and the adjustment premium calculated pursuant to paragraph 1. and 2. hereof.
4. The name, Hong Kong Identity Card number, class of employment and Earnings of every Employee of the Insured employed in the Business from time to time during the Period of Insurance shall be properly recorded by the Insured and retained in a safe place so that a record exists of all persons

who are the Employees of the Insured for the purpose of this Policy; and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records.

5. If the Insured fails to cooperate with the Company in submitting the completed premium adjustment and declaration of Earnings form, without prejudice to any other rights of the Company, the Company shall retain the discretion not to renew this insurance upon expiry of the Policy.

2 - Public Liability

Cover

The Company shall indemnify the Insured against all sums which the Insured shall become legally liable to pay in respect of accidental

- a) bodily injury to any person;
- b) loss of or accidental damage to property

caused by the Insured or his employees occurring within Hong Kong SAR during the Period of Insurance in connection with the Business, provided that the Liability of the Company for all compensation in respect of Public Liability under this Section including all its extensions shall not exceed the limit stated in the Schedule.

The Company will in addition pay costs and expenses incurred with their written consent.

Extensions to Section IV, item 2 - Public Liability

The following extensions are applicable:

1. The Insured

The Insured shall include:

- a. in the event of the death of the Insured, the Insured's personal representative in respect of liability incurred by Insured,
- b. if requested by the Insured:
 - i. any of the Insured's directors or partners,
 - ii. any person employed by the Insured under a contract of service or apprenticeship,
 - iii. any person working for the Insured for the purposes of gaining work experience, in his respective capacity as such.

2. The Business

The Business shall include:

- a. the maintenance of the Insured's Premises
- b. the provision and management of canteen, social, sports and welfare organisations for the benefit of the Insured's employees.

3. Damage to Rented Premises

Exclusions 4.b. of item 2 shall not apply in respect of loss of or damage to Premises or fixtures or fittings thereof hired or rented to the Insured. However, the Company shall not pay for:

- a. loss or damage if the liability is assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement.
- b. the first HK\$1,000 each and every claim under this Extension.

4. Overseas Visits

This Section is extended to include the Insured's legal liability arising from occasional visits outside Hong Kong SAR by any of the Insured's directors, partners or employees in connection with the Business and being engaged in non-manual works,

provided that such liability occurs during the Period of Insurance and such directors, partners or employees shall observe, fulfil and be subject to the terms, limits, Exclusions, Conditions and the Jurisdiction Clause of this Policy.

5. Cross Liability

If the Insured comprises more than one party, this Section shall be construed as though separate policies had been issued to each provided that the total amount payable in respect of any claim(s) under this Section shall not exceed the limits of Indemnity as stated herein this Policy.

6. Food and Drinks Poisoning

This Section is extended to include the Insured's legal liability arising out of any claim made in respect of poisoning of any kind arising from food and/or drinks sold or supplied or the presence of deteriorated matter in such food and/or drinks sold or supplied by the Insured in connection with the Business at the Premises, provided always that the Company shall not be liable under this Extension

- a. unless the Insured shall at all times take every possible precaution to prevent any article or articles of food and/or drinks which are not in good condition, free from contamination and fit for human consumption,
- b. in respect of fines or punitive damages.

The Company's aggregate liability shall not exceed HK\$5,000,000 in respect of any one claim or number of claims consequent on one original cause and in respect of any one Period of Insurance.

7. Exhibition / Trade Fair

This Section is extended to cover the Insured's legal liability arising from or happening during an exhibition / trade fair held or participated by the Insured anywhere within Hong Kong SAR.

8. First Aid Facilities

This Section is extended to cover the Insured's legal liability arising out of the provision of first aid facilities by the Insured, provided that this extension - First Aid Facilities shall not apply to any act of negligence, omission or neglect of any duly qualified member of the medical profession or any employee or voluntary worker of any medical or ambulance organization.

9. Property Owner's Liability

This Section is extended to cover the Insured's legal liability as property owner of the insured Premises.

