



Liberty International Insurance Ltd
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OFFICE PLUS INSURANCE POLICY

Please read this policy carefully and have it returned immediately, but no later than 14 days from its date of issue, for amendment of any error and/or mis-description; otherwise this policy will be treated as correct and intended. It is emphasized that any non-disclosure and/or mis-representation deliberate or negligent of a material fact to the proposal of this insurance and/or breach of any warranty or condition(s) of this policy will render this policy voidable.

請小心查閱此保單，如有任何錯漏，請即於出保單日後十四天內擲回更正為荷，否則此保單被視為正確無誤，更鄭重聲明對此保單所提供之一切，如有任何隱瞞或錯失之錯誤表達者或違反此保單之規條或章則者，會導致此保單無效。



Smile

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The policy, schedule and any endorsements should be read as if they are one document. Please read the document carefully. If it is not in accordance with your intentions, please return it immediately for alternation.

The policy is a contract between you and us. The proposal form and declaration signed by you is the basis of the contract. This is a legal document and should be kept in a safe place.

We will insure you under those sections shown in the schedule during any period of insurance for which we have accepted your premium provided all the terms and conditions of the policy are kept.

This Policy shall not be in force unless it has been initialed in the Schedule by an authorized person.

PART I - GENERAL DEFINITIONS

1. 'The Company': Liberty International Insurance Ltd.
2. 'The Insured': The party named as the Insured in the Schedule.
3. 'Money': Cash, currency notes, bank notes, negotiable instruments, postage stamps not forming part of stamp collection, cheques, postal or other money orders, travel tickets and luncheon vouchers.
4. 'Business': The usual work and activities carried on by the Insured pertaining to his business as specified in the Schedule and no others.
5. 'Business Premises': the premises occupied by the Insured as an office at the situation shown in the Schedule at which the Business of the Insured as specified in the Schedule is transacted. The property subject to Class 1 Construction – construction of concrete / brick throughout.
6. 'Employee': Any person in the employ of the Insured as defined in the Employee's Compensation Ordinance.

- 1.3 Replacement Cost shall mean the cost of replacing the property if stolen or beyond economic repair with an article substantially similar to the property lost or stolen.

2. What is covered in Section A?

- 2.1 The Company will indemnify the Insured at the Company's option by payment, replacement or repair against accidental physical loss of or damage to Contents in the Business Premises provided that the Company's liability under this Section shall not exceed in respect of:

2.1.1 Any one machinery and equipment – HK\$200,000

2.1.2 Any one portable office equipment outside your premises within Hong Kong Special Administrative Region (HKSAR) – limited HK\$10,000 any one item and HK\$30,000 any one Period of Insurance. The first HK\$2,500 of any one loss or damage is not covered.

2.1.3 Fixed glass and/or mirror (including reasonable expenses for temporary boarding up after accidental breakage) – for any one event HK\$50,000 or 10% of sum insured whichever is the lesser

2.1.4 Any one deed, document, card, tape, file or transparency – HK\$10,000 (provided cover is limited to the value of materials together with the cost of clerical labor and computer time if any expended in reproducing such property as described excluding any expenses in connection with the production of information to be recorded therein, and not for the value to the Insured of the information, certification, contractual benefits or other value contained therein or attached thereto). The maximum Limit of Indemnity up to HK\$30,000 any one Period of Insurance.

2.1.5 Trade sample and/or stock

2.1.5.1. any one item/set/pair – HK\$15,000

2.1.5.2. in total under this Policy – HK\$2,000,000 or 65% of the Sum Insured against this Section, whichever is lesser.

PART II - SCHEDULE OF BENEFITS

Section A Office Contents All Risks

1. Definitions applicable to Section A

1.1 'Contents' shall mean office appliances and equipment, furniture, interior decorations, fixtures and fittings, trade samples, deeds, document, fixed glass and mirrors and located at the Business Premises belonging to or for which the Insured is legally responsible.

1.2 'Personal Effects' shall mean articles of a personal use designed to be worn or carried but excluding:

1.2.1 Money (as defined in GENERAL DEFINITIONS).

1.2.2 Contact lenses.

1.2.3 Binoculars and telescopes.

1.2.4 Musical instruments, radio, television, video, audio, camera, any form of portable telecommunication equipment, and any form of portable/handheld computers.

2.1.6 All loss or damage in any one event – the Sum Insured as specified against this Section in the Schedule

2.2 Extensions applicable to Section A

2.2.1 Loss of or damage to Personal Effects of the Insured's Employees at the Business Premises up to HK\$5,000 per Employee and up to HK\$10,000 in respect of any one occurrence.

2.2.2 Loss of or damage to Contents whilst temporarily removed from the Business Premises for cleaning, renovation, repair or other similar purposes provided that the liability of the Company shall not exceed 15% of the sum insured under this Section in respect of any one occurrence.

2.2.3 Loss of or damage to Contents happening in the course of Office Removal by professional removers between the Business Premises and any new office of the Insured within Hong Kong Special Administrative Region (HKSAR), subject to the maximum Limit of Indemnity up to HK\$100,000 and the limit per item up to HK\$20,000. The first HK\$1,000 of loss or damage of each and every occurrence is not covered.

2.2.4 Cost of removal of debris from the Business Premises following loss of or damage to the Contents up to HK\$ 50,000 or 10% of sum insured under this Section (whichever is the lesser) in respect of any one occurrence, provided that the loss or damage necessitating the removal of such debris is covered under Section A.

2.2.5 Loss of or damage to stock or document in transit in the course of collection and delivery by the Insured or any of his Employees between the Insured's Business Premises and any location in the Hong Kong Special Administrative Region (HKSAR), up to HK\$50,000 in aggregate for stock and HK\$5,000 in aggregate for document respectively.

