

**Allianz Global Corporate & Specialty SE**  
(incorporated in the Federal Republic of Germany with limited liabilities)  
**Hong Kong Branch**

# BusinessTrust Plus Insurance Policy

**Allianz Global Corporate & Specialty SE**  
(incorporated in the Federal Republic of Germany with limited liabilities)  
**Hong Kong Branch**

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## Introduction

Thank you for insuring with Allianz.

Please read this Policy carefully to make sure that You have the cover You need.

The "Policy Schedule" shows the Sections of the Policy You have chosen, the applicable coverage Extensions, the sums insured and sublimits and any special terms that apply to this Policy.

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

## Personal Information Collection Statement

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

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

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

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

The information You give Us is on a voluntary basis (subject always to Your duty of making full and frank disclosure). However, failure to supply information may result in Our being unable to process Your application/claim and We shall not be responsible nor be held liable for any loss and damage that may be caused or occasioned to You in anyway whatsoever howsoever arising as a result of any failure due to such reason. You have the right to obtain access to and to request correction of any personal information concerning Yourself (including Your employees where applicable) held by Us but We have the right to charge a reasonable fee for the processing of any data access request. Request for such access shall be made in writing and addressed to Allianz Global Corporate & Specialty SE (incorporated in the Federal Republic of Germany with limited liabilities) Hong Kong Branch. In case You may at any time choose, which You are entitled to, not to receive Our promotional materials, You should notify Us in writing.

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

If You provide Us with Personal Data about another person, You confirm that You have obtained their consent to the processing and transferring of their Personal Data to Us and that You have informed them of Our identity and the purposes (as set out above) for which their Personal Data will be processed and used by Us.

## The Policy

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

The Allianz BusinessTrust Plus Insurance Policy is an insurance contract between Allianz Global Corporate & Specialty SE Hong Kong (incorporated in the Federal Republic of Germany with limited liabilities) Hong Kong Branch and You. The contract is evidenced by this document with the "Policy Schedule" attached.

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

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## Preface to Policy Wording

The information supplied by you or on your behalf to us whether in writing or otherwise shall be the basis of this Policy of insurance.

The word "Insured" means the Named Insured shown in the "Policy Schedule" and any persons or organization that may qualify as such, if any, under any "Insured" Definition within each Coverage Section.

Throughout this Policy the words [Named Insured], [Insured], [you], [your] and [yours] refer to the Named Insured shown in the "Policy Schedule". The words [Insurer], [Company], [we], [us], [our], [ours] and [ourselves] refer to Allianz Global Corporate and Specialty SE (incorporated in the Federal Republic of Germany with limited liabilities) Hong Kong Branch.

Words and phrases in quotation marks have special meaning and may be defined in the GENERAL DEFINITIONS section or in the DEFINITIONS portion of each Coverage Section provided in this Policy.

This Policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this Policy shall be deemed to be waived in whole or in part by us unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by us.

We, in consideration of the payment of the premium, in reliance upon the statements in the "Policy Schedule" forming part of this Policy and subject to all the terms and conditions of this Policy and the riders and endorsements attached, agree with you as follows:

## General Conditions and Exclusions and Definitions

All Coverage Sections included in this Policy are subject to the following General Policy terms, conditions, exclusions and definitions included in this Policy Section unless these conditions are either modified or supplemented in the specific Coverage Sections or endorsement(s) attached and forming part of this Policy.

### General Conditions

#### 1. Period of Insurance

The insurance coverage afforded under this Policy will be effective commencing on the inception date and terminating on following day of the expiration date shown in the "Policy Schedule", both days at 12:01 standard time at the address of the "Insured", provided, however, that such expiration date may be modified in accordance with the condition of the Policy.

#### 2. Jurisdiction Clause

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

#### 3. Currency

All Sum Insureds, Limits of Insurance, premiums and other amounts as expressed in this Policy or shown on the "Policy Schedule" are in Hong Kong Dollars (HKD), unless otherwise specified in the "Policy Schedule".

#### 4. Limits of Insurance

The Insurer's liability for any amount payable under this Policy for each and every loss or liability shall not exceed the Limits as shown in the "Policy Schedule" applicable to each section. Except where provided for specifically in any section, the Limits of Insurance shall be inclusive of the excess/deductible as shown in the "Policy Schedule" for the applicable Period of Insurance, and is also, where applicable, inclusive of all costs and expenses; including all costs and expenses we incur or which we incur on your behalf in defending any claim.

An aggregate limit, when applicable, is the most we will pay during the Period of Insurance for the corresponding coverage.

#### 5. Excess/Deductible

Where an excess/deductible is shown in the "Policy Schedule" for the applicable Policy Section, Coverage or Peril Insured, the excess/deductible is the first part of all compensation and costs and expenses to be paid by the "Insured" before the Insurer shall be liable to make any payment in terms of this Policy.

In the event that the Company pays part or all of the excess/deductible in settlement of a claim, the "Insured" will promptly reimburse the Company upon notification.

#### 6. Blank Insured amounts

If in the "Policy Schedule" the Sum Insured, Limits of Insurance, Sublimit or the compensation amounts are:

- a. left blank or have no monetary amount stipulated against it, or
- b. are reflected as [Nil] or [Not applicable] or [Not covered] or [No Indemnity extended];

this shall mean that the defined events or circumstances shown in the "Policy Schedule" are not insured by this Policy.

#### 7. Headings and Titles of Paragraphs

The headings and titles of paragraphs in this Policy are included for descriptive purposes only and do not form part of this Policy for the purpose of its construction or interpretation.

#### 8. Interpretation Clause

This Policy and the "Policy Schedule" shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the "Policy Schedule" shall bear such meaning wherever it may appear.

#### 9. Representations

By accepting this Policy, the "Insured" agrees that:

- a. The statements in the "Policy Schedule" are accurate and complete;
- b. Those statements are based upon the "Insured's" representations to the Insurer; and
- c. The Insurer has issued this Policy in reliance upon those representations, written or otherwise, made by the "Insured" or on the "Insured's" behalf.

#### 10. Misrepresentation or Non-Disclosure

This Policy shall be voidable ab initio without any prior written notice in the event of misrepresentation, misdescription or nondisclosure of any material fact.

#### 11. Inspections, Surveys and Audits

The Insurer has the right but is not obligated to:

- a. make inspections and surveys at any time;
- b. give you reports on any conditions that we find; and
- c. recommend changes

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. The Insurer does not warrant that conditions:

- a. are safe or healthful; or
- b. comply with laws, regulations, codes or standards

This condition applies not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on the Insurer's behalf.

The Insurer may examine and audit your books and records as they relate to this Policy, at any time during the Period of Insurance and up to three years after the expiration of this Policy. Any premium due for exposures that exist but were not reported will be determined by our audit. The Insurer will compute such premiums in accordance with our rules, rates and rating plans in effect as of the inception date of the Policy.

## 12. Change of Risk

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

- a. any merger with or acquisition of another company or "Business".
- b. the "Insured" or any subsidiary or the holding company of the "Insured" being placed in voluntary liquidation, receivership or liquidation or entering into a composition with its creditors or being unable to pay its own resources.
- c. the "Insured's" interest ceasing other than by a will or the operation of the law.
- d. any material change in the nature of the "Business" or in the number of "Insured's" employees.

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

## 13. Duty of Care

The "Insured" must:

- a. take reasonable steps to prevent:
  - i. any loss, destruction, damage, injury, illness, disease and to maintain all insured "Premises" (including fittings and plant) owned or occupied in sound condition;
  - ii. Any "Personal Injury" and/or "Property Damage";
  - iii. any manufacture, sale or supply of defective products.
- b. at its own expense, take reasonable action to trace, recall or modify any products containing any defect or deficiency which defect or deficiency the "Insured" has knowledge of or has reason to suspect.
- c. comply with all statutory regulations and obligations.
- d. ensure that the workers, servants and agents of the "Insured" comply with all statutory obligations, by-laws or regulations which provide for the safety of persons and property.
- e. exercise reasonable care in the selection and supervision of employees, ensuring that only competent workers are employed.