10. Tenant's Liability

This Section is extended to cover the Insured's legal liability in respect of accidental damage caused to the insured Premises leased or rented to and occupied by the Insured for the purpose of the Business.

Exclusions to Section IV, item 2 - Public Liability

The Company shall not be liable for any liability in respect of:

1. injury, illness, disease, loss or damage which results from the Insured's deliberate acts or omission.
2. injury to or illness or disease of any person under a contract of service or apprenticeship with the Insured if such liability is in respect of injury, illness or disease arising out of and in the course of employment of such person by the Insured, or any sums payable by the Insured under Legislation relating to occupational injury, illness or disease.

3. loss of or damage to any goods or other property sold, supplied, delivered by the Insured.

4. loss of or damage to property

- a. belonging to the Insured.
- b. in the Insured's charge or under the Insured's control or that of any of the Insured's directors, partners or employees or agents, or any member of the Insured's household.
- c. caused by or in connection with or arising from the bursting of any pressure part of any steam boiler or any economizer or any pressure vessel or apparatus (other than any steam turbine or engine or other steam-driven machinery) intended to operate under steam pressure, belonging to the Insured or under the Insured's control or that of any of the Insured's directors, partners or employees or agents.

5. injury to or illness or disease of any person or loss of or damage to any property, land or building caused by vibration or by the removal or weakening of support.

6. injury, illness or disease or loss or damage arising from the ownership, possession or use by or on behalf of the Insured:

- a. any mechanically propelled vehicle (including any type of machine on wheels or caterpillar tracks) licensed for road use or for which compulsory insurance or security is required by any road traffic ordinance, or trailers attached thereto, or the loading or unloading of such vehicle or trailer or the delivery or collection of goods in connection with such vehicle or trailer within the limits of any carriageway or thoroughfare.
- b. any vessel, craft or aircraft made or intended to float on or in or travel through water, air or space, or the loading or unloading of such vessel or craft.

7. injury, illness, disease, loss or damage caused by or in connection with or arising from:

- a. any lift, elevator, escalator, hoist or crane owned or used by the Insured or for the maintenance of which the Insured is responsible.
- b. accidents to any vessel or craft in consequence of the condition or unsuitability of any berth, dock or mooring.

8. any breach of professional duty or service whether of omission or commission or any advice or act whether of omission or commission given or performed in a professional capacity.

9. any medicine, drug, article, commodity, goods or thing made up, manufactured, dispensed, supplied by the Insured, but this Exclusion shall not apply to food or beverages sold or supplied by the Insured as a service to employees or visitors for consumption in the Insured's Premises.

10. any fines, penalties or liquidated damages.

11. Contagious or Infectious disease Exclusion

The indemnity expressed in this Policy shall not apply to or include liability in respect of death or bodily injury including illness of any person directly or indirectly caused by contagious or infectious disease of any kind.

Conditions to Section IV

Discharge of Liability

The Company may absolve itself from any further liability in connection with any occurrence or all occurrences which can be attributed to one source or original cause by either:

1. payment of the specified Limit of Liability (after deducting any amounts already paid) or
2. payment of any balance of any maximum Limit of Liability for any one period of insurance whichever is the less, together with the amount of any costs and expenses paid to date.

General Exclusions and Conditions

General Exclusions

The Company shall not be liable in respect of:

1. any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement.
2. any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party.
3. **War Risks**
any loss, destruction or damage to any property or consequential loss or any legal liability or any bodily injury, illness or disease to any person directly or indirectly caused by or contributed to by or arising from:
 - a. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war,
 - b. mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, 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.
4. **Radioactive Contamination**
loss of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom, or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 1. ionising, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 2. the radioactive, toxic, explosive or other hazardous properties of any explosive, nuclear assembly or nuclear component thereof.
5. **Sonic Bangs**
loss or damage directly occasioned by pressure waves, caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
6. **Pollution or Contamination**
loss, damage, injury, illness, disease or liability directly or indirectly occasioned by or through or in consequence of pollution or contamination.
7. **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:

- a. 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.
- 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.

