



**PRESTIGE HOME Comprehensive Insurance Package
(Gold Plan)**

[IMPORTANT NOTE: PLEASE READ THIS POLICY CAREFULLY]

PREAMBLE

WHEREAS the **Insured**, by a Proposal Form and Declaration which shall be the basis of this Contract and is deemed to be incorporated herein, has applied to AIG Insurance Hong Kong Limited (hereinafter referred to as the “**Company**”) for the insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such insurance, the **Company** hereby agrees to provide insurance to the extent of and subject to the terms and conditions contained in or endorsed on this **Policy** during any **Period of Insurance** and provided that the liability of the **Company** shall not exceed the **Sums Insured** or other limits expressed herein or in the **Schedule**.

The terms and conditions stated herein, the Proposal Form, Declaration and Schedule (collectively called the “**Policy**”) shall be read together as the entire contract and unless specifically stated to the contrary any word or expression to which specific meaning has been given shall have such specific meaning wherever it may appear.

SECTION 1 – CONTENTS

The **Company** will, subject to a maximum indemnity limit of HK\$1,500,000 during each **Period of Insurance**, indemnify the **Insured** against accidental physical loss of or damage to **Household Contents**, **Personal Effects** and **Valuables** whilst contained within the **Insured Premises** provided that

- (a) in respect of **Household Contents** other than **Personal Effects** and **Valuables**, the liability of the **Company** shall be limited to HK\$100,000 for any one article;
- (b) in respect of **Personal Effects & Valuables**, the liability of the **Company** shall be limited to HK\$300,000 in aggregate during each **Period of Insurance**, and subject to the maximum limits specified in the following table:

	Maximum Limit for Any One Article	Maximum Limit in Aggregate during each Period of Insurance
1. Fine Arts	HK\$50,000	HK\$50,000
2. Wine or vintage wine	HK\$1,500	HK\$5,000
3. Stamps, Coins & Collectibles	HK\$800	HK\$2,000
4. Camera, Furs, Silverware and Musical Instrument	HK\$25,000	HK\$100,000
5. Personal Effects and all other Valuables (Except those in items 1,2,3 and 4 of this table)	HK\$25,000	HK\$300,000

Apart from those articles which are declared and insured as separate Items of **Household Contents**, **Personal Effects** or **Valuables** - the limits which have been separately agreed shall apply to these Items

- (c) the **Company** shall not be liable for any loss or damage arising out of theft or attempted theft, burglary or robbery while the **Insured Premises** or any part thereof is:
 - i) licensed or let unless violent means are used to enter or leave the **Insured Premises**; or
 - ii) unoccupied for more than sixty (60) consecutive days; and
- (d) the **Company** shall not be liable for any malicious damage or vandalism if the **Insured Premises** is unoccupied for more than sixty (60) consecutive days.

EXTENSIONS TO SECTION 1

1. Building Betterment

The **Company** will indemnify the **Insured** against accidental physical loss of or damage to building improvement/betterment which has been carried out by the **Insured** including renovation, built-in closets, wall paper, wall paint, fixtures and flooring, up to a maximum of HK\$300,000 during each **Period of Insurance**. Provided that the **Company** shall not be liable in respect of loss or damage to water tanks, apparatus and pipes.

2. Temporary Removal

The **Company** will indemnify the **Insured** for loss of or damage to **Household Contents**, other than **Personal Effects** and **Valuables**, while they are being moved by professional removers to a new insured risk location within Hong Kong. Provided that:

- (a) the loss is not covered under any other policy;
- (b) the liability of the **Company** shall be limited to HK\$50,000 during each **Period of Insurance**;
- (c) the removal is specifically declared by the **Insured** in writing and agreed upon by the **Company** before the transit.

3. Temporary Storage

The **Company** will indemnify the **Insured** for loss of or damage to the **Household Contents**, other than **Personal Effects** and **Valuables**, while temporarily removed from the **Insured Premises** for cleaning, repair, relocation, or maintenance within **Hong Kong** for up to a period fourteen (14) days. Provided that:

- (a) the loss is not covered under any other policy;
- (b) the liability of the **Company** shall be limited to HK\$50,000 during each **Period of Insurance**; and
- (c) the **Company** shall not be liable for loss of or damage to property removed for exhibition or sale.

4. Frozen Food

The **Company** will indemnify the full replacement cost of frozen food in the freezer or refrigerator at the **Insured Premises** due to deterioration caused by a change in temperature of the freezer or refrigerator. Provided that:

- (a) the liability of the **Company** shall be limited to HK\$3,000 during each **Period of Insurance**; and
- (b) the **Company** shall not be liable for
 - i) loss or damage resulting from the deliberate act of any person or the electricity supply company;
 - ii) loss or damage caused by the failure of the freezer or refrigerator unless such unit is less than five (5) years old.

5. Accidental Breakage of Window Glass

The **Company** will indemnify the **Insured** up to a maximum of HK\$5,000 during each **Period of Insurance** in respect of the breakage of window glass at the **Insured Premises** caused by an accident.

6. Personal Accident

In the event **Injury** is suffered by an **Insured** whilst in the **Insured Premises** caused by violent external and visible means and sustained as a result of fire, robbery or burglary, or solely as a result of **Accident**, and such **Injury** shall within three calendar months result in the death of an **Insured**, then the **Company** will pay HK\$50,000 to the **Insured**'s personal representatives.

Provided that the **Company** shall not cover any loss caused directly or indirectly, wholly or partly, by any one of the following occurrences:

- (a) violation or attempted violation of the law or resistance to arrest by the **Insured**;
- (b) suicide or attempted suicide or self-inflicted **Injury** or from deliberate exposure to exceptional danger (except in an attempt to save human life), or where the loss is sustained whilst the **Insured** is in a state of insanity;
- (c) childbirth, miscarriage, pregnancy or any complications concerning therewith notwithstanding that such event may have been accelerated or induced by **Injury**;
- (d) any kind of disease or illness;
- (e) mental, nervous or sleep disorders, treatment of alcoholism, drug abuse or any other complications arising therefrom, or **Accident** caused by and whilst under the influence of drugs or alcohol.