## 14. Warranties

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

## 15. Security Protection Warranty

The "Insured" warrants that all security protection, under the "Insured's" control, existing at the "Premises" at the inception of this insurance or subsequently installed or fitted at the Insurer's request:

- a. be kept in force and maintained in proper working order throughout the currency of this insurance;
- b. shall not be varied or altered in any way, without the consent of the Insurer; and

- c. shall be in full and proper working conditions, at all times, when the "Premises" are closed to "Business" or left unattended.

## 16. Premium Payment

It is hereby agreed and declared that if the Period of Insurance is 90 days or more, any premium due must be paid and actually received in full by the Company (or the intermediary through whom this Policy was effected) within 90 days of the:

- a. inception date of the coverage under the Policy, Renewal Certificate or Cover Note; or
- b. effective date of each Endorsement, if any, issued under the Policy, Renewal Certificate or Cover Note.

In the event that any premium due is not paid and actually received in full by the Company (or the intermediary through whom this Policy was effected) within the 90 days period referred to above, then:

- a. the cover under the Policy, Renewal Certificate, Cover Note or Endorsement shall be deemed to be cancelled immediately after the expiry of the said 90 days period;
- b. the deemed cancellation of the cover shall be without prejudice to any liability incurred within the said 90 days period; and
- c. the Company shall be entitled to a pro-rata time on risk premium subject to a minimum retained premium of:
  - i. HK\$500 for Section VI –Employee's Compensation; and
  - ii. HK\$1,000 for the remaining Policy Sections.
 plus all other applicable levies, surcharges, taxes and the like as specified in the "Policy Schedule"

The minimum retained premium is considered to be fully earned by the Company and is not refundable.

If a claim has occurred within the said 90 day period, the pro-rata time on risk premium amount or the minimum retained premium, whichever the greatest, will be deducted from any claim payment.

If the Period of Insurance is less than 90 days, any premium due must be paid and actually received in full by the Company (or the intermediary through whom this insurance was effected) within the Period of Insurance. Claims will not be admitted for Policies with less than 90 days periods if premium has not been received by the end of the Period of Insurance.

## 17. Cancellation

This Policy may be cancelled at any time by the "Insured", provided that no claim has been made under this Policy.

The "Insured" shall be entitled to a refund of the difference of premium between the premium paid and the premium calculated at the Short Period Cancellation Rates (as shown in the Table hereunder) for the period for which this Policy has been in force. For Policies with Period of Insurance other than 12 months, the refund according to the Short Period Cancellation Rates Table will be pro-rated based on the length of such Period of Insurance.

The Company may cancel this Policy or any Section by sending seven (7) days' notice by recorded delivery letter or registered letter to the "Insured's" last known address and in such event will return to the "Insured" the premium paid less the pro-rata portion thereof for the period for which this Policy has been in force.

## 18. Short Period Cancellation Rates Table

(% of premium to refund)			
Only applies to policies with a Period of Insurance equal to 12 months			
Time-on-Risk	Refund	Time-on-Risk Refund	Refund
Less than 1 month	90%	Exceeding 4 months, but not exceeding 5 months	50%
Equal to 1 month	90%	Exceeding 5 months, but not exceeding 6 months	40%
Exceeding 1 month, but not exceeding 2 months	80%	Exceeding 6 months, but not exceeding 7 months	30%
Exceeding 2 months, but not exceeding 3 months	70%	Exceeding 7 months, but not exceeding 8 months	20%
Exceeding 3 months, but not exceeding 4 months	60%	Exceeding 8 months	0

## 19. Records and Premium Adjustments

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

## 20. Rights and Responsibilities After a Loss

- a. The Company (including its appointed representatives or professional advisers) has the right to enter into any building in which loss, destruction or damage has occurred and deal with the salvage. However no property may be abandoned to the Company.
- b. The "Insured" must do and allow to be done anything to minimize any loss, destruction or damage or interruption of "Business" which may be the subject of a claim under this Policy.
- c. Where the loss is due to malicious acts, burglary, robbery, theft or attempt thereof, or is suspected to be so due, the "Insured" shall give immediate formal notice to the police or other authorities having jurisdiction and shall have a valid record of such notification.
- d. The "Insured" or any one acting on its behalf must not make any fraudulent, false or exaggerated claims; otherwise the Company shall be under no obligation to make any payment under this Policy.
- e. The Company may at its own option repair, replace or reinstate any lost or damaged item or part thereof, or pay the amount of the loss or damage in money.
- f. The Company may take over and deal in the "Insured's" name for the defence or settlement of any claim, or take proceedings in the "Insured's" name. The Company's expenses or recovery are factored into any payment made under this Policy.
- g. Any other person entitled to claim the benefit of this Policy must also observe its terms and conditions.

## 21. Insured's Duties After a Loss

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

- a. Notify the Company immediately if any event occurs which may give rise to a claim under this Policy.
- b. In the event of any loss of or damage to insured property, the "Insured" must, if the loss or damage is covered by this Policy:
  - i. deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
    - (a) giving a complete inventory of that property and showing in detail quantities and cost of that property and particulars of the amount of loss claimed,
    - (b) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the "Insured" knows or believes,
    - (c) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the "Insured",
    - (d) stating the amount of other insurances and the names of other insurers,
    - (e) stating the interest of the "Insured" and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
    - (f) stating any changes in title, use, occupation, location, possession or exposure of the property since the contract was issued, and
    - (g) stating the place where the insured property was at the time of loss.
  - ii. if required by the Insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property.
  - iii. if required by the Insurer and if practicable,
    - (a) produce books of accounts and inventory lists,
    - (b) furnish invoices and other vouchers verified by statutory declaration, and
    - (c) furnish a copy of the written portion of any other relevant contract.

- c. In the event of any "Personal Injury" to any individual and/or loss of or damage to property for which the "Insured" may become legally liable:
- i. The "Insured" must not make any payment, assume any obligation, or incur any expense without the Company's prior consent.
  - ii. The "Insured" must not make any admission of liability, or any offer, promise or payment without the prior written consent of the Company.
  - iii. Within 30 days, report in writing to the Company giving full details of any incident which may result in a claim under this Policy. Such notice must provide the details of how, when and where the incident giving rise to the claim took place including:
    - (a) the names and addresses of any injured persons and witnesses;
    - (b) the nature and location of any injury or damage arising out of the incident that gave rise to the claim; and
    - (c) all other relevant details;
  - iv. Forward to the Company every writ, summons, legal process or other communications in connection with the claim, immediately upon receipt. Give the Company notice in writing immediately when the "Insured" becomes aware of any intention to prosecute the "Insured", any impending prosecution inquest or any inquiry in connection with any occurrence which may give rise to a claim under this Policy.
  - v. The "Insured" must not retain any unaltered and unrepaired machinery, plant, appliances or things in any way causing or connected with any event which might give rise to a claim under this Policy for such time as the Company may reasonably require.
  - vi. Upon the Company's request the "Insured" must:
    - (a) authorize the Company to obtain records and other information, cooperate with the Company in the investigation, settlement or defense of the claim; and
    - (b) assist the Company in the enforcement of any right against any person or organization which may be liable to the "Insured" because of "Personal Injury" or "Property Damage" to which this insurance may also apply.
- d. In the event of any loss of "Money", if the loss is covered by this Policy:
- i. Give all necessary information and assistance which the Company may require, including written details of the claim the "Insured" wishes to make, and all relevant supporting documents.
  - ii. Notify the police of the followings as soon as reasonably possible and in any case within 7 days:
    - (a) the fact that any insured property has been lost other than in the "Insured's" "Premises"; and
    - (b) loss or damage caused by theft, rioters or malicious persons.

## 22. Payment on Account

In the event of the occurrence of a loss covered under this Policy, the Company may approve an advance payment on account in respect of such loss at the request of the "Insured" and with the loss adjuster's recommendation.

## 23. Sole Representative

The "Named Insured's" representative shown in the "Policy Schedule" shall be the sole representative of any person or organization insured under this Policy for the purposes of:

- a. ascertaining all information requested in the proposal for this Policy;
- b. submitting the proposal and any other underwriting information for this Policy or any renewal hereof;
- c. giving and receiving any required notice under this Policy;
- d. effecting or accepting any amendment to, or cancellation of this Policy;
- e. paying all premiums and receiving any return premiums that may become due under this Policy;
- f. keeping records of the information that the Company needs for premium adjustment and sending the Company copies of such records at such times as the Company may request;
- g. accepting any sums paid by the Company to the "Insured" in connection with the Company's liability under this Policy; and
- h. submission of a dispute to arbitration.