2.2.6 Loss of or damage to computer systems and records-indemnity is limited to the cost value of materials together with the cost of clerical labor used in reproducing such records up to HK\$10,000 per item and up to a maximum total of HK\$100,000 in respect of any one occurrence. Expenses in connection with the production of information to be recorded and the value of the information contained in such records are excluded.

2.2.7 The cost incurred in extinguishing fire in the premises up to HK\$50,000 in respect of any one occurrence.

2.2.8 Damage to premises directly caused by theft or attempted theft thereat up to 10% of the sum insured under Section A in respect of any one occurrence.

2.2.9 Loss of or damage to stock and contents held in trust for which the Insured is held legally responsible up to HK\$15,000 per item and up to a maximum total of HK\$ 100,000 in respect of any one occurrence.

2.2.10 Loss of or damage to works of art up to HK\$5,000 in respect of any one occurrence.

2.3 Extension Clauses applicable to Section A

2.3.1 85% Co-insurance Clause

The sum insured must represent the Replacement Cost of the property insured under this Section at the time of loss or damage. If at the time of replacement or reinstatement the sum representing 85 percent of the cost which would have been incurred in replacement or reinstatement if the whole of the property covered had been destroyed, exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other contingency not otherwise excluded by the Policy then the Insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly.

2.3.2 Reinstatement Value Clause

The basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the property insured at the time of its reinstatement, subject to the following Provisions and subject also to the Terms, Conditions and Limits or Sub Limits of Indemnity of this Section.

For the purpose of the insurance under this policy 'reinstatement' shall mean:

2.3.2.1. Where property insured is totally destroyed, the replacement thereof by similar property in a condition equal to, but not better or more extensive than its condition when new;

2.3.2.2. Where property insured is damaged in part only, the repair of the damage and the restoration of the damaged portion of the property insured to a condition substantially the same as, but not better or more extensive than its condition when new.

2.3.3 Pairs & Sets Clause

For any insured item consisting of articles in a pair or set the Company will not pay more than the value of any particular part or parts which may be damaged or lost without reference to any special value which such article or articles may have as part of such pair or set; nor will the Company pay more than a proportionate part of the sum insured hereby on such pair or set.

2.3.4 Automatic Reinstatement of Sum Insured Clause

In the event of loss or damage, the sum insured for the Policy shall be automatically reinstated immediately following the loss or damage. The Company reserves the right to charge an additional premium calculated on a pro-rata basis from the date of the loss to the expiration of the Policy.

2.3.5 Alterations and Additions Clause

Alterations, additions and repairs to building(s), plant, fixtures and fittings and machinery and work in progress ("Contract Works") are allowed, and the insurance provided by this Policy is extended to cover damage to the existing insured property arising from such Contract Works, provided that the value of the Contract Works does not exceed HK\$300,000. If the value of the Contract Works is more than HK\$300,000, prior notice must be given to the Company who reserves the right to charge an additional premium. The Company shall not be liable for any claim which is recoverable under any other material damage policy or of any Contractors' All Risks policy held by the Insured or the Insured's contractors.

2.3.6 Errors & Omissions Clause

This Policy shall be voidable in the event of wilful misrepresentation, misdescription, or non-disclosure in any material particular, at the commencement of this insurance. However, it is agreed that this Policy shall not be invalidated by:

2.3.6.1 any unintentional or inadvertent error or omission in name description or valuation of the interest hereby insured or statement of material particular, or

2.3.6.2 any breach of a Policy condition or warranty or by reason of anything being done or omitted to be done in respect of any premises or portion of premises not occupied by the Insured, whether constituting an increase in risk or not.

Provided that the Insured shall upon becoming aware of such error, omission or breach of fact, inform the Company thereof as soon as reasonably practicable and the Insured shall pay an appropriate additional premium upon request by the Company, from the date of any increase in risk.

2.3.7 Extra Charges Clause

If any part of the Insured property sustains damage for which the Company is liable the indemnity provided by this Policy shall include:

2.3.7.1 costs necessarily incurred for delivery of any part or parts by express or special delivery;

2.3.7.2 in the execution of authorized repairs for labor overtime costs necessary to expedite repairs including Sunday, Holiday and nightwork.

Provided that the additional liability of the Company shall not exceed 10% of the amount of the loss.

2.3.8 Time Adjustment Clause

In the event of loss damage or destruction to the property insured caused by typhoon, storm, tempest, flood or earthquake the amount of the Excess in respect of such loss or damage caused by these perils shall apply afresh and be deducted again in respect of any loss or damage occurring after seventy two hours freedom from typhoon, storm, tempest, flood, earthquake.

2.4 Limits of Liability applicable to Section A

The Company's maximum liability under this Section and its Extensions shall not exceed the sum insured stated in the Schedule.

2.5 What is not covered in Section A

2.5.1 The Policy does not cover loss or damage contributed to or caused by:

2.5.1.1 Theft unless accompanied by violence or threat of violence to persons, or forcible and violent entry into or exit from the Business Premises.

2.5.1.2 Wear and tear, moths, vermin, insects, damp, rust, rot, corrosion, the action of light or atmosphere, or gradually operating causes.