Where compensation is payable under this Extension in respect of the death of more than one **Insured** arising out of the same event the aforesaid limit shall be applicable to the aggregate compensation payable for all such **Insureds**, which compensation shall be apportioned in equal shares.



7. Temporary Accommodation

In the event that the **Insured Premises** is damaged due to accidental physical loss or damage covered under this **Policy** and rendered uninhabitable, the **Insured** is indemnified up to a maximum of HK\$2,000 per day for the actual cost of reasonable temporary accommodations and subject to a maximum limit of HK\$50,000 during each **Period of Insurance**.

8. Debris Removal

The **Company** will indemnify the **Insured** for actual costs and expenses necessarily incurred by the **Insured** in removing debris or **Household Contents** (whether damaged or undamaged), dismantling and/or demolishing, shoring up or propping, of the portion or portions of the **Insured Premises** damaged or destroyed by an insured peril, provided that the maximum liability of the **Company** under this Extension shall not exceed 5% of the adjusted amount of claim, subject to a maximum of HK\$50,000 in aggregate during each **Period of Insurance** for all insured claims under this Extension.

9. Replacement of Locks and Keys

The **Company** will pay the **Insured** up to a maximum of HK\$2,000 in the aggregate for the following events during each **Period of Insurance** subject to production of original and valid receipt(s) for:

- the cost of replacing keys of the **Insured Premises** and/or the **Insured's** vehicle keys if such keys are lost or stolen and the covered cost is limited to the actual amount paid by the **Insured** to a locksmith to produce a new key;
- the cost of replacing locks and keys in case the **Insured Premises** or the **Insured's** vehicle is broken into by violent means;
- the cost of a locksmith who helps the **Insured** gain access to the **Insured Premises** or the **Insured's** vehicle if the **Insured** is locked out of the **Insured Premises** or the **Insured's** vehicle due to the loss or theft of keys; and/or
- reasonable cost of rental of a car for the period the **Insured's** vehicle keys are lost or stolen if it will take more than twenty-four (24) hours to replace such keys.

Provided that the **Company** shall not cover any loss caused directly or indirectly, wholly or partly, by any one of the following occurrences:

- the costs associated with lost or stolen keys for a residence other than the **Insured Premises**;
- the cost to replace keys to vehicles that are not owned by the **Insured**;
- the cost to replace keys to vehicles that are registered as commercial vehicles at Transport Department in **Hong Kong**;
- vehicles other than cars, trucks, jeeps, motorcycles, recreational vehicles, or campers.

10. Accidental Death or Loss of Pedigree Dog

The **Company** will pay up to a maximum of HK\$2,000 during each **Period of Insurance** in respect of accidental death or theft of pedigree dog. Documentary proof of ownership and pedigree are required in the event of a claim.

11. Utility Fee During Unemployment

The **Company** will indemnify water and sewage charges, electricity bills and gas bills of the **Insured** up to three (3) months during each **Period of Insurance** if the **Insured's** employment is terminated due to redundancy, provided that this cover shall not apply during the first forty-five (45) days from inception of the **Policy**.

SECTION 2 – WORLDWIDE PERSONAL EFFECTS AND VALUABLES

The **Company** will indemnify the **Insured** against accidental physical loss of or damage to

- Personal Effects and Valuables** whilst in **Hong Kong** but outside the **Insured Premises** subject to the maximum limit of HK\$25,000 for any one article and HK\$50,000 in aggregate during each **Period of Insurance**, provided always that the maximum limit of HK\$10,000 for any one article and HK\$20,000 in aggregate during each **Period of Insurance** shall apply in respect of any **Camera, Furs or Musical Instrument**.
- Personal Effects and Valuables** whilst travelling worldwide for a temporary visit not exceeding 60 (sixty) days each time subject to

the maximum limit of HK\$10,000 for any one article and HK\$20,000 in aggregate during each **Period of Insurance**.

Unless such articles are declared and insured as separate Items of the **Personal Effects or Valuables**, in which case the limits which have been separately agreed shall apply to these Items

Provided that

- the **Company** shall not be liable for theft of property left in:
 - unattended touring or convertible cars; or
 - other unattended vehicles unless all windows, doors, luggage compartment, boot, sunroof and windscreen are completely closed and securely locked.
- The **Company** shall not be liable for the loss of or damage to the **Personal Effects and Valuables** during the course of removal from the **Insured Premises** for the purpose of storage, cleaning, repair, renovation and maintenance or relocation to a new premises, unless specifically agreed upon by the **Company** in writing in advance.

EXTENSIONS TO SECTION 2

1. Accidental Damage to Mobile Phone

In cases of **accidental damage to the Insured's Mobile Phone** (model declaration required), the **Company** will reimburse the **Insured** for the costs of repairing the **Mobile Phone** by a repairer approved by the **Company** or, at the **Company's** sole discretion, replacing the **Mobile Phone** with a similar or like kind of model up to an amount not exceeding the market value of the **Insured's Mobile Phone** during each **Period of Insurance**.

Provided always that:-

- the **Company's** liability shall be limited to HK\$2,500 per claim and HK\$5,000 in aggregate during each **Period of Insurance**;
- the covers provided under this Extension are limited to two (2) **Mobile Phones** specifically declared in writing by the **Insured** per **Period of Insurance**; and
- the **Company** shall not cover any loss caused by any one of the following occurrences:
 - theft, burglary or robbery;
 - liquid damage.

In this Extension, "accidental damage to the **Insured's Mobile Phone**" shall mean respective internal and externally-visible breakage or destruction to the **Insured's Mobile Phone** that results from an external, unexpected and unforeseeable cause and impedes the correct functioning of the **Mobile Phone**.

2. Unauthorized Use of Credit Card and Cash Card

The **Company** will pay the **Insured** for actual loss arising out of unauthorized use of credit cards or cash reimbursement cards belonging to the **Insured** subject to an aggregate limit of HK\$5,000 during each **Period of Insurance**, provided the loss is reported to the local police authority and the card issuing company within twenty-four (24) hours of discovery.