## 24. Notice

Any notice required to be given under this Policy by:

- a. the "Insured" will be given to the Company by mailing or delivering such notice to the Company by registered post, courier service, or in person at the address shown in the back cover page of this Policy. Notice to the Company's or the "Insured's" representative will not constitute notice to the Company.
- b. the Company will be given by mailing or delivering such notice to the "Insured" first shown in the "Policy Schedule" at the address shown therein.

Notice to any representative or knowledge possessed by any representative or any other person shall not effect a waiver or a change in any part of this Policy or prevent the Company from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by endorsement issued by the Company and made a part of this Policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

## 25. Condition Precedent

It is condition precedent to any liability under this Policy that:

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



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

## 26. Fraud

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

## 27. Assignment

No assignment of interest under this Policy shall bind the Company, unless the prior written consent of the Company is first obtained and endorsed hereon.

## 28. Subrogation

Any claimant under this Policy shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any right and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss destruction or damage under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Company.

In respect of Employees' Compensation under Section VI, 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 right in the Company. Any money received pursuant to the exercise of such rights shall be applied firstly for the benefit of the Company to the extent of the amount paid by the Company in respect any claim including any costs and expenses paid or incurred by the Company and costs and expenses incurred in prosecuting such recovery action.

## 29. Arbitration

All differences arising out of this Policy shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. The arbitration order/judgement shall be final and binding on the parties. If the Company shall disclaim liability to the "Insured" for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained, then the claim shall for all

purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

## 30. Legal Action against the Company

No person or organization has a right under this Policy to:

- a. join the Company as a party or otherwise bring the Company into a suit asking for damages from an "Insured"; or
- b. sue the Company on this Policy unless all of its terms have been fully complied with.

## 31. Choice of Law and Jurisdiction

In the event that the Arbitration provisions in this Policy shall be held to be invalid in whole or in part all disputes arising under out of or in connection with or in relation to this Policy shall be subject to the exclusive jurisdiction of the Courts of Hong Kong Special Administrative Region and the law applicable to the construction and interpretation of the Policy and governing all such disputes shall in any event be the law of Hong Kong Special Administrative Region.

## 32. Other Insurance

The Insurer will not indemnify the "Insured" in respect of any liability which is insured by or would but for the existence of this Policy be insured by any other Policy except in respect of any excess beyond the amount payable under such other Policy or which would have been payable under such Policy had this Policy not been effected.

## 33. Policy Modifications

This Policy contains all the agreements between the "Insured" and the Company concerning the insurance afforded. This Policy's terms can be amended or waived only by endorsement issued by the Company and made a part of this Policy.

## 34. Policy Renewal

If the Period of Insurance set forth in the "Policy Schedule" is at least one (1) year, at the end of such period and on each anniversary thereof, at the option of the "Insured" and upon prior submission of any underwriting information requested by the Company and payment of the applicable premium, the Period of Insurance may be continued for a period of one (1) year by issuance by the Company of a renewal Policy. The Company, however, has no obligation to offer any such renewal or any extension of this Policy.

## 35. Liberalization Clause

If, during the Period of Insurance, we revise any of the conditions included in this Policy to provide broader coverage at no increase in premium, your current Policy will provide that additional coverage, automatically, as of the date the revision becomes effective.

## 36. Contracts (Rights of Third Parties) Clause

Any person or entity who is not a party to this policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) to enforce any terms of this Policy.

## General Exclusions

This Policy does not cover any loss, destruction or damage to any property or consequential loss or any legal liability or any "Bodily Injury", illness or disease to any person directly or indirectly caused by, or contributed to, by or arising from:

### 1. War, Riot and/or Confiscation Risks

- a. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
- b. mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege; or
- c. Permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.

### 2. Nuclear, Radioactive Contamination

This Policy does not insure:

- a. Loss or Damage arising directly or indirectly, in whole or in part, out of nuclear reaction or radiation, or radioactive contamination, however caused. Any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- b. Loss or Damage arising directly or indirectly, in whole or in part, out of contamination by radioactive material;
- c. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
- d. Loss for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage" directly or indirectly caused by, contributed to by, or arising out of or in connection with or related to:
  - i. The ownership, maintenance, operation or use of a nuclear facility by or on behalf of an "Insured";
  - ii. the furnishing by an "Insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and
  - iii. ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - iv. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or any nuclear component thereof;
  - v. any nuclear reactor, nuclear power station or plant, premises or facilities whatsoever related to or concerned with the production of nuclear energy or the production or storage or handling of nuclear fuel or nuclear waste; or
  - vi. any other "Premises" or facilities eligible for insurance by any local nuclear pool and/or association, the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the

final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an "Insured".

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to sequence to the loss.

### 3. Sonic Bangs

Pressure waves, caused by aircraft and other aerial devices, travelling at sonic or supersonic speeds.

### 4. Pollution or Contamination

Spillage, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants", including but not limited to the cost or expense of any resulting "Clean Up".

### 5. Electronic Data Management

- a. 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; or
- b. Resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

### 6. Cyber and Electronic & Digital Data Exclusion - Property (Applicable to Section I, Section II, Section III and Section IV)

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

- a. This Policy does not cover any damage to, loss, destruction, distortion, erasure, corruption, alteration, theft or other dishonest, criminal, fraudulent or unauthorised manipulation of ELECTRONIC & DIGITAL DATA from any cause whatsoever (including, but not limited, to COMPUTER ATTACK and/or CYBER WAR & TERRORISM EVENT) or loss of use, reduction in functionality, loss, cost, expense and/or fee of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage.

For the purposes of this Exclusion :

ELECTRONIC & DIGITAL DATA means data of any kind including, but not limited to, facts, concepts, or other information in a form useable by computers or other electronic or electromagnetic data processing equipment. ELECTRONIC & DIGITAL DATA shall also include computer software and all other coded instructions for the processing or manipulation of data on any equipment.

COMPUTER ATTACK means any malicious direction of network traffic, introduction of malicious computer code, or other malicious attack directed at, occurring within, or utilizing the computer system or network of whatsoever nature.

CYBER WAR & TERRORISM EVENT means any:

- i. act of terrorism (as defined under this Policy or, if not defined under this Policy, as governed by the applicable laws and regulations) regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage. Act of

terrorism shall also include Cyberterrorism, i.e. any premeditated politically, religiously or ideologically (or similar objective) motivated attack or disruptive activity, or the threat thereof, by a group or individual against the computer system or network of whatsoever nature or to intimidate any person in furtherance of such objectives; and/or

- ii. hostile or warlike action in time of peace, civil war or war.

- b. However, in the event that an insured peril listed below results from any of the matters described in section (1) above (except CYBER WAR & TERRORISM EVENT), this Policy, subject to all its terms, provisions, conditions, exclusions and limitations, will cover a direct physical damage and/or a consequential loss therefrom occurring during the Policy period to property insured by this Policy directly caused by such listed perils to the extent covered and not otherwise excluded under this Policy.

Listed Perils:

Fire  
Explosion

Except as otherwise provided in this Exclusion, all terms, provisions, conditions, exclusions and limitations of this Policy shall have full force and effect. It is specifically stated that this Exclusion shall not apply to the Electronic Data Processing Equipment Breakdown - Broad Coverage under Section I of the Policy if it is stated in the "Policy Schedule" that the Electronic Data Processing Equipment Breakdown - Broad Coverage is extended under Section I of the Policy subject to a sub-limit.

## 7. Intentional Fault

Resulting from or in connection with the "Insured's" intentional fault, provided that:

- a. Where there is more than one "Insured", the obligation of coverage remains in respect of those "Insureds" who have not committed an intentional fault.
- b. Where the Insurer is liable for injury caused by a person for whose acts the "Insured" is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

## 8. Terrorism

(Applicable to all Sections with the exception of Section VI, Employees' Compensation)

Resulting from or in connection with any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, including, but not limited to, any loss, destruction or damage to any property or consequential loss or any legal liability or any "Bodily Injury", illness or disease to any person directly or indirectly caused by or contributed to by or arising from biological or chemical contamination or missiles, bombs, grenades, explosives due to any act of terrorism.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism are also excluded from this Policy.