2.5.1.3 Electrical or mechanical breakdown, failure or derangement.

2.5.1.4 Misuse or use contrary to manufacturers' instructions of office

- appliances and equipment, inherent defect or faulty design in materials, plan or specification.
- 2.5.1.5 Denting, chipping or scratching.
 - 2.5.1.6 Breakage of china, porcelain or other fragile, brittle articles (other than fixed glass and mirrors) unless due to fire or theft.
 - 2.5.1.7 Breakage of glass not completely or properly secured or fixed prior to loss or damage.
 - 2.5.1.8 Any disappearance or shortage of stock revealed only at the time of stock taking or the making of an inventory and is not identifiable with a specific occurrence insured against under Section A.
 - 2.5.1.9 Any shortage arising from error or omission on the part of the Insured and/or Employees of the Insured.
 - 2.5.1.10 Any process of cleaning, repair or renovation, maintenance, restoring or dyeing.
 - 2.5.1.11 The infidelity or dishonesty of Employees except as provided under Section B.
 - 2.5.1.12 Shrinkage, evaporation, loss of weight, contamination, change of flavor, color, texture or finish unless such loss, damage or destruction is directly caused by any peril insured by this Section.
 - 2.5.1.13 Consequential loss.
 - 2.5.2 The Company will not be liable for loss of Money as defined under Section B.
 - 2.5.3 The Excess:
The Company will not be liable for the first:
 - 2.5.3.1 HK\$1,000 or 10% of the loss, whichever is the greater, in respect of water damage from any cause whatsoever other than fire, lightning and explosion
 - 2.5.3.2 HK\$1,000 in respect of each and every other loss.

2.6 Special Warranties applying to this Section A

Storage Warranty

The Insured shall warrant that no waste materials or goods or any description whatsoever whether belonging to the Insured or not shall be stored temporarily or otherwise on any staircase or landing or in any passageway within or in common use with the premises described in the Policy.

Provided that we shall be deemed to have waived any breach of this Warranty not occasioned by or contributed to by the Insured of which we shall have received written notice from the Insured prior to the occurrence of loss destruction or damage. The Insured shall also warrant that all waste materials will be kept in receptacles and removed from the building daily.

Section A.a Increased Cost of Working

1. Definitions applicable to Section A.a

- 1.1 'Increase in Cost of Working' shall mean the additional expenditure necessarily and reasonably incurred by the Insured during the Indemnity Period with the aim of maintaining in that period a turnover of business not exceeding that of the corresponding period in the twelve months immediately prior to the interruption.
- 1.2 'Indemnity Period' shall mean the period beginning with the loss or damage causing the interruption and ending not later than twelve months thereafter during which the Increase in Cost of Working shall be incurred in consequence of the interruption.

2. What is covered in Section A.a?

If the Business of the Insured at the Business Premises is interrupted for more than 48 consecutive hours as a result of loss of or damage to the Contents which is indemnified under Section A the Company will indemnify the Insured in respect of the Increase in Cost of Working caused by the interruption up to the amount specified in the Schedule.

2.1 Extension Clauses applicable to Section A.a

2.1.1 Accountants' Fees Clause

Notwithstanding the provision of paragraph 3.5 of the General Conditions, the Company shall pay for the charges of professional accountants up to HK\$50,000 in respect of any one occurrence necessarily and reasonably incurred for producing information required by the Company for the purpose of dealing with a claim under Section A.a.

2.1.2 Denial of Access

The Company will pay for the Increase in Cost of Working resulting from the hindrance of access to or use of the Business Premises in consequence of the loss of or damage to the neighboring property of the Business Premises directly caused by any peril insured under Section A of this Policy.

Provided that:

- 2.1.2.1 such hindrance or prevention of access is for a continuous period of more than 48 hours

2.1.2.2 the maximum liability of the Company shall not exceed HKD250,000 in respect of any one Period of Insurance.

2.1.3 Failure of Public Utilities

The Company will pay for the Increase in Cost of Working resulting from interruption of or interference with the Business in consequence of the loss of or damage to property directly caused by any peril insured under Section A of this Policy at the

2.1.3.1 Generating station(s) or substation(s) of public electricity supply undertaking from which the Insured obtain electricity

2.1.3.2 Land based premises of the public gas supply undertaking from which the Insured obtain gas.

2.1.3.3 Water works or pumping station of the public water supply undertaking from which the Insured obtain water.

Shall be deemed to be loss resulting from damage to property used by the Insured at the Premises.

Provided that:

2.1.3.4 such failure is for a continuous period of more than 48 hours

2.1.3.5 such failure does not result from the deliberate act of the government or local authority or supply authority not performed for the sole purpose of safeguarding life or protecting any part of the supply undertaking's system or by the exercise by any such authority of its power to withhold or restrict or ration supply not necessitated solely by damage to the supply undertaking's generating or supply equipment by an insured peril.

2.1.3.6 the maximum liability of the Company shall not exceed HKD250,000 in respect of any one Period of Insurance

3. Conditions applicable to Section A.a

The cover will lapse and the Company shall not be liable if the Business of the Insured is wound up or carried on by a liquidator or receiver or permanently discontinued at any time after the commencement of this Policy.

4. Limits of Liability

The Company's maximum liability under this Section and its extensions shall not collectively exceed HK\$1,000,000 or the total sum insured of this section, whichever is lower, for any one Period of Insurance.

Section B Money & Assault

1. Definitions applicable to Section B

1.1 'Office Hours' shall mean the usual hours during which the Insured transacts Business at the Business Premises.

1.2 'Permanent and Total Disablement' shall mean the complete inability after one year from the date of the occurrence to engage in any substantially gainful occupation or employment without hope of recovery.

1.3 'Loss of Limb' shall mean loss by physical separation at or above the wrist or ankle joint.

1.4 'Loss of Sight' shall mean the total and irrecoverable loss of all sight of an eye or eyes rendering the injured person absolutely blind beyond remedy by surgical or other treatment.

2. What is covered in Section B?

The Company shall indemnify the Insured against the loss of Money anywhere in the Hong Kong Special Administrative Region (HKSAR), up to the limits of liability specified.