3. Loss of Money and Personal Documents

The **Company** will reimburse the **Insured** for loss of passports, personal documents and the like, travellers' cheques, travel tickets, credit cards, manuscripts, securities, unused stamps, bullion and cash subject to an aggregate limit of HK\$3,000 during each **Period of Insurance**, provided that the loss or theft must be reported to the local police authority within twenty-four (24) hours of discovery.

SECTION 3 - LEGAL LIABILITY

The **Company** will subject to a maximum limit of HK\$10,000,000 in respect of any one claim or series of claims arising out of one event, and in aggregate during each **Period of Insurance**, indemnify the **Insured** against all sums for which the **Insured** may become legally liable to pay as a result of:

- accidental bodily injury to any third party (whether fatal or not); or
- accidental damage to property of any third party; occurring anywhere in **Hong Kong** or in another country where the **Insured** visits that other country for a temporary visit not exceeding sixty (60) days during each **Period of Insurance**, provided that the



Insured has been adjudicated as being so legally liable to pay such sums by the **Hong Kong** courts.

And Provided that the **Company** shall not be liable under this Section 3 for any sums which the **Insured** becomes legally liable to pay in respect of:

- (a) ownership, occupation or use of any land or building other than the **Insured Premises** specified in the **Schedule**;
- (b) bodily injury to any person who is the **Insured** or at the time of sustaining such injury is engaged in and upon the service of the **Insured**;
- (c) damage to property belonging to or in the charge of or under the control of the **Insured** or of a person in the service of the **Insured**, or to any property which could have been insured under Sections 1, 2 or 4 hereof;
- (d) bodily injury or damage arising out of or incidental to
 - (i) the **Insured's** profession or business or employment; or
 - (ii) the use of lifts, escalators, vehicles, watercraft or aircraft;
- (e) any liability of the **Insured** which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- (f) bodily injury and/or property damage to any person occurring within the common area of the main structural building (hereafter referred to as "**The Main Building**") in which the **Building** is located and forms a part thereof and the legal liability for such bodily injury and/or property damage attaches to or applies by operation of law to some or all of the owners of the **Main Building** except that in such event the **Company's** liability will be limited only to a sum that is equal to the total amount of court judgement for such bodily injury and/or property damage multiplied by a fraction which is equal to the **Insured's** share or part ownership interest as set out in title documents in the **Main Building** which can be subjected to judicial execution to satisfy the said court judgement;
- (g) bodily injury and/or property damage caused by, arising out of, aggravated by or resulting from **Fungi**, wet or dry rot, or bacteria. This exclusion includes any liability imposed on the **Insured** by any government authority for any loss or damage caused by, arising out of, aggravated by or resulting from **Fungi**, wet or dry rot, or bacteria.
- (h) any liability to any person who makes a claim because of bodily injury to any person who is in the care of the **Insured** because of child care services provided by or at the direction of the **Insured** or any other person actually or apparently acting on the **Insured's** behalf;
- (i) any liability arising out of any actual, alleged or threatened discrimination or harassment due to age, race, national origin, color, sex, creed, handicapped status, sexual preference or any other discrimination.
- (j) loss arising directly or indirectly out of wrongful termination of employment.
- (k) any liability for bodily injury arising out of loss of physical or mental control over one's body which may be attributable to (without limitation) any sickness, disease, nervous shock, insanity, mental disorder or any mental problem or any liability for bodily injury as a result of gradual physical or mental wear and tear or any gradual operating cause.
- (l) bodily injury or any liability whatsoever arising from transmission to any person of any communicable disease, bacteria, parasite, virus or other organism from any **Insured**. For the avoidance of doubt, communicable disease shall include any infectious disease for the purpose of this exclusion.

In addition, in respect of a claim to which the indemnity expressed in this Section applies, the **Company** will pay (as part of and not in addition to the indemnity amount under this Section):

- (a) all costs and expenses recovered by any claimant from the **Insured**; and
- (b) all costs and expenses incurred by the **Insured** with the written consent of the **Company**.

In the event of the death of the **Insured** the **Company** will, in respect of the liability incurred by the **Insured**, indemnify the **Insured's** personal representatives in accordance with the terms of and subject to the limitations of this Section provided that such personal representatives

shall as though they were the **Insured** observe, fulfil and be subject to the terms of this **Policy** so far as applicable.

SECTION 4 – BUILDINGS (valid ONLY IF selected as per schedule)

The **Company** agrees to indemnify the **Insured** by payment or at its option by reinstatement or repair against accidental physical loss of or damage to the **Buildings** provided that the **Company** shall not be liable in respect of:

- (a) loss of or damage to gates, hedges and fences caused by typhoon, storm or flood;
- (b) loss of or damage to swimming pools;
- (c) loss or damage sustained while the **Buildings** are unoccupied for more than sixty (60) consecutive days;
- (d) loss or damage resulting from theft or attempted theft :
 - i) caused by any of the **Insured**; or
 - ii) which occurs while any part of the **Buildings** is let, sub-let or loaned to anyone unless the **Buildings** show violent signs of entry or exit.
- (e) loss or damage due to falling trees or branches, telegraph poles or lamp-posts :
 - i) to fences, hedges or gates;
 - ii) caused by cutting down or trimming of trees and branches on your own property.
- (f) loss or damage due to smoke if arising from any gradually operating cause.

EXTENSIONS TO SECTION 4

This Section is extended to provide coverage for:

1. Costs and expense necessarily incurred by the **Insured** with consent of the **Company** in:
 - (a) removing debris
 - (b) dismantling and/or demolishing
 - (c) shoring up or propping upof a portion or portions of the **Buildings** destroyed or damaged by fire or by any other peril hereby insured against subject to a maximum limit of 5% of the **Sum Insured** under Section 4 specified on the **Schedule**.
2. Architects', Surveyors' and Consulting Engineers' Fees necessarily incurred in the reinstatement of the **Building** specified consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed the scale of charges of the respective professional body subject to a maximum limit of 5% of the adjusted amount of claim or HK\$100,000 whichever is the lesser.