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

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

## 9. Total Asbestos Exclusion

Past, present, or future claims arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, or fear of, asbestos or products containing asbestos whether or not the asbestos is or was at any time airborne as a fibre or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion, or found in any form whatsoever.

It is further agreed that this insurance will not become excess of any reduced or exhausted aggregate self-insured retention to the extent such reduction or exhaustion is the result of claims, damage or loss excluded herein.

## 10. Mould, Fungi, Spores or Biological Agents

Arising out of, resulting from or in consequence of, or in any way involving:

- a. "Fungi" or "Spores" unless such "Fungi" or "Spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Policy; or
- b. Biological agents, contagious or infectious disease of any kind.

## 11. Applicable Law & International Sanctions

No (re)insurer shall be deemed to provide cover or any benefit and no (re)insurer shall be liable to pay any claim hereunder to the extent that the provision of such cover or benefit or payment of such claim would expose that (re)insurer to any sanction, prohibition or restriction under relevant trade or economic sanction laws or regulations.

## General Definitions

"Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

"Business" means the usual work and activities and operations including related activities carried on by the "Insured" as specified in the "Policy Schedule" and no others.

"Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "Pollutants", including testing which is integral to the aforementioned processes.

"Fungi" means any form of fungus including but not limited to, yeast, mould, mildew, rust, smut, mushroom, "Spores", mycotoxins, allergens or pathogens, odours, or any other substances, products.

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

"Named Insured", "Insured" "You", "Your", "Yours" means the person, company or firm as named "Named Insured" in the Policy Schedule while carrying on the "Business", unless specially mentioned and defined in the DEFINITIONS portion of each Coverage Section provided in this Policy.

"Policy Schedule" means that portion of the insurance contract at the beginning of the Policy that describes the basic information including, but not limited to, Policy Number, "Named Insured", Period of Insurance, Main Covers, Exposure Description, Limits of Insurance, Excess/Deductibles and Endorsements.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

"Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "Fungi".

## Section I - Physical Damage

### Physical Damage Cover

In the event of direct "Damage" to the Property Insured described in the "Policy Schedule" of this Policy by reasons other than by peril excluded specified herein, the Company shall pay the "Insured" in accordance to the Conditions of this Section I – Physical Damage, and up to the Sum Insured as stated in the "Policy Schedule".

### Property Insured

This section covers the following tangible property but only those items for which a Sum Insured is stated in the "Policy Schedule":

"Building"  
 "Contents"  
 "Stock"

The cover provided hereunder applies only while such property is located at the "Premises" except as it may be provided in the Specific Extensions of this Policy Section.

### Sums Insured Valuation and Claims Settlement

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

1. "Stock" – representing the total "Stock" value at risk at any one time during the Period of Insurance. If the insured "Stock" is lost, destroyed or damaged by an insured cause, the Company shall indemnify the "Insured" against such loss, destruction or "Damage" by payment, reinstatement or replacement at the Company's sole discretion.

For the purpose of calculating the total "Stock" value for the application of the Average conditions, value reporting and for loss adjustment the following valuation basis applies:

- a. on unsold "Stock" – the "Actual Cash Value" of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
  - b. on sold "Stock" – the selling price after allowance for discounts
2. "Electronic Data Processing Equipment" included within "Contents" – representing the Sum Insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their replacement costs including, e.g. freight, customs duties and dues, if any, and erection costs.

In the event any "Damage" to an insured item can be repaired or restored, the Insurer shall pay expenses necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purposes of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the "Insured", the Insurer shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account. The costs of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy. The costs of any provisional repairs shall be borne by the Insurer if such repairs constitute part of the final repairs and do not increase the total repair expenses.

In cases where an insured item is destroyed or the costs of repairs is equal to or exceed the actual value of the insured item immediately before the "Occurrence" of the "Damage", the Insurer shall pay the actual value of the item immediately before the "Occurrence" of the loss, including costs for ordinary freight, erection, customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The Insurer shall also pay any normal charges for the dismantling of the item destroyed, but the value of any salvage shall be taken into account. The destroyed item shall no longer be covered under this Policy, and all necessary data on the relevant substitute item shall be indicated for its inclusion in the "Policy Schedule".

As from the date of an indemnifiable "Occurrence" the Sum Insured shall be reduced for the remaining Period of Insurance by the amount of indemnity paid, unless the Sum Insured is reinstated.

3. All Other Property Insured – representing the total reinstatement value of the property insured. In the event of any "Damage", the Company shall indemnify the "Insured" against such "Damage" to a condition equal to but not better or more extensive than its condition prior to the loss by payment of the "Replacement Cost", provided that the liability of the Company shall in no case exceed:
  - a. in the whole the Total Sum Insured or in respect of any item its Sum Insured at the time of the "Damage", or;
  - b. if any other "Damage" shall have occurred during the same Period of Insurance, the Sum Insured remaining after payment for such "Damage" unless the Company shall have agreed to reinstate any such Sum Insured.

In the event of any "Damage", the following special conditions shall be complied with:

- c. replacement shall be effected by the "Insured" with due care and all expediency;
- d. the work of reinstatement must be carried out on the same "Premises" or on a location adjacent to the "Premises";
- e. the work of reinstatement must be carried out within two (2) years from the date of loss;
- f. the cost of reinstatement must be actually incurred;
- g. if the "Building", at the time of "Damage", shall be covered by any other insurance (effected by or on behalf of the "Insured") such other insurance must be on the same basis of reinstatement as stated above.

If the special conditions 3c. to 3g. above are not complied with, claims will be settled on an "Actual Cash Value" basis.

4. Automatic Reinstatement of Sum Insureds:

Unless the Company advises the "Insured" to the contrary, the Sum Insured shall be automatically restored in full from the date of the "Damage", provided that the "Insured"

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

5. Average

If the Property hereby insured shall at the commencement of any "Damage" be collectively of greater value than the Sum Insured thereon, then the "Insured" shall be considered as

being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of this Policy shall be separately subject to this Condition.

## Physical Damage Exclusions

This Section does not cover:

### Property Excluded:

1. sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or "Damage" caused directly by "Named Perils" except as provided in the PHYSICAL DAMAGE SPECIFIC EXTENSIONS subsection herein;
2. land, but this exclusion does not apply to improvements and betterments to land; water, except water which is normally contained within any type of tank, piping system or other process equipment;
3. animals, fish or birds, micro-organism, bloodstock, livestock, growing plants, trees, timbers, shrubs or flowers;
4. property in any building which is unoccupied or left unattended more than a period of 14 consecutive days;
5. property left unprotected, in the open or in transit unless it is otherwise covered under the Policy;
6. explosives, fireworks, gunpowder, tobacco, cigars and other tobacco derived products;
7. "Money", bullion, platinum, gold, silver and other precious metals and alloys, "Securities", stamps, tickets and tokens, evidence of debt or title of any kind;
8. furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones;
9. information contained in documents, manuscripts, business books, certificates and recording tapes and discs (including computer tapes and disks), pre-recorded video tapes, CD's or DVD's;
10. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure or any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure;
11. railroad rolling stock, motor vehicles, self-propelled vehicles and machines licensed for use on public roads or are operated principally away from the "Premises", watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to watercraft, amphibious or air cushion vehicles held for sale, unlicensed automobiles or unlicensed trailers used in your "Business" when at your "Premises";
12. property covered under the terms of any Aviation or Marine Insurance;
13. property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of public authority;
14. property insured that its undergoing any heating process or any process involving the application of heat, other than damage by hostile fire;
15. machinery during installation, removal or re-siting (including dismantling and re-erection) if directly attributable to such operations;
16. property in any vehicle whilst left unattended.