Cover includes:

2.1	Loss of Money (other than crossed cheques, crossed postal orders, crossed money orders and crossed bankers drafts) whilst:	Limits of Liability (any one occurrence)
2.1.1	in transit during Office Hours	HK\$50,000
2.1.2	at Business Premises during Office Hours	HK\$50,000
2.1.3	at Business Premises out of Office Hours in a locked safe or strongroom	HK\$50,000
2.1.4	at Business Premises out of Office Hours not in a locked safe or strongroom	HK\$5,000
2.1.5	in transit to and from and whilst at the residence of any director or partner of the Insured or an authorized Employee	HK\$2,500
2.1.6	in a bank night safe	HK\$30,000
2.2	Loss of Money consisting of crossed cheques, crossed postal orders, crossed money orders and crossed bankers drafts provided that these instruments are crossed to the effect of	HK\$500,000

"payable to the account payee only"	
2.3 Damage to safes caused by theft or attempted theft	HK\$35,000

Extension applicable to Section B

In addition to the cover above, this Section provides cover for:

- 2.4 Loss of money up to HK\$10,000 per occurrence due to fraud or dishonesty by any Employee of the Insured discovered within three working days of the occurrence, provided that the aggregate limit during any one Period of Insurance is limited to HK\$50,000.
- 2.5 Personal Assault - the Company will provide compensation for injury sustained by any director or partner of the Insured or any Employee aged between 16 and 65 as a result of actual or attempted robbery or hold up which occurs while the Employee is engaged on the Business and which is the sole and independent cause of:

Coverage	Compensation
2.5.1 Death	HK\$100,000 per person
2.5.2 Permanent and Total Disablement	HK\$100,000 per person
2.5.3 Loss of both limbs	HK\$100,000 per person
2.5.4 Loss of sight of both eyes	HK\$100,000 per person
2.5.5 Loss of 1 limb and sight of 1 eye	HK\$100,000 per person
2.5.6 Loss of 1 limb or sight of 1 eye	HK\$50,000 per person

Provided that the Company's maximum liability under this Extension shall not exceed HK\$1,000,000 in aggregate for any one Period of Insurance.

3. Conditions applicable to Section B

- 3.1 The Insured shall keep proper written record of all Money insured and the Company has the right to inspect such record.
- 3.2 When the Business Premises is left unattended, the keys of any strongroom, safe, drawer and/or cash register containing Money are not left in the Business Premises.
- 3.3 Compensation paid for injury to any one Director, partner of the Insured or Employee shall not exceed HK\$100,000 in the aggregate and once payment is made no further payment shall be made for subsequent injury to that injured person however it arises.

- 3.4 In the event of injury the injured person must obtain and follow the advice of a qualified and registered medical practitioner designated by the Company.
- 3.5 The Company reserves the right to require that the injured person is examined at any time by qualified and registered medical practitioner designated by the Company.

4. What is not covered in Section B?

The Company will not cover:

- 4.1 Any loss caused by depreciation in value, currency fluctuation, dishonored cheques or the use of counterfeit money.
- 4.2 Any loss of Money abstracted from the safe following the use of the keys of the safe or any duplicate key unless it has been obtained by threats or violence.
- 4.3 Shortage due to clerical or accounting error or omission and not identifiable with a specific occurrence insured against under the terms of this Section.
- 4.4 Any loss from an unlocked and/or unattended subject matter and/or vehicle.
- 4.5 Any loss or damage occurring outside the Hong Kong Special Administrative Region (HKSAR).
- 4.6 Any loss of Money entrusted to any person other than the Insured or an Employee of the Insured.
- 4.7 Any loss during or due to transit by post.
- 4.8 Any loss suffered as a result of a business transaction.
- 4.9 Any loss due to theft dishonesty or fraud on the part of any Employees.

Section C Public Liability

1. Definitions applicable to Section C

- 1.1 'Injury' shall mean bodily injury
- 1.2 'Damage' shall include loss.
- 1.3 'Property' shall mean material property.
- 1.4 'Product Supplied' means any product sold, supplied, erected, repaired, altered, treated, installed, processed, manufactured or tested by the Insured in the course of the Business and no longer in the custody or control of the Insured together with containers, packaging and instructions supplied therewith.

2. What is covered in Section C?

The Company will indemnify the Insured against:

Legal liability for accidental bodily injury caused to any person other than an Employee and for accidental loss of or damage to property not owned or held in trust by the Insured or any Employee or in the Insured's care, custody

or control; caused by negligence of the Insured or his Employees occurring within the Hong Kong Special Administrative Region (HKSAR), in connection with the Business provided that

The liability of the Company for all compensation payable in respect of or arising out of any one occurrence or in respect of or arising out of all occurrences or a series consequent on or attributable to one source or original cause shall not exceed the limit as stated in the Schedule.

2.1 The Limit of Indemnity expressed in this Section shall include:

- 2.1.1 all costs and expenses recovered by any claimant from the Insured; and
- 2.1.2 all costs and expenses incurred by the Insured with the written consent of the Company.

Provided that the Company shall not be obliged to pay any claim or judgment or to defend any suit after the limit of liability has been exhausted by payment of judgment or settlement, including defence cost and all necessary expenses incurred to defend.

Extensions applicable to Section C

2.2 Independent Contractor's Liability

This Section extends to indemnify all sums which the Insured shall become legally liable to pay as compensation for bodily injury or damage to property arising out of or caused by or in connection with the alternation of and/or addition and/or repair to the Business Premises, provided always that value of such works does not exceed HK\$200,000 for any one contracts.

It is further agreed that this extension shall not be liable for any claim recoverable from any valid third party liability insurance or the third party liability section of any contractors' all risks insurance held by the Insured or by the Insured's contractor.

In the event of any contract exceeding HK\$200,000 prior notice thereof must be given to the Insurers who reserve the right to charge an additional premium in respect of the inclusion of such contract in the coverage hereunder.

Limit of Indemnity under this extensions: HK\$5,000,000 any one accident or any one Period of Insurance

2.3 Overseas Visits Clause

The indemnity provided under this Section shall extend to include the legal liability caused by negligence of the Insured arising from occasional business visits outside the Hong Kong Special Administrative Region (HKSAR), in connection with the Insured's Business provided that such personnel are normally resident in the Hong Kong Special Administrative Region (HKSAR). The maximum liability of the Company under this extension

including all law costs and expenses which are to be paid by the Company shall not exceed the sum of HK\$10,000,000 for any one Period of Insurance.