8. Terrorism

(Applicable to All Sections Except Section IV, item 1 - Employees' Compensation)

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 exclusion 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 exclusion 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 Company alleges that by reason of this exclusion, any loss, damage, cost of expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

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

9. Terrorism Exclusion Clause For Contamination And Explosives

(Applicable to All Sections Except Section IV, item 1 - Employees' Compensation)

It is agreed that, regardless of any contributory causes, this policy does not cover any loss, damage, cost or expense directly or indirectly arising out of

- a. biological or chemical contamination
- b. missiles, bombs, grenades, explosives

Due to any act of terrorism.

For the purpose of this exclusion 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 ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

For the purpose of a. "contamination" means the contamination, poisoning, or prevention and/or limitation of the use of objects.

Due to the effects of chemical and/or biological substances.

If the company alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy the burden of proving the contrary shall be upon the insured.

10. Total 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 in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

General Conditions

It is a condition precedent to the liability of this Policy that the Insured must observe and fulfil the General Conditions set out below:

1. Duty of Care

The Insured must

- a. take reasonable steps to prevent any loss, destruction, damage, injury, illness, disease and to maintain all property insured in a sound condition.
- b. exercise reasonable care in the selection and supervision of employees.
- c. comply with all statutory regulations and obligations.

2. Rights and Responsibilities

- a. The Company may have the right to enter into any building in which loss, destruction or damage has occurred and deal with the salvage. However no property may be abandoned to the Company.
- b. The Insured must do and allow to be done anything to minimize any loss, destruction or damage or interruption of Business which may be the subject of a claim under this Policy.
- c. If the premium for any section has been calculated on estimates given by the Insured, then the Insured must:
 - i. keep an accurate record containing all relevant particulars and at all times allow the Company to inspect such record.
 - ii. within one month from the expiry of each Period of Insurance and whenever the Company requests it, provide the particulars and information that the Company may reasonably ask for. The premium shall be adjusted accordingly.
- d. Any item or Section of this Policy will cease to be in force if, after the commencement of this insurance, there is any alteration in respect of such item or Section which results in:
 - i. the risk of loss, destruction, damage, injury or disease being increased.
 - ii. the Insured's interest ceasing other than by a will or the operation of the law.
 - iii. the Business being wound-up, carried on by a liquidator or receiver or permanently discontinued, unless immediate notice has been given to the Company in writing and such alteration has been agreed to by the Company in writing.

3. Subrogation

Any claimant under this Policy shall at the expense 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 right 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 or making good any loss destruction or damage under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Company.

In respect of item 1 - Employees' Compensation under Section IV, the Company shall be entitled at its sole discretion to prosecute in the name of the Insured any claim for damages, costs, indemnity, contribution or otherwise against any person who may be liable to the Insured in respect of any liability on the part of the Insured for which indemnity is provided by this Section and shall have full discretion in the conduct of any such proceedings and in the settlement of any such claim. The Insured shall give all such information and assistance as the Company may from time to time require and execute any necessary documents for the purpose of vesting such right in the Company. Any money received pursuant to the exercise of such rights shall be applied firstly for the benefit of the Company to the extent of the amount paid by the Company in respect any claim including any costs and expenses paid or incurred by the Company and costs and expenses incurred in prosecuting such recovery action.

4. Cancellation

This Policy may be cancelled at anytime by the Insured and the Insured, provided that no claim has been made under this Policy, shall be entitled to a refund of difference premium between the premium paid and the premium calculated at the Company's Short Period rates for the period for which this Policy has been in force. The Company may cancel this Policy or any Section by sending seven days' notice by recorded delivery letter or registered letter to the Insured's last known address and in such event will return to the Insured the premium paid less the pro-rata portion thereof for the period for which this Policy has been in force.

5. Warranty

Any warranty shall, from the time it is applied, continue to be in force during the whole currency of this Policy. Failure to comply with any warranty shall invalidate any claim for loss, destruction, damage or liability which is wholly or partly due to or affected by such failure to comply.