EXTENSION TO SECTIONS 1 & 4

Landslip & Subsidence Extension

It is hereby agreed and declared that notwithstanding anything herein to the contrary the insurance under this **Policy** shall extend to cover loss of or damage to the **Insured Premises** directly caused by subsidence of the site or landslip, occurring within the **Period of Insurance** stated in the schedule but excluding:

- (a) loss or damage occasioned by or through or in consequence directly or indirectly of any of the following occurrences :
 - i) coastal erosion
 - ii) heave
 - iii) bedding down of structures or the settlement of made up ground within five (5) years of the completion of such works.
- (b) loss of or damage to paths, drives, fences, gates, boundary and retaining walls caused by subsidence and/or landslip.
- (c) unless otherwise specifically insured, the cost of removal of subsidence and/or landslip debris or the making good of the site following subsidence and/or landslip except in so far as is necessary to repair the property insured.
- (d) loss or damage directly occasioned by or through defective design or workmanship or the use of defective materials.
- (e) consequential or economic loss or damage of any kind or description.
- (f) the first HK\$10,000 or 10% of each and every loss, whichever is the greater, as ascertained after the application of any condition of average and occurring within each and every separate period



of seventy-two (72) consecutive hours during the currency of this **Policy**.

WARRANTED:-

- (a) The **Insured** shall maintain the property insured in sound repair and shall take all responsible steps to prevent damage from the perils covered hereby.
- (b) The **Insured** shall notify the **Company** immediately:
 - i) any excavation is commenced beneath, around or in the vicinity of the property insured. In such event the **Company** shall have the right to vary or cancel the cover provided under this **Policy**; or
 - ii) of the operation of an insured peril affecting any part of the site (whether or not the property insured is involved) or its nearby surroundings.

The **Company's** total liability under this extension shall not exceed the **Sum Insured** shown on the **Schedule** during each **Period of Insurance**.

MEMORANDUM

1. Replacement Cost Memorandum – Sections 1 & 2

It is hereby agreed that in the event the property insured under Sections 1 and/or 2 hereof is destroyed, damaged or lost, the basis upon which the amount payable under this **Policy** is to be calculated shall be the replacement or repair cost of the property so destroyed, damaged or lost, and the **Company** will pay not more than the smaller of the following amounts:

- (a) the full cost of repair or actual cost of replacement at time of loss, provided that replacement is made by same or similar condition but not better than its original condition when new; and
- (b) the declared value or specific limits as stated in this **Policy**.

Provided that the actual repair or replacement is completed within ninety (90) days from the date of loss or damage, unless otherwise agreed.

2. Reinstatement Value Memorandum – Section 4

It is hereby agreed that in the event of property insured under Section 4 hereof being destroyed or damaged the basis upon which the amount payable under this **Policy** is to be calculated shall be the cost of reinstatement of the property so destroyed or damaged, subject to the following special provisions and subject also to the terms and conditions of this **Policy** except in so far as the same may be varied hereby.

For the purposes of this **Policy**, 'reinstatement' shall mean the carrying out of the following work, namely:

- (a) where property is destroyed, the re-building of the property, if a building, or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its original condition when new.
- (b) where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its original condition when new.

SPECIAL PROVISIONS

- (a) The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the **Insured** subject to the liability of the **Company** not being thereby increased) must be commenced and carried out with reasonable despatch; otherwise no payment beyond the amount which would have been payable under this **Policy** if this Memorandum had not been incorporated therein shall be made.
- (b) When any property referred to under this Memorandum is damaged or destroyed in part only, the liability of the **Company** shall not exceed the sum representing the cost which the **Company** could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- (c) No payment beyond the amount which would have been payable under this **Policy** if this Memorandum had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
- (d) The items insured under Section 4 shall each be individually subject to the following Condition of Average, namely: If at time of reinstatement the sum representing the cost which would have been incurred in reinstatement if the whole of the property covered by such item had been destroyed exceeds the **Sum Insured** thereon at the breaking out of any fire at the

commencement of any destruction of or damage to such property by any other peril insured against then the **Insured** shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly.

- (e) No payment beyond the amount which would have been payable under this **Policy** if this Memorandum had not been incorporated therein shall be made if at the time of any destruction or damage to any property insured hereunder such property shall be covered by any other insurance effected by or on behalf of the **Insured** which is not upon the identical basis of reinstatement set forth herein.
- (f) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the **Policy** if this Memorandum had not been incorporated therein the rights and liabilities of the **Company** and the **Insured** in respect of the destruction or damage shall be subject to the terms and conditions of this **Policy**, including any Condition of Average therein, as if this Memorandum had not been incorporated therein.

3. An indemnity settlement basis will be applied under Sections 1& 2 if

- (a) claims are on clothing and **Furs**; or
- (b) the **Insured** decides not to reinstate, repair or replace the lost and/or damaged item.

which is subject to deduction for depreciation, wear and tear.

4. Pair & Set Clause

If there is a loss of an article which is part of a pair or set, the measure of the loss shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of the said article, but such loss shall not be construed to mean total loss of the pair or set.

5. Clauses and Warranties

Of the following clauses and warranties only those apply which are so indicated in the appropriate place in the **Schedule** and are each subject to the conditions of this **Policy**.

6. A13 – Mortgagee Clause – Section 4

Loss, if any, under this **Policy** shall be payable to the Mortgagees or Assignees as named in the **Schedule** to the extent of their interest.