2.4 Tenant's Liability Clause

The Company will cover the Insured's legal liability as a tenant for claims made against the Insured for loss at the Business Premises caused by:

- 2.4.1 Fire or explosion.
- 2.4.2 Water which leaks, overflows or is discharged from any water system installed at the Business Premises.
- 2.4.3 Accidental breakage (excluding scratching, chipping or denting) of fixed glass, wash basins, sinks, lavatory pans or cisterns.
- 2.4.4 Theft or attempted theft by forcible or violent entry to or exit from the Business Premises.

2.5 Food &/or Drinks Poisoning Clause

The indemnity provided by this Section shall be extended to include the legal liability for bodily Injury directly caused by food or drink poisoning, or the presence of deleterious matter in such food or drink, or the defective container of such food or drink, provided always that such food or drink are supplied free of charge as a service to any person in the Business Premises. The maximum liability of the Company under this extension shall not exceed the sum of HK\$2,000,000 for any one Period of Insurance

2.6 First Aid Clause

The indemnity provided by this Section shall extend to include the legal liability for bodily Injury arising from medical or first aid treatment given by the Insured or the Insured's Employees (other than a qualified medical practitioner) at the Insured's Business Premises.

2.7 Welfare, Social and Sports Club Clause

The indemnity provided by this Section shall extend to include the legal liability for bodily Injury and/or Property Damage arising from activities undertaken by the Insured on behalf of the Insured's welfare, social or sports clubs in connection with the Insured's functions as welfare, social or sports clubs within Hong Kong Special Administrative Region (HKSAR).

3. What is not covered in Section C?

The Company will not cover:

- 3.1 Liability in respect of Injury to any person under a contract of service or apprenticeship with the Insured where the injury arises out of and in the course of such person's employment or service with the Insured or for compensation or claim against the Insured by an injured person or dependent under any Employees' Compensation Legislation or amendments thereto.

- 3.2 Liability assumed by the Insured by agreement unless such liability would have attached to the Insured in the absence of such agreement.
- 3.3 Liability in respect of or arising from damage to any land or property or building caused by vibration or the removal or subsidence or weakening of support.
- 3.4 Fines, penalties, or punitive or exemplary damages.
- 3.5 Liability arising directly or indirectly from faulty or inferior workmanship.
- 3.6 Liability in respect of loss of or damage to property:
 - 3.6.1 Belonging to or in the charge or under the control of the Insured or of any servant or agent of the Insured.
 - 3.6.2 Being that part of any property or land or building or structure on which the Insured or any servant or agent of the Insured is or has been working on unless otherwise provided under Extension 2.3 to this Section.
- 3.7 Liability in respect of injury, loss or damage caused by or through or in connection with:
 - 3.7.1 the ownership or possession or use by or on behalf of the Insured of:
 - 3.7.1.1 any vehicle (or machine) which is capable of self propulsion or attached to a self-propelled vehicle and used in circumstances to which the Road Traffic Ordinance apply;
 - 3.7.1.2 any vehicle (or machine) which is insured for the benefit of the Insured under any form of motor insurance policy or;
 - 3.7.1.3 any marine vessel and/or motor cycle, motor vehicle, locomotive, craft, crane hoist, or other lifting machinery not specified in the Schedule.
 - 3.7.2 remedial or professional or other advice or treatment (other than medical first aid treatment) given or administered or omitted by the Insured.
 - 3.7.3 claims arising in connection with any Product Supplied other than food and drink supplied to any visitor and/ or in canteen, sports and social clubs provided by the Insured for the use of Employees.
- 3.8 Liability arising directly or indirectly from libel and/or slander on the part of the Insured or any Employee.
- 3.9 Expenditure incurred in doing or re-doing or making good any work which the Insured has contracted to do.
- 3.10 Bodily Injury or Property Damage caused by:
 - 3.10.1 Any manually-operated lifting tackle with a lifting capacity exceeding ten hundred weight or any power-operated lift elevator crane hoist or other lifting tackle;
 - 3.10.2 Flood fumes atmosphere or water pollution subsidence landslip or subterranean damage (other than to pipes cables and the like);
 - 3.10.3 The nature or condition of any goods or the containers thereof sold or supplied by the Insured.
- 3.11 Bodily Injury or Property Damage caused by or resulting from the explosion of:
 - 3.11.1 Any economizer owned or used by the Insured working in conjunction with a steam boiler;
 - 3.11.2 Any boiler vessel or other apparatus owned or used by the Insured which is intended to operate under internal pressure due to steam.
- 3.12 Professional liabilities of whatsoever kind including Directors and Officers Errors and Omissions and Medical Malpractice.
- 3.13 Bodily injury or Property Damage directly or indirectly caused by or arising from or in consequence of or contributed to or by
 - 3.13.1 sub-contractors to the insured or persons engaged in or upon the service of such sub-contractors
 - 3.13.2 labor master and persons supplied by him
 - 3.13.3 self-employed person
 - 3.13.4 person hired or borrowed from any public authority, company, firm or individual working for the Insured in connection with the Business
- 3.14 Liability in respect of installation, erection, construction, maintenance, decoration, repairs, manufacturing and processing.
- 3.15 Work performed on offshore gas and oil platforms.
- 3.16 Industries, Seepage, Pollution and Contamination Clause

This insurance does not cover any liability for:

 - 3.16.1 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 caused by a sudden,

unintended and unexpected happening during the period of this insurance.

3.16.2 The cost of removing, nullifying or cleaning-up seepage, polluting or contamination substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.

3.16.3 Fines, penalties, punitive or exemplary damages.

This Clause shall not extend this Insurance to cover any liability which would not have been covered under this insurance had this Clause not been attached.