6. Security Protection

It is warranted that all security protection, under the Insured's control, existing at the Premises at the inception of this insurance or subsequently installed or fitted at the Company's request:

- a. be kept in force and maintained in proper working order throughout the currency of this insurance and
- b. shall not be varied or altered in any way, without the consent of the Company, and
- c. shall be in full and proper use, at all times, when the Premises are closed to Business or left unattended.

7. Arbitration

All differences arising out of this Policy shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a

condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained. If We shall disclaim liability to You 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.

8. Jurisdiction Clause

The Company shall not be liable under this Policy in respect of judgments against the Insured which are not in first instance delivered by or obtained from a Court of competent jurisdiction within Hong Kong SAR.

9. Change of Risk

The Insured shall immediately notify the Company in writing of any material change in the risk insured hereunder made by the Insured or any other person during the Period of Insurance including but not limited to:

- a. any merger with or acquisition of another company or business.
- b. the Insured or any subsidiary or the holding company of the Insured being placed in voluntary liquidation receivership or liquidation or entering into a composition with its creditors or being unable to pay its own resources.
- c. any material change in the nature of the Business or in the number of Insured's Employees.

This insurance shall cease to be in force if there is any alteration in the Business or at the Location which increases the risk of injury, loss, destruction or damage unless such alteration is agreed in writing by the Company.

10. Other Insurance

If at the time of any loss, destruction or damage there is any other insurance covering such incidents, the Company shall only pay its rateable proportion of such loss.

11. Fraud

If any claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on behalf of the Insured to obtain any benefit under this Policy or if any loss or damage is occasioned by the Insured's wilful act or connivance, all benefits under this Policy shall be forfeited.

12. Records and Premium Adjustments

If any part of the premium is calculated on estimates given by the Insured, then the Insured must keep an accurate record containing all relevant particulars and allow the Company to inspect such records within one month from the expiry of each period of insurance and also the Insured must provide the information as requested by the Company and the premium shall be adjusted accordingly.

13. Policy Voidable

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material fact.

14. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media be insured by this Policy (as stated in the Policy schedule) suffer physical loss or damage insured by this Policy, then the basis of valuation

shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any electronic data contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not exceeding HK\$50,000 any one loss, incurred by the Insured in recreating, gathering and assembling such electronic data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this Policy does not insure any amount pertaining to the value of such electronic data to You or any other party, even if such electronic data cannot be recreated, gathered or assembled.

Claims Conditions

The payment of claims under this Policy is dependent upon the Insured's own observance of the following:

1. Notify the Company immediately if any event occurs which may give rise to a claim under this Policy. The Insured must not make any admission of liability, or any offer, promise or payment without the written consent of the Company.
2. Within 30 days, report in writing to the Company giving full details of any incident which may result in a claim under this Policy.
3. Forward to the Company every writ, summons, legal process or other communications in connection with the claim, immediately upon receipt. Give the Company notice in writing immediately the Insured becomes aware of any intention to prosecute the Insured, any impending prosecution inquest or fatal inquiry in connection with any occurrence which may give rise to a claim under this Policy.
4. Give all necessary information and assistance which the Company may require, including written details of the claim the Insured wishes to make, and all relevant supporting documents.
5. Notify the police of the followings as soon as reasonably possible and in any case within 7 days:
 - a. the fact that any insured property has been lost other than in the Insured's Premises,
 - b. loss or damage caused by theft, rioters or malicious persons.
6. The Insured or any one acting on his behalf must not make any fraudulent, false or exaggerated claims, otherwise the Company shall be under no obligation to make a payment under this Policy.
7. The Company may at its own option to repair, replace or reinstate any lost or damaged item or part thereof, or pay the amount of the loss or damage in money.
8. The Company may take over and deal with in the Insured's name the defence or settlement of any claim, or take proceedings in the Insured's name, but at the Company's expenses or recover for the Company's benefit the amount of any payment made under this Policy.
9. Any other person entitled to claim the benefit of this Policy must also observe its terms and conditions.

www.agcs.allianz.com

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