It is hereby agreed that in the event of loss or damage, the **Company** will pay the Mortgagees or said Assignees to the extent to their interest but not exceeding the **Sum Insured** or the reinstatement value (less depreciation if any) of the property insured whichever is lower and that this insurance in so far as concerns the interest therein of the Mortgagees or said Assignees only shall not be invalidated by any act or neglect of the Mortgagor or Owner of the property insured, nor by anything whereby the risk is increased being done to, upon or in any building hereby insured, without the knowledge of the Mortgagees or said Assignees provided always that the Mortgagees or said Assignees shall notify the **Company** of any change of ownership or alteration or increase of hazard not permitted by this insurance so soon as any such change, alteration or increase shall come to their knowledge, and on demand shall pay to the **Company** the appropriate additional premium from the time when such increase of risk first took place.

And it is further agreed that whenever the **Company** shall pay the Mortgagees or said Assignees any sum for loss or damage under this **Policy**, and shall claim that as to the Mortgagor or Owner no liability therefore existed the **Company** shall at once be legally subrogated to all rights of the Mortgagees or said Assignees to the extent of such payment and the Mortgagees or said Assignees shall do and execute all such further or other acts, deeds, transfers, assignments, instruments and things as may be necessary or be reasonably required by the **Company** for the purpose of better effecting such subrogation, but such subrogation shall not impair the right of the Mortgagees or said Assignees to recover the full amount of their claim.

Provided that as between the **Company** and the Mortgagor or Owner of the property insured nothing contained in this clause shall in any way constitute or be deemed to constitute any waiver



of, or prejudice or affect any rights which the **Company** may have against the Mortgagor or Owner of the property insured, or lessen any obligations which may be imposed on the Mortgagor or Owner of the property insured either by or under this **Policy** or by law, and such rights and obligations shall as between the **Company** and the Mortgagor or Owner of the property insured remain in full force and effect.

The **Company** reserves the right to cancel this **Policy** at any time as provided by the terms thereof, but in such case this **Policy** shall continue in force for the benefit only of the Mortgagees or said Assignees for ten (10) days after notice to the Mortgagees or said Assignees of such cancellation, and shall then cease, and for the **Company** shall have the right on like notice to cancel this agreement.

7. Excess

It is hereby agreed that an excess is to be applied in respect of each and every claim with details as below :

Section	Excess	
	Non-water Damage	Water Damage
Section 1 (except Extensions 5-10) Section 2 Section 4	HK\$250	(a) HK\$250 if age of the Building is 25 years or below. (b) 10% of adjusted loss subject to a minimum of HK\$250 if age of the Building is over 25 years.
Extensions 5-10 to Section 1 Section 3	Nil	

GENERAL CONDITIONS

1. Words in masculine gender shall include the feminine.

2. Observance of **Policy** Terms

The due observance and fulfilment of the terms, conditions and endorsements of this **Policy** by the **Insured** in so far as they relate to anything to be done or complied with by him and the truth of the information set out in the Proposal Form shall be conditions precedent to any liability of the **Company** to make any payment under this **Policy**.

3. In the event of any happening which may give rise to a claim or in the case of loss under this **Policy**:

(a) Notice of **Company**

Upon knowledge of loss, the **Insured** shall give notice in writing thereof as soon as practicable to the **Company**.

(b) Notice to Police

In case of loss by burglary, robbery, theft or larceny, notice also must be given to the local police.

(c) Proof of Loss

The **Insured** shall file a Proof of Loss with the **Company** within thirty (30) days after the discovery of loss, unless such time is extended in writing by the **Company**. Upon the **Company's** request, the **Insured** shall submit (and, so far as is within his power, shall cause all other persons interested in the property and household members and employees to submit) to examination by the **Company**, a sworn statement duly signed by the **Insured** or such other persons as aforementioned referring to the loss, and produce for the **Company's** examination all pertinent records at such reasonable times and places as the **Company** may designate, and shall co-operate with the **Company** in all matters pertaining to the loss.

(d) Non-admission

The **Insured** shall not make any admission of liability or enter into any settlement or compromise of a loss without obtaining the written consent of the **Company**.

(e) The **Insured** 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 the like consent.

(f) Payment of Loss

Each claim for loss shall be adjusted separately and from the amount of each loss, when determined, the applicable excess amount stated in this **Policy** shall be subtracted. No loss shall be paid hereunder if the **Insured** has collected the same from others.

(g) Bailees not to benefit by this insurance

This **Policy** shall not accrue directly or indirectly to the benefit of any carrier or bailee.

4. General Exclusions

The insurance with respect to this **Policy** shall not apply to damage / losses of or caused directly or indirectly, wholly or partly by-

(a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power, or requisition or destruction or damage to property by or under the order of any Government or Public or Local Authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act, except any damage done by the Hong Kong Fire Services Department in the execution of its duties on the occasion of a fire and on the occasion of other incidents that may develop into a real fire situation; or confiscation or nationalization.

(b) any losses directly or indirectly caused by or arising from or in consequence of or contributed to by:

i) nuclear weapons material or nuclear incident;
ii) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and, solely for the purpose of this exception combustion shall include any self-sustaining process of nuclear fission.

(c) pressure waves caused by aircraft and other aerial device.

(d) i) **Valuables**, special equipment or apparatus used in connection with any profession, business or employment, or items which are insured under a separate policy;

ii) accidental damage or breakage to sports, or medical equipment whilst in use;

iii) breakage of strings, reeds of drumheads of musical instrument from any cause or loss or damage to **Musical Instruments** while in transit, unless they are packed in a suitable container;

iv) contents on roof or in open area including but not limited to aerial devices or satellite dish;

v) contact or corneal lenses, mobile / portable telephone / CT-2 except as provided for under the Accidental Damage to Mobile Phone Extension to Section 2;

vi) overwinding, denting or internal damage of clocks or watches;

vii) property under a contract of affreightment while aboard any ship or during loading or unloading therefrom;

viii) property on exhibition on fairgrounds or on the premises of any national or international exposition unless such premises are specially described herein;

ix) bonds, bills of exchange, cash, cheques, promissory notes, postal or money orders, record or book or similar tokens, luncheon vouchers, stored value cards, credit cards, deeds, documents of title, manuscripts, medals, passports, personal documents and the like, share certificates and travel tickets unless specifically covered

x) automobiles, bicycles, tricycles, motorcycles, aircrafts, boats or other vehicles (except baby carriages and invalid chairs), or their equipment or furnishings except when removed from the vehicle and actually in the premises.

xi) the marring or scratching of any property or breakage of eyeglasses, hand mirrors, glassware, statues, marble, bric-a-brac, porcelain and similar fragile articles unless such marring, scratching or breakage is caused by theft, burglary or robbery or attempt thereof, vandalism, malicious mischief, fire, lightning, windstorm, cyclone, tornado, hurricane, earthquake, flood, explosion, falling

- aircraft, riot, strike, collapse of building or accident to transporting vehicle other than an overseas vessel.
- xii) loss or damage caused to films, tapes, cassettes, cartridges or discs other than for their value as unused material or the maker's latest list price for pre-recorded material
- xiii) any properties which have been insured under any other policy.