3.17 Fungus, Mildew and Mold Exclusion

3.17.1 This insurance does not apply to:

3.17.1.1 "Bodily injury, "property damage", medical payments, "personal and advertising injury" arising out of, resulting from, caused by, contributed to, or in any way related to the existence, inhalation or exposure to any "fungus / fungi" and or "spore(s)"; or

3.17.1.2 Any cost or expenses associated in any way, or arising out of the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigation or assess the presence or effects of any "fungus / fungi" or "spore(s)"; or

3.17.1.3 Any obligation to share with or repay any person, organization or entity, related in any way to items i. and ii. above,

Regardless of any other cause, event, material, product and / or building component that contributed concurrently or in any sequence to the injury or damage.

3.17.2 For purposes of this endorsement, the following definitions apply:

3.17.2.1 "Fungus / fungi" includes, but is not limited to, any form or type of mold, mildew, mushroom, yeast, or biocontaminant.

3.17.2.2 "Spore(s)" includes, but is not limited to, any substance produced by, emanating from, or arising out of any "fungus / fungi".

All other terms and conditions of this Policy remain unchanged.

3.18 Electromagnetic Fields Exclusion

This Policy shall not indemnify the Insured in respect of any loss or liability which arises out of or is contributed to directly or indirectly by exposure to magnetic, electric or electromagnetic fields or radiation however caused or generated.

3.19 The Excess:

The Company will not be liable for the first:

3.19.1. HK\$1,000 or 10% of any claim for loss of or damage to Property, whichever is the greater, in respect of water damage.

3.19.2 HK\$1,000 in respect of each and every other loss of or damage to Property.

4. Jurisdiction Clause Applicable to Section C

The Company shall not be liable under this Section in respect of judgments against the Insured which are not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong Special Administrative Region (HKSAR).

Section D Employees' Compensation

1. Definitions applicable to Section D

For the purposes of this Section:

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

1.2 "The Company's Indemnity" means indemnity provided under this Section including costs and expenses incurred by or on behalf of the Insured with the Company's written consent.

1.3 "Disease" means a disease contracted by an Employee of the Insured as a 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 Section.

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

1.5 "Geographical Area" has the same meaning as Geographical Area as specified in the Schedule.

1.6 "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).

- 1.7 “The Ordinance” means the Employees’ Compensation Ordinance (Chapter 282 of the laws of Hong Kong).
- 1.8 “Period of Insurance” has the same meaning as Period of Insurance as specified in the Schedule.
- 1.9 “Pneumoconiosis” and “Mesothelioma” have the same meaning as assigned to that expression in the Pneumoconiosis (Compensation) Ordinance (Chapter 360 of the laws of Hong Kong).

2. What is covered in Section D?

If any Employee in the Insured’s immediate employ shall sustain bodily injury or death by Accident occurring or Disease contracted during the Period of Insurance within the Geographical Area and arising out of and in the course of his employment by the Insured in the Business.

The Company will subject to Limit of Indemnity and to the terms exceptions and conditions contained in or endorsed on this Section (all of which are hereinafter collectively referred to as “the Terms of this Section”) indemnify the Insured against his legal 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 legal liability of the Insured under the Ordinance the liability of the Company under this Section shall be limited to such sums as the Company would have been liable to pay if the Ordinance had remained unaltered.

2.1 Further provided that:

- 2.1.1 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 be complied with by the Insured; and
- 2.1.2 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 any liability of the Company to make payment or to provide indemnity under this Section.

The Company will also in the event of the death of the Insured indemnify the Insured’s legal personal representatives in the Terms of this Section in respect of liability incurred by the Insured provided that such legal

personal representatives shall as though they were the Insured observe fulfil and be subject to the Terms of this Section in as far as they can apply.

Extensions:

2.2 Meal and Lunch Time Clause

In the event of any Employee of the Insured staying in the Insured address during meal and lunch time being injury or killed and the meal and lunch are being provided by the Insured shall be deemed to have arisen out of and in the course of the employee’s employment.

2.3 Emergency Transportation Clause

The Company will pay costs for medical assessment and emergency transportation required as a result of serious injury sustained by The Insured’s Employees arising out of and in the course of their employment provided that the Limit of Liability shall not exceed HK\$50,000 in respect of any one Accident.

2.4 Extra-Ordinary Weather Conditions Clause

In the event of any Employee of the Insured whose attendance at his place of employment is required by the Insured during extra-ordinary weather conditions sustaining injury or killed whilst proceeding directly to his place of employment or returning therefrom directly to his home such death or injury shall be deemed to have arisen out of and in the course of the employee’s employment for the purpose of this Section.

3. Limit of Indemnity Applicable to Section D

3.1 In respect of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Section 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 “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.

3.2 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 the Insured which nature of employment applies during a period that extends over more than one policy period of insurance:

- 3.2.1 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

3.2.2 subject to the limitation of paragraph 3.2.1 hereof, the Company's indemnity to the Insured under this Section 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 Section bears to the total period of his employment to the nature of which such Disease was due.

3.3 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 3.1 and 3.2 hereof shall apply to the aggregate of indemnity to all Insureds.

3.4 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 Section the Company may pay to the Insured the full amount of the Company's liability specified in paragraph 3.1 or 3.2 hereof (after the deduction of any sums 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.

3.5 If there should be any shortfall in the actual Earnings declared in accordance with 6.2 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 the commencement of the Period of Insurance shall

be used in lieu of the actual Earnings that should have been declared to determine the extend of the under-insurance if any.

4. Jurisdiction Clause Applicable to Section D

The Company shall not be liable under this Section in respect of judgments against the Insured which are not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong Special Administrative Region (HKSAR).