### Perils Excluded:

1. "Damage" in respect of or caused by wear, tear, rust, corrosion, depreciation, insects, moths, mildew, fungus, mould, vermin, marring, scratching;
2. by dampness or dryness of atmosphere, changes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour, flavour or texture or finish, rust or corrosion, marring, scratching or crushing, spontaneous fermentation and or combustion, inadvertent escape of molten material;
3. loss or "Damage" in respect of or caused by inherent vice, latent defect or faulty or defective design, materials or workmanship;
4. loss or "Damage" caused by operational error or omission;
5. loss, destruction of or "Damage" to any electrical plant, equipment, apparatus or installation caused by its own overrunning, excessive pressure, short circuiting or self-heating;
6. loss or "Damage" other than by fire due to centrifugal force, mechanical or electrical breakdown or derangement in or on the "Premises", explosion of any nondomestic boiler or pressure vessel (or its contents) belonging to or under the control of the "Insured";
7. "Damage" resulting from any process of production, packing, treatment, testing, commissioning, servicing or repair;
8. delay or loss of market, or loss of use or occupancy;
9. loss or "Damage" in respect of or caused by joint leakage, failure of welds, cracking, fracturing, collapse of boilers, economizers, superheaters, pressure vessels or any range of steam and feed piping connected to them;
10. loss or "Damage" due to strike or stoppage of work;
11. loss or "Damage" due to accumulation of water resulting from circumstances where the "Insured" could but has failed to, take reasonable steps to prevent such accumulation;
12. loss or "Damage" caused by subsidence, ground heave, mudslide or landslip;
13. loss arising from fraud or dishonesty of any member of the "Insured's" household or any director, partner or employee or any third party.
14. loss or "Damage" caused by delay, confiscation or detention by Customs or other Officials or Authorities.
15. loss of "Stock" due to larceny or theft not accompanied by forcible violent and visible means, substitution, disappearance, unexplained or inventory shortage.
16. loss due to misfiling or misplacing of information.
17. shortage of "Stock" arising from error or omissions, mysterious disappearance or revealed only at the time of "Stock" taking or making of an inventory and not identifiable with a specific "Occurrence" insured by this Section.
18. "Damage" to property being worked upon or in any process of repair, alteration, testing, installation or servicing.



19. "Damage" to property or its structure in the course of demolition, construction or erection and materials or supplies connected with them.
20. loss of or "Damage" to property insured by theft not accompanied by forcible and violent entry to or exit from the "Premises".
21. indirect or consequential loss of any kind.
22. coastal or river erosion, normal settlement or bedding down of new structures, change in water table level.
23. interruption of the water supply, gas, electricity or fuel systems or failure of the effluent disposal systems to and from the "Premises";
24. a. loss or "Damage" caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants", nor the cost or expense of any resulting "Clean Up", but this exclusion does not apply:
  - i. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants" is the direct result of a peril not otherwise excluded under this section; or
  - ii. to loss or "Damage" caused directly by a peril not otherwise excluded under this section.
- b. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants".

## Physical Damage Coverage Extensions IA Forming Part of the Insured Limits

The following Specific Extensions are subject to the individual Sublimits shown in the "Policy Schedule" for Section I – Physical Damage. If no individual Sublimit is shown in the "Policy Schedule" for a Specific Extension then, the Specific Extension as described in this section will be excluded from this Policy coverage. The Sublimits shown in the "Policy Schedule" for the following Specific Extensions are the most we will pay in the Policy aggregate for each Specific Extension and they are part of and shall not increase the Limits of Insurance shown in the "Policy Schedule" for Section I – Physical Damage.

### 1. Brands and Labels

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

### 2. Debris Removal Costs

This Section is extended to include the cost of removing debris from the "Premises" necessarily and reasonably incurred including dismantling, demolishing, shoring up or propping of the property insured following "Damage" insured by this Section.

### 3. Alterations, Additions and Repairs

This Policy is extended to cover accidental loss of or "Damage" to alterations, additions and repairs to buildings, plants,

fixtures, fitting, machinery (but excluding sprinkler installation) and work in progress if carried out at the "Insured" "Premises":

- a. by the "Insured's" workmen; or
- b. by an outside contractor, provided the total contract value of such works shall not exceed HK\$250,000 during the Period of Insurance.

In the event that the total contract value of any such works being performed by an outside contractor exceeds or has the potential to exceed HK\$250,000 prior notice must be given to the Company who reserves the right to allow inclusion of such works under this Policy with an additional premium or otherwise.

### 4. Capital Additions

This Section is extended to include any additions and extensions to "Contents" insured under this Section, but not appreciations in value, made after the commencement of each Period of Insurance for an amount not exceeding 15% of the Sum Insured stated in the "Policy Schedule" for "Contents", provided that the "Insured" shall declare quarterly in writing to the Company within 30 days following the end of each quarter the value of such additions and extensions and shall pay the appropriate additional premium as may be required from the inception of the additional cover.

### 5. Newly Acquired Location

This Section is extended to include any location legally obtained by the Insured whereby they have a legal interest in the property at the location. Newly Acquired Locations are automatically covered for the first 60 days of ownership and up to the sublimit amount shown in the "Policy Schedule" for this extension.

The "Insured" must notify the Company of the property for coverage to exist after the 60 day period.

### 6. Designation

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

### 7. Electronic Data Processing Equipment Breakdown – Broad Coverage

With respect to any "Electronic Data Processing Equipment" included as part of the "Contents" Sum Insured shown in the "Policy Schedule", this section is extended to insure, up to the amount shown in the "Policy Schedule" for this extension, in respect of any one "Occurrence", loss, "Damage" or expense to "Electronic Data Processing Equipment" resulting from:

- a. artificially generated electrical current, short circuit, blowout, or other electrical disturbance (except interruption of power supply, power surge, blackout or brown-out if the cause of such "Occurrence" took place more than 30 metres from a "Premises"); or
- b. mechanical breakdown and machinery breakdown, including malfunction or component failure; or
- c. electrical or magnetic injury, disturbance or erasure of electronic recordings.

This Extension is inclusive of the following additional coverages:

We will also indemnify you up to the amount shown in the "Policy Schedule" for:

- a. "Electronic Virus"; for the expense incurred by you to extract "Electronic Virus" that become known to you during the Period of Insurance even though no direct loss has occurred; You must report such "Occurrence" within one hundred eighty (180) days of knowledge thereof for payment to be made under this clause.
- b. "Hacking Event" to your information systems operations for:
  - i. Accidental, intentional or malicious distortion, corruption, manipulation, erasure or loss by unauthorized persons of "Electronic Data" owned or operated on your "Electronic Data Processing Equipment".
  - ii. Loss to covered property or wilful acts causing loss to covered property by any person when such loss results from unauthorized use of your "Electronic Data Processing Equipment". This provision does not apply to "Money" and "Securities" or any other property specifically excluded in this Policy.
- c. "Electronic Data" for the restoration cost or the cost of research to replace "Electronic Data" lost due to a Covered Cause of Loss under this Extension.

## 8. Exhibition / Trade Fair

This Section is extended to cover loss, destruction of or "Damage" to "Stock" caused by an insured cause whilst displayed in any exhibition hall or trade fair centre within Hong Kong SAR, provided that

- a. the duration of display shall not exceed 14 consecutive days,
- b. the goods must be in the care, custody and control of an employee or representative of the company or hired security firm and never left unattended;
- c. the goods must be kept locked in a secured confined storage room after normal exhibition time daily.

## 9. Temporary Storage

This Section is extended to cover "Damage" to "Stock" caused by an insured cause whilst temporarily stored in a public or private godown or other storage place than in the "Insured's" "Premises" elsewhere within Hong Kong SAR, provided that

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

## 10. Main Services

This Section is extended to cover the cost of repairing accidental "Damage" arising out of a covered cause of loss to underground water, gas oil, sewer and drain pipes, underground electricity, telephone and television cables for which the "Insured" is responsible as tenant.

## 11. Fine Arts

This section extends the cover to "Fine Arts" owned by the "Insured". The value of "Fine Arts" will be the agreed market value at the time of loss or "Damage". The Insurer's total liability for loss or "Damage" under this extension shall not exceed the Sum Insured stated in the "Policy Schedule".