(e) **Uninsurable / Uninsured risk.**

- (f) malicious damage or vandalism by any person lawfully in the **Insured Premises**; any loss resulting from the wilful act of an **Insured** or of any Domestic Servant of an **Insured** living or working in the premises.
- (g) detention, seizure, confiscation, commandeering, requisition, destruction or damage by customs or other government officials of **Hong Kong** or other countries.
- (h) loss or damage to electrical apparatus caused by electricity other than lightning, unless fire results and then only for loss or damage by such resultant fire.
- (i) loss or damage caused by fading, thinning, handling, tearing, creasing, aridity, dampness of atmosphere or extremes of temperature, seepage of water due to typhoon, windstorm or rain; against deterioration, moth, vermin and inherent vice, damage to property caused by or directly resulting from any work thereon in the course of a process of washing, cleaning, dyeing, alteration, restoration, maintenance, refinishing, retouching, renovating or repairing.
- (j) consequential loss or damage of any kind whatsoever except as provided for under the Temporary Accommodation Extension to Section 1.
- (k) loss resulting from unexplained or mysterious disappearance or shortage disclosed on periodic checking.
- (l) loss or damage caused by chewing, scratching, tearing or fouling by the **Insured's** domestic pets (not applicable to Section 3).
- (m) i) any unlawful construction, renovation, alteration, or decoration work of any kind on the **Buildings**.
ii) construction, renovation, alteration, or decoration work on the **Buildings**, unless the same is notified to the **Company** and the same specifically agreed to in advance by the **Company** in writing.
- (n) any landslip, subsidence or erosion except as provided for under the Landslip & Subsidence Extension to Section 1&4.

5. Meaning of Words and Terms of this **Policy**

- (a) "**Accident**" shall mean an unforeseen and involuntary event which causes an **Injury**. And that such event occurs after the effective date of the benefit of the Personal Accident Extension to Section 1 hereunder.
- (b) "**Buildings**" shall mean the private dwelling, residential flat, stable, garage and all outbuildings of the **Policyholder** and the Owner and Landlord's fixtures and fittings therein and the walls, gates and fences around and pertaining thereto and all other domestic improvements of a structural nature situated at the **Insured Premises** shown in the **Schedule** and unless specifically mentioned the **Buildings** are deemed declared by the **Policyholder** to be constructed of brick, stone, concrete or reinforced concrete and roofed with concrete, reinforced concrete, slate, tile, metal, asbestos or a combination of asbestos and other combustible mineral ingredients. Provided that for the purpose of Section 4, the **Buildings** shall be deemed to exclude:
 - i) any property not belonging to the **Insured** or for which he is not legally responsible;
 - ii) any property the value of which is or can be included in the **Total Sum Insured** under Sections 1 and/or 2.
- (c) "**Fungi**" shall mean any type or form of fungus, including but not limited to, all forms of mold or mildew, and any mycotoxins, spores, scents, vapors, gas, or substance, including any byproducts, produced or released by **Fungi**.
- (d) "**Hong Kong**" shall mean the Hong Kong Special Administrative Region or the HKSAR.
- (e) "**Household Contents**" shall include furniture (whether fixed onto the wall), household goods, home appliances, fixtures,

fittings including but not limited to doors, gates and windows attached to or within the **Insured Premises** belonging to the **Insured**, excluding:

- i) property more specifically insured under another policy;
- ii) any part of the structure or ceilings of the **Buildings**, wallpapers, wall paint and the like;
- iii) any property the value of which is included in the **Total Sum Insured on Buildings** under Section 4.
- (f) "**Injury**" shall mean bodily injury sustained accidentally by external means caused solely by **Accident** and independent of any other cause and not therefore due to illness or disease while this insurance is in force.
- (g) "**Insured**" shall apply to the following persons :-
 - i) the **Policyholder** ;
 - ii) if residents of the **Policyholder's** household – the **Policyholder's** spouse, children, parents and other relatives who normally live with the **Policyholder** in the **Insured Premises**.
- (h) "**Insured Premises**" shall mean the **Insured Premises** specified under the **Schedule**.
- (i) "**Mobile Phone**" shall mean portable personal use hand-held telephone, blackberry, smart phone and PDA that connects with the telephone network over radio wave transmission.
- (j) "**Period of Insurance**" shall mean the **Period of Insurance** specified under the **Schedule**.
- (k) "**Personal Effects**" shall mean personal belongings normally worn or carried by the **Insured**.
- (l) "**Policyholder**" shall mean the policy holder specified under the **Schedule**.
- (m) "**Schedule**" shall mean the **Schedule** attached to and forming part of this **Policy**.
- (n) "**Sum Insured**" and "**Total Sum Insured**" shall mean those respective limit of liability as so specified and shown on the **Schedule**.
- (o) "**Valuables**" shall be deemed to include without limitation, gold, silver, platinum, precious stones, **Jewellery**, **Fine Arts**, wine, vintage wine, watches, **Furs**, **Silverware**, **Stamps and Coins**, antiques, photographic equipment, chinaware, crystal items or collection, binoculars, curios, portable audio / video equipment, **Camera**, **Collectibles** and **Musical Instruments** (except pianos) belonging to the **Insured**.
 - i) "**Jewellery**" shall mean an article of personal adornment containing gemstones, silver, gold, platinum or other precious metals or alloys.
 - ii) "**Fine Arts**" shall mean non-fragile items of historical value or artistic merit including private collections of paintings, etchings, pictures, tapestries, rugs and other bona fide works of arts.
 - iii) "**Furs**" shall mean garments made of trimmed in or consisting principally of fur.
 - iv) "**Silverware**" shall mean sterling silver, gold, pewter or plated ware, including tableware, trays, trophies and similar household articles other than **Jewellery**.
 - v) "**Stamps and coins**" shall mean stamps and/or coins contained in an individually owned stamp and/or coin collection and not owned by dealers or auctioneers.
 - vi) "**Musical instruments**" shall mean musical instruments and equipment (except pianos).
 - vii) "**Cameras**" shall mean cameras, projection machines, films and related equipment.
 - viii) "**Collectibles**" shall mean private collections of rare, unique or novel items of personal interest including but not limited to dolls, banks, guns, model trains, including memorabilia.
- (p) "**Uninsurable / Uninsured Risks**"
 - i) scratching, denting, rust, corrosion, wear and tear or depreciation,
 - ii) wood worm, beetle, moth, insects or vermin;