5. Avoidance of Certain Terms and Right of Recovery Application to Section D

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

6. Insurance Premium Applicable to Section D

6.1 Prior to the commencement of the Period of Insurance, the Insured shall supply the Company with a declaration estimating the Earnings of the Employees employed in the Business during the Period of Insurance (which declaration is referred to herein as "the Estimated Earnings Declaration") on the basis of which a deposit premium becomes payable to the Company.

6.2 The Insured shall within ninety (90) days after the expiry of the Period of Insurance or upon cancellation of the Section supply the Company with a completed Premium Adjustment and Declaration of Earnings Form stating the actual Earnings of Employees and provide the relevant supporting documents 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.

6.3 It is hereby declared that the Premium payable by the Insured in consideration of the indemnity provided under this Section is the sum of the deposit premium and the adjustment premium calculated pursuant to paragraph 6.1 and 6.2 hereof.

6.4 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 Employees of the Insured for the purpose of this Section and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records.

- 6.5 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 Section.

7. What is not covered in Section D?

The Company shall not be liable under this Section in respect of:

- 7.1 the Insured's liability to Employees of contractors to the Insured;
- 7.2 any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- 7.3 any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party;
- 7.4 any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
- 7.5 the Insured's liability to any person who is not an employee of the Insured within the meaning of the Ordinance;
- 7.6 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;
- 7.7 any injury by Accident or Disease attributable to war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war mutiny rebellion revolution insurrection or military or usurped power;
- 7.8 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.
- 7.9 Notwithstanding any provision to the contrary in this Section 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:

- 7.9.1 The Limit of Indemnity shall be such amount which the Company actually receives from the Government of the Hong Kong Special Administrative Region (HKSAR) 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 authorized to underwrite employees' compensation insurance business in Hong Kong Special Administrative Region (HKSAR) 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");

- 7.9.2 The Company will only be required to make payment after it has received from the Government (i) an approval letter confirming that the Company should settle the claim and (ii) payment under the Facility Agreement; and

- 7.9.3 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.

- 7.9.4 Subject always to the exceptions and conditions of the Facility Agreement, this Section 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 organization 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 Exclusion, 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.

8. Claims settlement conditions applicable to Section D

- 8.1 Claims Notification Demands etc. In the event of any occurrence which may give rise to a claim under this Section the Insured shall immediately give notice thereof in writing to the Company with full particulars.

The Insured shall also 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 Section. Every letter claim writ summons and process shall be forwarded to the Company immediately on receipt.

- 8.2 Claims Control by the Company. The Company shall be entitled upon notice to the Insured to take over and conduct in the Insured's name the defence or settlement of any claim demand or proceedings against the Insured. In that event:

8.2.1 the Insured shall provide all such information and assistance including the latest earnings of all employees duly certified as being correct by an independent auditor and forward all such documents and other records to the Company for the conduct of such claim demand or proceedings as the Company in its discretion may from time to time require; and

8.2.2 the Insured shall not without the written consent of the Company incur any expenditure in connection with any such claim demand or proceedings or make any payment admission offer or enter into any settlement whatsoever.

- 8.3 Claims Payments by the Insured. Where the Insured pays all or any part of a claim for which he is liable and for which indemnity is provided by this Section the Insured shall obtain duly witnessed signed receipts for such payments and shall retain in a safe place all such signed receipts and records and documents relating to such payments and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records and documents.

- 8.4 Waiver of Claims. The Insured shall not become a party to any agreement the effect of which is that the Insured waives any claim which the Insured would otherwise have against any person in respect of or arising out of any occurrence resulting in liability on the part of the Insured for which indemnity is provided by this Policy or whereby any such claim is limited or qualified in any way.

9. Conditions applicable to Section D

- 9.1 **Notices.** Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company and in the case of notice or communication to the Insured to his address specified in the Schedule.

- 9.2 **Precautions.** The Insured shall take all reasonable precautions to prevent Accidents and Diseases and shall comply with all relevant statutory requirements and obligations including but not limited to the provisions of the Factories and Industrial Undertakings Ordinance (Chapter 59 of the laws of Hong Kong) and any Regulations Rules or Notices issued made or promulgated thereunder.

- 9.3 **Changes in 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:

9.3.1 any merger with or acquisition of another company or business;

9.3.2 the Insured or any subsidiary or 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 debts from its own resources; or

9.3.3 any material change in the nature of the Business or in the number of the Insured's Employees

- 9.4 **Right of Inspection.** The Company shall have the right and opportunity at all reasonable times to inspect the works machinery plant and appliances used in the Business.

- 9.5 **Assignment.** No assignment of interest under this Policy shall bind the Company unless the written consent of the Company is first obtained and endorsed hereon.

PART III - GENERAL EXCLUSIONS

(Applicable to all Sections of this Policy)

The Company shall not be liable in respect of:

- Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- 1.1. nuclear weapons material;
- 1.2. ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this exclusion combustion shall include any self-sustaining process of nuclear fission.
2. Any accident, loss, damage, expense, liability or bodily injury occasioned by or through or in consequence directly or indirectly of confiscation, commandeering, requisition or destruction of or damage to the property insured by order of the Government de jure or de facto or any public, municipal or local authority of the country or area in which the Business Premises is situated.
3. Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from pressure waves caused by aircraft and other aerial devices.
4. Any judgments which are not in the first instance delivered by or obtained from a court of competent jurisdiction within the Hong Kong Special Administrative Region (HKSAR).
5. Consequential loss or damage of any kind except as provided in Part II - Section A.a.
6. War and terrorism exclusion endorsement (applicable to Section A - C only)

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 of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- 6.1 war, invasion, acts or 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
- 6.2 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 6.1 and/or 6.2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this

insurance the burden of proving the contrary shall be upon the Assured.

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

7. IT Clarification Clause (applicable to Section A - C only)

Property damage covered under this Agreement 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 Agreement:

- 7.1 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.
- 7.2 Loss or damage resulting from 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 Exclusion Clause for Contamination and Explosives (applicable to Section A – C only)

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

8.1 biological or chemical contamination.