## 12. Land and Water Pollutants

- a. We will indemnify you for expenses incurred to "Clean Up" "Pollutants" from land or water at the "Premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "Pollutants":
  - i. is occasioned by loss or "Damage" to Property Insured at the "Premises" for which cover is provided under this extension;
  - ii. is sudden, fortuitous and unexpected; and
  - iii. first occurs during the Period of Insurance.
- b. ADDITIONAL EXTENSION EXCLUSIONS: We shall not be liable for:
  - i. expenses to "Clean Up" away from or beyond the "Premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "Pollutants", even if the "Pollutants" emanated from the "Premises";
  - ii. expenses for "Clean Up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "Pollutants" that began before the effective date of this Policy;
  - iii. fines, penalties, punitive or exemplary damages; and
  - iv. expenses incurred for the "Clean Up" of "Pollutants" at or from any premises, site or location which is or was at any time used by or for you or others for the handling, storage, disposal, processing or treatment of waste.
- c. ADDITIONAL EXTENSION CONDITIONS:
  - i. REPORTING PERIOD. It is a condition precedent to recovery under this section that all expenses insured by this extension must be incurred and reported to us within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "Pollutants" for which "Clean Up" expenses are being claimed.
  - ii. OTHER INSURANCE. The cover provided by this extension shall apply in excess to any other valid and collectible insurance available to you or any other interested party.

## 13. Professional Fees

The Sum Insured under this Policy includes an amount in respect of architects', surveyors' and consulting engineers' fees or other professional fees necessarily incurred by the Insured in the reinstatement of the Property insured consequent upon its "Damage" but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed that authorized under the scale authorized by their respective professional bodies, subject to a maximum limit of 5% of the Sum Insured on each item.

## 14. Public Authorities

This Section is extended to include any additional cost of reinstatement of the destroyed or damaged property hereby insured as may be incurred solely by reason of the necessity to comply with Building or other regulations under or framed in pursuance of any applicable ordinance, law, statute or with bylaw of any municipal or local authority, provided however that

- a. the amount recoverable under this Extension shall not include:



- i. the cost incurred in complying with any of the aforesaid regulations or by-law in the following circumstances:
    - (a) in respect of destruction or "Damage" occurring prior to the Period of Insurance;
    - (b) in respect of destruction or "Damage" not insured by this Policy;
    - (c) under which notice has been served upon the Insured prior to the happening of the destruction or "Damage";
    - (d) in respect of undamaged property or undamaged portions of property.
  - ii. the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations or by-law not arisen.
  - iii. the amount of any rate, tax or duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owners thereof by reason of compliance with any of applicable ordinance, law, statute or with by-law of any municipal or local authority.
- b. the work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve (12) months after that destruction or "Damage" or within such further time the Company may (during the said twelve (12) months) in writing allow and may be carried out wholly or partially upon another site (if the applicable ordinance, law, statute or with by-law of any municipal or local authority so necessitate) subject to the liability of the Company under this Extension not being thereby increased.
  - c. if the liability of the Company under the Policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this Extension shall be reduced in like proportion.
  - d. the total amount recoverable under this Section of this Policy shall not exceed the Sum Insured thereby in respect of such item insured.
  - e. all the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they have been incorporated herein.

#### 15. Seasonal Increase in "Stock"

This Section is extended to cover Sum Insured of "Stock" to be automatically increased by 25% for the peak season of every year, not exceeding a 2 month period.

#### 16. "Stock" in Transit

This Section is extended to cover "Stock" insured whilst in transit within the territory of Hong Kong SAR.

#### 17. Temporary Removal

This Section is extended to cover:

- a. "Damage" to the "Contents" insured (other than "Stock" deeds, non-negotiable documents, personal effects, sanitary-ware, fixed glass and mirror) whilst temporarily removed from the "Premises" but within Hong Kong SAR,

provided that this extension does not cover "Damage" caused by typhoon, windstorm or flood unless the "Contents" are kept inside a building.

- b. "Damage" to deeds and other non-negotiable documents (but only for the value of the materials together with the cost of clerical labour expended in reproducing such deeds or documents, and not the value to the "Insured" of the information contained therein nor any expenses incurred in reproducing the information) whilst in transit within Hong Kong SAR by registered post, courier service, or in personal custody of the "Insured's" directors, partners or employees until delivered to the consignee's address within Hong Kong SAR.

#### 18. Damage to the Premises

This Section is extended to cover damage for which the "Insured" is responsible caused by theft to the "Premises", up to the sublimit amount shown in the "Policy Schedule" for this extension.

### Physical Damage Coverage Extensions IB Subject to a Blanket Sublimit of Insurance

The Blanket Sublimit of Insurance, shown in the "Policy Schedule", applies only for the Specific Extensions shown in this section below. The Blanket Sublimit of Insurance is the most we will pay in the Policy aggregate, is part of the Limits of Insurance shown in the "Policy Schedule" for Section I – Physical Damage and applies in excess of the applicable deductible.

At the time of loss, you may elect to apportion one or any combination of the Specific Extensions shown below to this Blanket Sublimit of Insurance, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Sublimit of Insurance shown in the "Policy Schedule".

Separate specific Sublimits of Insurance may be purchased for each of the Specific Extensions shown below. If purchased, these Sublimits of Insurance, their corresponding additional premium and any applicable deductible will be shown in the "Policy Schedule" with such Specific Extension. When a specific Sublimit of Insurance is purchased for any of these Specific Extensions, such specific Sublimit of Insurance is the most we will pay in the Policy aggregate and will apply in addition to the Blanket Sublimit of Insurance, shown in the "Policy Schedule". However, if no additional premium is shown associated with a Specific Extension, then the sublimit for that Specific Extension is part of the Blanket Sublimit of Insurance, shown in the "Policy Schedule".

If no deductible is shown in the "Policy Schedule" with a Specific Extension, then the Physical Damage deductible will apply.

#### 1. Cost of Temporary Protection

This Section is extended to cover the cost of temporary protection reasonably necessary for the safety and protection of the "Premises" pending repair or replacement of "Damage" caused by an insured event.

#### 2. Fire Extinguishing Expenses

This Section is extended to include the necessary and reasonable cost incurred in extinguishing fire as the result of a peril insured; including cost of replenishment of "Fire-Fighting Appliances" or the reimbursement of fire brigade charges.

#### 3. Replacement of Locks

This Section is extended to include the cost incurred in the necessary replacement of locks pertaining to the "Premises" or

to any safe(s) or strongroom(s) in the "Building(s)" following the theft of the keys to such locks or door from the "Premises" or from the home of the "Insured's" directors, partners or employees of the "Business" (who are authorised to hold such keys), provided that

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

#### 4. Sales Representative

This section insures "Contents" and "Stock" in the custody of your sales representative whether in transit or not. The coverage within this extension applies only while the described property is within Hong Kong SAR.

#### 5. Outdoor Plants, Trees Shrubs or Flowers

This section is extended to cover loss or "Damage" to growing plants, trees, shrubs or flowers situated in the open area which is outside of, or attached to, a covered building and within the legal boundaries of the parcel of property at the insured "Premises" shown in the Policy Schedule caused by or resulting from any of the "Name Perils".

#### 6. Personal Property of Directors and/or Employees

"Contents" is extended to include personal property of your directors and/or Employees. The cover in respect of such property:

- a. it is insured by the owner unless you are obliged to insure it or are liable for its loss or "Damage";
- b. shall apply only to loss or "Damage" occurring at a "Premises" or Newly Acquired Location.

#### 7. Valuable Papers and Records Reconstruction Cost

This section is extended to cover any additional expense necessarily incurred in the cost of compiling books of account, drawings or other records including film, tape, disc, drum, cell or other magnetic recording or storage media or electronic data processing, all your property, when such records are damaged by a Covered Cause of Loss other than what is covered under Extensions 1A, Extension 7. ELECTRONIC DATA PROCESSING EQUIPMENT BREAKDOWN, BROAD COVERAGE of the Physical Damage Coverage Extensions Forming Part of the Insured Limits.

#### 8. Outdoor Signs, Communication Towers and Antennae

This Section is extended to cover "Damage" to the following types of property owned by the "Insured", properly installed, and situated either inside or outside of a building located at the "Premises" shown in the Policy Schedule:

- a. signs (excluding neon signs); and
- b. outside communication towers, antennae (including satellite receivers), and related equipment attached thereto.