- iii) **Fungi**, wet or dry rot, or bacteria, meaning the presence, growth, proliferation, spread or any activity of Fungi, wet or dry rot or bacteria. Whenever **Fungi**, wet or dry rot, or bacteria occur, the **Fungi**, wet or dry rot, or bacteria and any resulting loss is always excluded under this **Policy**, however caused. In addition, there is no coverage to test for, monitor, clean up, remove, remediate, contain, treat, de-toxify, neutralize, or in any way respond to, or assess the effects of, **Fungi**, wet or dry rot, or bacteria;
 - iv) mechanical or electrical fault or breakdown,
 - v) any process of cleaning, dyeing, renovation, re-styling repairing or restoring,
 - vi) any other gradual operating cause,
 - vii) infidelity or dishonesty on the part of the **Insured** or any of the **Insured's** employees,
 - viii) shrinkage, evaporation, loss of weight, contamination, change in flavour, colour, texture of finish, action of light,
 - ix) animals, plants or any kinds of living organism / creature.
- 6. Jurisdiction Clause
The indemnity provided by this **Policy** shall not apply in respect of judgements which are not in the first instance delivered by or obtained from a court of competent jurisdiction within **Hong Kong**, nor to orders obtained in the said court for the enforcement of judgements made outside **Hong Kong**, whether by way of reciprocal agreements or otherwise.
- 7. Salvage
The **Company** may pay for the loss in money or for the cost of repair or replacement of the property and may settle any claim for loss of property either with the **Insured** or the owner thereof in accordance with this **Policy**. Any property so paid for or which is replaced shall become the property of the **Company**. The **Insured** or the **Company**, as the case may be, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the **Insured** shall be entitled to the property upon reimbursing the **Company** for the amount so paid or the cost of replacement. Application of the insurance to property of more than one person shall not operate to increase the limit of the **Company's** liability for any one occurrence.
- 8. Reasonable Precautions
The **Insured** shall –
 - (a) use all reasonable diligence and care to keep the **Insured Premises** in a proper state of repair and if any defect therein be discovered shall cause such defect to be made good as soon as possible and shall in the meantime cause such additional precautions to be taken for the prevention of injury, loss or damage as the circumstances may require and the **Company** shall not be liable for any injury, loss or damage caused by a defect which the **Insured** has failed to remedy after having received notice of such defect either from the **Company** or any person or public body; and
 - (b) exercise all reasonable precautions for the maintenance and safety of the property insured; and
 - (c) take all reasonable precautions to minimise any injury, loss or damage which may occur and to take all reasonable steps to recover any property lost.
- 9. Control of Claims
The **Company** shall be entitled –
 - (a) to indemnify the **Insured** by payment or at its option by reinstatement, repair or replacement;
 - (b) on the happening of any loss or damage for which indemnity is provided under Sections 1, 2 and/or 4, to enter any building where the loss or damage has happened, to take and keep possession of the property insured and to deal with the salvage in a reasonable manner under this **Policy** or any copy thereof certified by the **Company**, shall be proof of leave and licence for such purpose but no property may be abandoned to the **Company**;
 - (c) to pay at any time to the **Insured** the Limit of Liability provided under Section 3 - Legal Liability or any lesser amount for which any claim or claims can be settled and upon such payment the **Company** shall relinquish conduct and control 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.

- 10. Arbitration
If any differences arise as to the amount to be paid under this **Policy**, such differences shall be settled by arbitration under the Arbitration Ordinance and subsequent amendments thereof. 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 shall be a condition precedent to any right of action or suit upon this **Policy** that an arbitration award shall be first obtained. The place of arbitration shall be in **Hong Kong** at the Hong Kong International Arbitration Centre.
- 11. Misrepresentation and Fraud
Any **Policy** issued hereunder shall be void if the **Insured** conceals or misrepresents any material fact or circumstance concerning this **Policy** or the subject thereof; or in case of any fraud or false swearing by the **Insured** regarding any matter relating to this **Policy** or the property insured, whether such be done before or after a loss has occurred. The **Company** shall have no liability in respect of any claims whatsoever under this **Policy** if any claim is made under this **Policy** where fraudulent means or devices are used to obtain compensation.
- 12. Assignment of Interest
Assignment of Interest under this **Policy** shall not bind the **Company** unless its consent is endorsed hereon. The **Company** has no obligation to consent to any assignment.
- 13. Action against the **Company**
No action, suit or proceeding shall lie against the **Company** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this **Policy**, nor until sixty (60) days after the required proofs of loss have been filed with the **Company**. No action, suit or proceeding for the recovery of any claim under this **Policy** shall be maintainable in any court of law or equity unless the same be commenced within twelve (12) months next after the calendar date of the happening of the physical loss out of which the said claim arose. Provided, however, that if by the laws of the state or country within which this **Policy** is issued such limitation is invalid, then any such claim shall be voided unless such action, suit or proceeding be commenced within the shortest limit of time permitted, by the laws of such state or country, to be fixed herein.
- 14. Cancellation Provision
This **Policy** may be cancelled at any time at the request of the **Policyholder** in writing to the **Company** and the refund premium, if any, shall be calculated in accordance with the Short Term Premium Refund Table set out below and subject to minimum retaining premium HK\$888. The date of cancellation shall be the date the **Company** actually receives the said request in writing.
Short Term Premium Refund Table: Provided no claim has arisen during the **Period of Insurance** already covered by the annual premium concerned, the **Insured** shall be entitled to a refund of that premium paid as below:

Period Covered (not exceeding)	Premium Refund
1 month	90%
2 months	80%
3 months	70%
4 months	60%
5 months	50%
6 months	40%
7 months	30%
8 months	20%
9 months	10%
Over 9 months	Nil

The **Company** is also entitled to cancel this **Policy** upon giving to the **Policyholder** thirty (30) days notice in writing at his last known address and the premium shall be adjusted on the pro-rata



basis. The date of cancellation shall be the date stipulated in the said notice in writing.

15. Other Insurance

Subject to all other applicable conditions appearing in this **Policy**, the **Company** shall not be liable for loss if, at the time of loss, there is any other insurance which would attach if this **Policy** had not been effected, except that the coverage provided for under this **Policy** shall apply only as excess and in no event as contributing insurance, and then only after all other insurance has been exhausted.

16. Subrogation

If the **Company** shall make any payment or otherwise make good any loss applying under this **Policy**, it shall be subrogated to all the **Insured's** rights of recovery against any other person or persons and the **Insured** shall complete, sign and deliver any documents necessary to secure such rights. The **Insured** shall not take any action following a loss to prejudice such rights of subrogation.

17. Burden of Proof

In any action, suit or other proceedings where the **Company** alleges that by reason of the provisions of any exclusions which may be applicable, any loss, destruction or damage is not covered by this **Policy**, the burden of proving that such loss, destruction or damage is covered shall be upon the **Insured**.

18. Maintenance of **Sum Insured**

The **Insured** shall at all times maintain the **Sum Insured** at a level which represents:

- (a) the full replacement value of the property insured under Sections 1 and 2 at the Inception of this **Policy**.
- (b) the full reinstatement cost of the Building under Section 4 at the time of loss or damage.

Should the **Sum Insured** be less than the said Full reinstatement cost or 90% of the said full replacement value, the **Insured** shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly.

In the event of payment by the **Company** for any loss insured under any section of the **Policy**, the **Sum Insured** for such section shall thereafter be automatically reduced by the amount of such payment, inclusive of any applicable excess.

19. Data Recognition Exclusion

(a) The **Company** will not pay for damage or consequential loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment or media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the **Insured** or not, and whether occurring before, during or after the year 2000 that results from the inability to:

- i) correctly recognize any date as its true calendar date;
- ii) capture, save, or retain and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; and/or
- iii) capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.

(b) It is further understood that we will not pay for the repair or modification of any part of a electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

(c) It is further understood that we will not pay for damage or consequential loss arising from the failure, inadequacy, or malfunction of any device, consultation, design evaluation, inspection installation, maintenance, repair or supervision done by you or for you or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in (a) above.

Such damage or consequential loss described in (a), (b) or (c) above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This exclusion shall not exclude subsequent damage or consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: fire, lightning, explosion, aircraft or impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

20. Personal Data (Privacy) Ordinance

The **Insured** agrees that:

- (a) the personal data collected during the application process or administration of this policy may be used by AIG HK for the purposes stated in its Data Privacy Policy, which include underwriting and administering the insurance policy being applied for (including obtaining reinsurance, underwriting renewals, data matching, claim processing, investigation, payment and subrogation).
- (b) AIG HK may use the **Insured's** contact details (name, address, phone number and e-mail address) to contact him/her about other insurance products provided by the AIG group (assuming AIG HK has obtained the agreement of the **Insured** to use such contact details for this purpose).
- (c) AIG HK may transfer the personal data to the following classes of persons (whether based in Hong Kong or overseas) for the purpose identified:
 - i) third parties providing services related to the administration of this policy, including reinsurers (per (a) above);
 - ii) financial institutions for the purpose of processing this policy and obtaining policy payments (per (a) above);
 - iii) in the event of a claim, loss adjustors, assessors, third party administrators, emergency providers, legal services providers, retailers, medical providers and travel carriers (per (a) above);
 - iv) for the purpose of conducting direct marketing activities (per (b) above), marketing companies authorized by the AIG group;
 - v) another member of the AIG group (for all of the purposes stated in (a) and (b)) in any country; or
 - vi) other parties referred to in AIG HK's Data Privacy Policy for the purposes stated therein.
- (d) The **Insured** may gain access to, or request correction of his/her personal data (in both cases, subject to a reasonable fee), or change the option he/she previously elected in relation to the use of his/her contact details for direct marketing at any time, by writing to the Privacy Compliance Officer of AIG Insurance Hong Kong Limited at GPO Box 456 or cs.hk@aig.com. The same addresses may be used to contact AIG HK with any comments in relation to the services it provides. The full version of AIG HK's Data Privacy Policy can be found at www.aig.com.hk.

21. Sanctions Exclusion

The **Company** will not be liable to provide any coverage or make any payment hereunder if to do so would be in violation of any sanctions law or regulation which would expose the **Company**, its parent company or its ultimate controlling entity to any penalty under any sanctions law or regulation.

22. Governing Law

The insurance contract of which this **Policy** forms part is subject to the laws of **Hong Kong**.

Copyright in this Policy is reserved. No part of this Policy may be reproduced in whole or part without the express consent of AIG Insurance Hong Kong Limited.

AIG INSURANCE HONG KONG LIMITED
46/F, One Island East, 18 Westlands Road,
Island East, Hong Kong
Tel: 3666-7033 Fax: 2832-9514