8.2 missiles, bombs, grenades, explosives

due to 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 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 8.1 "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 Underwriters 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.

9. Total Asbestos Exclusion Clause (Applicable to Section C and D only)

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, contributed to or aggravated by asbestos in whatever form or quantity.

10. Illegal or Unauthorized Structure Exclusion (Applicable to Section C only)

Notwithstanding anything herein contained to the contrary, it is hereby understood and agreed that this Policy shall not be liable for any loss or damage to property arising out of or in relation to or involving any illegal or unauthorized structure or alteration or erection in or at or appertaining or attached to the Risk Locations. For the purpose of this Policy, any structure or alteration or erection which does not have the required approval or consent from the Building Authority and the Building Manager of the Situation of Risk and the relevant government or other competent authority/authorities shall be deemed to be illegal or unauthorized.

PART IV - GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS OF THIS POLICY.

1. The Insured shall exercise all reasonable precautions for maintenance and safety of the property insured.
2. This Policy shall be voidable by the Company in the event of misrepresentation, misdescription or non-disclosure in any material particular by the Insured.
3. In an event occurs which may give rise to a claim under this Policy, the Insured or his personal representative:
 - 3.1. shall give notice as soon as possible in writing to the Company and, at his own expense supply the Company with full particulars in writing of the loss or damage;
 - 3.2. if there has been theft or any attempted theft, shall give notice to the Police as soon as possible;
 - 3.3. shall if a claim arises under Section C and/or Section D, send to the Company any writ, summons or other legal proceedings issued or commenced against and received by the Insured and shall give all necessary information and assistance to enable the Company to settle or resist any claim or to institute proceedings;
 - 3.4. shall not incur any expense in making good any loss or damage without the written consent of the Company and shall not negotiate, pay, settle, admit or repudiate any claim without such consent;
 - 3.5. shall at his own expense give the Company all such records, books of account or documents or other such information as the Company may reasonably require for investigating or verifying a claim.

- 3.6. shall if a claim arises under Section D, provide all such information and assistance including the latest wage roll of all employees duly certified as being correct by an independent auditor and forward all such documents and other records to the Company for the conduct of such claim demand or proceedings as the Company in its discretion may from time to time requires.

4. The Company or its appointed representatives shall be entitled:

- 4.1. if there is any loss or damage for which indemnity is provided under Section A, A.a and/or B, to enter any building where the loss or damage has happened and to take and keep possession of the property insured and to deal with the salvage in a reasonable manner. This Policy or any copy thereof certified by the Company shall be proof of leave and license for such purpose but no property may be abandoned to the Company;

- 4.2. to pay at anytime to the Insured the Limit of Liability under Part I - Section C or any lesser amount for which any claim or claims can be settled and upon such payment the Company shall relinquish conduct and control of and be under no further liability under that Section in connection with such claim or claims except for costs and expenses recoverable from the Insured or incurred with the written consent of the Company in respect of the conduct of such claim or claims before the date of such payment.

4.3. Subrogation.

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 Policy 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 rights in the Company. Any moneys recovered 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 of any claim including any costs and expenses paid or incurred by the Company and costs and expenses incurred in prosecuting such recovery action.

5. In the event of the death of the Insured, the Company will indemnify the Insured's legal personal representatives in respect of liability previously incurred by the Insured provided they conform with the terms of this Policy.

6. The Insured shall duly comply with and observe all provisions requirements and regulations of

- 6.1. Fire Services Department and/or

- 6.2. Labor Department and/or
- 6.3. Dangerous Goods Ordinance and/or
- 6.4. Factories and Industrial Undertaking Ordinance and/or
- 6.5. Any other Statutory obligation.

including any notice given and requirements made pursuant to same the breach and disregard of which may affect or increase the risk hereby insured except only that this Warranty shall not apply in respect of any Ordinance, Regulation Notice or Requirement expressly waived by the Company by endorsement on this Policy.

- 7. If at the time of any claim under this Policy there is any other insurance indemnifying any person or Insured or Insureds who are entitled to be indemnified under this Policy, this policy is not to be called upon in contribution and, subject to the policy limit of indemnity, is only to pay any amount if and so far as not recoverable under such other insurance”.
- 8. If any claim under this Policy shall be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy, all benefits hereunder shall be forfeited.
- 9. Unless otherwise expressly stated nothing contained herein shall give any rights against the Company to any person other than the Insured. Further the Company shall not be bound by any passing of the interest of the Insured otherwise than by the death or operation of law unless and until the Company shall by endorsement declare the Insurance to be continued. The extension of the Company's liability in respect of the property of any person other than the Insured shall give no right of claim hereunder such person, the intention being that the Insured shall in all cases claim for and on behalf of such person and the receipt of the Insured shall in any case absolutely discharge the Company's liability hereunder.
- 10. This Policy may be cancelled by the Company or the Insured by written notice of cancellation from one party to the other. Cancellation shall take effect seven (7) days after the date of posting the notice of cancellation and in such event the Premium shall be adjusted in accordance with the provisions of Section D “Insurance Premium” and subject to policy minimum premium.
- 11. All differences arising out of this Policy shall be referred to the decision of an arbitrator to be appointed 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 party. In the event of disagreement between the arbitrators the differences shall be referred to the decision of an umpire who shall have been jointly appointed in writing by the arbitrators before entering on the reference. An award made following these proceedings shall be a condition precedent to any right of action against the Company. In the event that the Company disclaims liability to the Insured for any claim made under the Policy and such claim is not referred to arbitration

within 12 calendar months from the date of such disclaimer, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

- 12. This Policy is subject to the exclusive jurisdiction of Hong Kong Special Administrative Region (HKSAR) and shall be construed in accordance with the laws of Hong Kong Special Administrative Region (HKSAR).