## Physical Damage Special Conditions and Warranties

### 1. Errors and Omissions

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

- a. the "Insured" notifies the Company immediately when the "Insured" becomes aware of such act, omission or alteration;
- b. the Company's liability under this condition shall in no case exceed the Sums Insured shown in the "Policy Schedule" for Section I; and
- c. the "Insured" pays any additional premium as may be required as a result of any such alteration.

### 2. Mortgagee Clause

If any other interested party is specified in the Policy Schedule, any loss under this Policy shall be payable to such party to the extent of their interest.

It is hereby agreed that in the event of any "Damage", the Company shall pay the mortgagees or said assignees to the extent of their interest in relation to the mortgagee's or said assignee's interest in the Policy provided always that such payment shall fully discharge the Company from its liability for that portion of the claim under this Policy. 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 as 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.

It is further agreed that whenever the Company shall pay the mortgagees or said assignees any sum for "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 10 days after notice to the mortgagees or said assignees of such cancellation and shall then cease and the Company shall have the right on like notice to cancel this agreement.

### 3. Storage Warranty

The "Insured" warrants that during the Period of Insurance no waste materials or goods of 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.

The "Insured" also warrants that all waste materials will be kept in receptacles and removed from the "Building" daily during the Period of Insurance.

#### 4. Fireproof Doors Warranty

The "Insured" warrants that during the Period of Insurance all fire proof doors and fire proof shutters will be kept closed except when in actual use and together with any self-closing mechanism maintained in efficient working order.

#### 5. Other Fire Extinguishing Appliances Warranty

The "Insured" warrants that during the Period of Insurance all other "Fire Fighting Appliances" will be kept in working order during the Period of Insurance.

#### 6. Legal Requirements Warranty

The "Insured" warrants that during the Period of Insurance the "Insured" will duly comply with and observe all applicable local legal, regulatory and licensing requirements including without limitation any notice given and requirements made pursuant to a 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.

## Definitions ~ Section I

"Actual Cash Value" means the amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

"Building" means the building(s) described in the "Policy Schedule" and includes:

1. fixed structures pertaining to the "Building(s)" and located on the "Premises";
2. additions and extensions communicating and in contact with the "Building(s)";
3. permanent fittings and fixtures attached to and forming part of the "Building(s)";
4. materials, equipment and supplies on the "Premises" for maintenance of, and normal repairs and minor alterations to the "Building" or for building services;
5. growing plants, trees, shrubs or flowers inside the "Building" used for decorative purposes when you are the owner of the "Building".

"Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "Pollutants", including testing which is integral to the aforementioned processes.

"Contents" means tangible property located at the "Premises" used by the "Insured" in the "Business", other than "Building" or "Stock", consisting of:

1. business furniture, fixtures and fittings including landlord's fixtures, fittings and tenants improvements, belonging to the "Insured" or for which he is responsible;
2. plant, machinery, equipment, "Electronic Data Processing Equipment", appliances including digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or

surveillance equipment, office machines and trade utensils which are not specifically insured elsewhere in this Policy;

3. installed fixtures and fittings, window blinds, cool rooms, awnings, CCTV and other security systems, exterior lights, masts, antennae and aerials, and;
4. sanitaryware, fixed glass and mirrors; but not "Money", "Securities" or other negotiable documents or travel tickets;
5. all other contents belonging to the "Insured" or for which he is responsible

"Damage" means any unexpected, sudden and accidental direct physical loss of, destruction or damage to covered tangible property at the "Premises" from a non-excluded cause of loss.

"Electronic Data" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and such facts, concepts and information shall include programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Electronic Data Processing Equipment" means data processing systems including equipment/networks, component parts and related systems, peripheral equipment including air conditioning and fire protective equipment used solely for data processing operation at the "Premises". This does not include equipment held for sale or distribution and equipment in the course of manufacture.

"Electronic Virus" means any unauthorized intrusive code or programming that is entered by any means into insured "Electronic Data Processing Equipment" and "Electronic Data" and interrupts your operations at any "Premises".

"Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit. An item is defined as a fine arts if there is a professional appraisal as proof of market value.

"Fire Fighting Appliances" includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

1. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
2. any water mains or appurtenances located outside of the described "Premises" and forming a part of the public water distribution system;
3. any pond or reservoir in which the water is impounded by a dam.

"Hacking Event" means any unauthorized access or use of a computer or telecommunications system by circumventing a security system or procedure by a person other than your employee(s).

"Named Perils" means loss or "Damage" caused by:

1. FIRE, except as excluded in e. MALICIOUS DAMAGE below.
2. LIGHTNING
3. EXPLOSION, except as excluded in e. MALICIOUS DAMAGE below.

4. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE:

The term aircraft and spacecraft include articles dropped therefrom. There shall in no event be any liability hereunder due to cumulative damage or for loss or "Damage"

- a. caused by land vehicles belonging to you or under your control or any of your employees;
- b. to aircraft, spacecraft or land vehicles causing the loss;
- c. caused by any aircraft or spacecraft when being taxed or moved inside or outside of "Buildings"

5. MALICIOUS DAMAGE: This shall mean "Damage" to the insured property caused by:

The deliberate or wilful or wanton act of any person committed with the intention of causing such "Damage" but excluding "Damage" to:

- a. Movable property which is:
  - i. Stolen
  - ii. Damaged in an attempt to remove it from any premises owned or occupied by the "Insured"
- b. Movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the "Insured"
- c. Immovable property owned or occupied by the "Insured" occasioned by or through or in consequence of:
  - i. The removal or partial removal or any attempt thereat.
  - ii. The demolition or partial demolition or any attempt thereat of the said immovable property or any part thereof with the intention of stealing any part thereof.

Provided that this insurance does not cover:

- (a) "Damage" related to or caused by fire or explosion.
- (b) Consequential or indirect loss or "Damage" of any kind or description whatsoever other than loss of rent if specifically insured.
- (c) "Damage" resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
- (d) "Damage" occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- (e) "Damage" related to or caused by any "Occurrence" referred to in GENERAL EXCLUSIONS of this Policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such "Occurrence".

If we allege that by reason of provisions 1., 2., 3., 4. or 5. "Damage" is not covered by this Section the burden of proving the contrary shall rest on you.

6. SMOKE: The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative "Damage".

7. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT: The term "Leakage from Fire Protective Equipment" means the leakage or discharge of water or other substance from within the

equipment used for fire protection purposes for the "Premises" or for adjoining premises and loss or "Damage" caused by the fall or breakage or freezing of such equipment.

8. STORM, WINDSTORM, TYPHOON OR HAIL: There shall in no event be any liability hereunder for loss or "Damage":

- a. to the interior of the "Building" or their contents unless "Damage" occurs concurrently with and results from an aperture caused by storm, typhoon, windstorm or hail;
- b. directly or indirectly caused by any of the following, whether driven by wind or due to storm or not: snowload, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, subsidence or landslip.

"Occurrence" means any one loss, disaster, or casualty or series of losses attributable directly or indirectly to one cause. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, volcanic action, riot, riot attending a strike, civil commotion and vandalism and malicious mischief (including Terrorism), it shall be defined as the sum total of all losses arising out of such peril during any period of seventy two (72) consecutive hours.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Replacement Cost" means:

1. the cost of replacing, repairing, construction or reconstructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and
2. includes repair, construction or re-construction with new property of like kind and quality.
3. in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this condition.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens, and tickets, but does not include "Money".

"Stock" means:

1. merchandise of every description usual to your "Business";
2. packing, wrapping and advertising materials; and
3. similar property belonging to others in your custody or control or for which you are legally liable.

## Section II - Business Interruption

### Business Interruption Cover

In the event of "Damage" covered under Section I Physical Damage the Insurer shall, under this Section, indemnify the "Insured" for the consequential loss up to the Sum Insured against for each item as described in the "Policy Schedule" during the "Indemnity Period" in respect of:

#### 1. Additional Expenditure

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

#### 2. Loss of Income or Gross Profit:

##### a. Income

Loss of Income in consequence of "Interruption" of the "Business" following the "Loss". Or

##### b. Gross Profit

Loss of "Gross Profit" in consequence of "Interruption" of "Business" following the "Loss" at the "Premises" due to:

- i. reduction in "Turnover" – the sum produced by applying the "Rate of Gross Profit" to the amount by which the "Turnover" during the "Indemnity Period" shall, in consequence of the "Loss", fall short of the "Standard Turnover";
- ii. increase in cost of working – the "Additional Expenditure" necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in "Turnover" which but for that expenditure would have taken place during the "Indemnity Period" in consequence of "Loss", but not exceeding the sum produced by applying the "Rate of Gross Profit" to the amount of the reduction thereby avoided.

#### 3. Rental Value Liability or Rental Income

The amount of "Rental Value Liability" which the "Insured" is liable to pay during the "Indemnity Period" or for the loss of "Rental Income" suffered by the "Insured" whilst the "Business" is interrupted due to the "Premises" being unfit for occupation for the purpose of normal conduct of "Business".

### Sums Insured Valuation and Claims Settlement

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

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

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

- b. if during the "Indemnity Period" goods shall be sold or services shall be rendered elsewhere than at the "Premises" for the benefit of the "Business" either by the "Insured" or others on his behalf, the money paid or payable in respect of such sales or services shall be brought into the account in arriving at the "Loss" of "Income" or "Gross Profit" during the "Indemnity Period".

### Business Interruption Exclusions

This Section does not cover any consequential loss arising out of an "Occurrence" following the clauses listed under Exclusions – Perils Excluded of Section I, PHYSICAL DAMAGE, unless otherwise as specified by extension provided under Section I.

Additionally the Insurer shall not be liable for:

- a. the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing;
- b. any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the "Premises" interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of "Business" or free access to or control of the "Premises" or due to the action of sympathetic strikers elsewhere;
- c. loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature;
- d. loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect your income after the period following any "Loss" during which indemnity is payable;
- e. loss of "Business" "Income" due to the shutdown, closure or "Interruption" of "Business" from any and all events or perils where there is no physical "Loss" or "Damage" to the "Premises";
- f. any loss that does not exceed 48 consecutive hours; and/or
- g. Cessation of work delay or loss of market or any other consequential or indirect loss of any kind of description whatsoever.

### Business Interruption Extensions

The following Specific Extensions are subject to the individual Sublimits shown in the "Policy Schedule". If no individual Sublimit is shown in the "Policy Schedule" for a Specific Extension then, the Specific Extension as described in this section will be excluded from this Policy coverage. The Sublimits shown in the "Policy Schedule" for the following Specific Extensions are the most we will pay in the Policy aggregate for each Specific Extension and they are part of and shall not increase the Limits of Insurance shown in the "Policy Schedule" for Section II.

The Company shall also indemnify the "Insured" against "Loss" if the "Business" at the "Premises" suffers "Interruption" due to the following Extensions:



#### 1. Closure by Public Authority

The closure of all or part of the "Premises", by a competent public authority, due to:

- a. accident causing defects in the drains or other sanitary arrangement at the "Premises"; or
- b. the discovery of vermin or pests at the "Premises".

#### 2. Murder or Suicide

Murder or suicide at the "Premises".

#### 3. Prevention of Access

Inability or difficulty in entering or using the "Premises", due to:

- a. property in the vicinity thereof being damaged or destroyed by any cause not specifically excluded under Section I of this Policy; or
- b. the action taken, in an emergency, by a competent public authority in the interest of public safety.

#### 4. Public Utilities

"Damage" by a cause not otherwise specifically excluded under Section I of this Policy occurring at

- a. generating station or sub-station from which the "Insured" obtains electricity;
- b. premises from which the "Insured" obtains gas; or
- c. water works of pumping station from which the "Insured" obtains water.

#### 5. Auditor's and Accountant's Fees

The Company will also pay the fees necessarily and reasonably incurred by the "Insured" to the professional accountant for producing and certifying any claim details which the Company may require. The amount payable under this Extension shall not exceed 5% of the amount of claim indemnifiable and the Company's total liability under this Section.

#### 6. Automatic Reinstatement of Sum Insured

Unless the Company advises the "Insured" to the contrary, the Sum Insured shall be automatically restored in full from the date of the "Interruption", provided that the "Insured"

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

#### 7. Return of Premium

If the "Income" or "Gross Profit" insured under this Section, in the event of the "Income" or "Gross Profit" earned during the accounting period of 12 "Months" most nearly concurrent with any period of insurance as certified by the professional accountant being less than the Sum Insured thereon, upon declaration by the "Insured" of the actual "Income" or "Gross Profit", a proportionate return of premium, not exceeding 50% of the premium paid, shall be made in respect of the difference, provided that no claim has been made during and/or in respect of the Period of Insurance. In the event that no declaration is made within 6 "Months" of the expiry of the Period of Insurance, no return of premium is to be made.

## Definitions ~ Section II

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

"Additional Expenditure" means the excess (if any) of the total cost during the "Indemnity Period" for the purpose of continuing your "Business" and above the total cost that would normally have been incurred to conduct the "Business" during the same period had no "Loss" occurred. The cost in each case includes the expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the Insurer be liable under this Policy for Loss of "Income" or "Gross Profit" nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the normal cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "Additional Expenditure"; liability for such excess cost however, shall not exceed the amount by which the total "Additional Expenditure" otherwise payable under this Policy is reduced. We shall also be liable for "Additional Expenditure" incurred in obtaining property for temporary use during the "Indemnity Period" necessarily required for the conduct of the "Insured's" "Business". Any salvage value of such property remaining after resumption of "Normal" operations shall be taken into consideration in the adjustment of any loss hereunder.

"Annual Turnover" means the turnover during the twelve "Months" immediately before the date of the "Loss" at the "Premises".

"Business" means your business operations insured herein as stated in the "Policy Schedule".

"Damage" means the direct physical "Loss" of or damage to covered tangible property at the "Premises" resulting from a Peril Insured in Section I.

"Gross Profit" means the amount by which:

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

"Income/Turnover" means the money paid or payable to the "Insured" for goods sold and delivered and for services provided at the "Premises" in the course of the "Business" at the "Premises".

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

"Interruption" means interruption or disruption of "Business" at the "Premises".

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

"Months" means calendar months.

"Normal" means the condition which would have existed had no "Loss" occurred.

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

"Rental Income" means the sum of the money paid or payable to you by tenants in respect of rental of the "Premises" plus a fair rental value of the proportion(s), if any, of the building(s) occupied by you.

"Rental Value Liability" means the sums of money the "Insured" is liable to pay as tenant in respect of rental of the "Premises".

"Standard Turnover" means the "Turnover" during that period in the 12 "Months" immediately before the date of the "Loss" which corresponds with the period of "Interruption".

"Uninsured Working Expenses" means bad debts, purchases, discounts allowed and any other expenses as may be stated in the "Policy Schedule".

## Section III - Money

### Money Cover

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

### Money Exclusions

This Section does not cover:

1. "Money" in gaming, amusement, change giving or vending machines;
2. loss due to fraud or dishonesty by the "Insured's" director, partner or "Employee(s)" or any member of "Insured's" household or any third party;
3. shortages due to error or omission or unexplained disappearance of "Money";
4. loss of "Money" from unattended motor vehicles;
5. loss resulting from a safe or strongroom being opened by the use of keys or combination codes unless such keys or codes have been obtained by violence or threat of violence to the "Insured's" directors, partners or "Employees";
6. interruption of "Business" or any other consequential loss as a result of loss of "Money";
7. any loss outside Hong Kong SAR; and/or
8. "Money" entrusted to any person other than the "Insured", "Insured's" partners, directors or "Authorised Employees".

### Money Specific Extensions

The following Specific Extensions are subject to the individual Sublimits shown in the "Policy Schedule", if no individual Sublimit is shown in the "Policy Schedule" for a Specific Extension then, the Specific Extension as described in this section will be excluded from this Policy coverage. The Sublimits shown in the "Policy Schedule" for the following Specific Extensions are the most we will pay in the Policy aggregate for each Specific Extension and they are part of and shall not increase the Limits of Insurance shown in the "Policy Schedule" for Section III – Money of this Policy.

This Section is extended to cover the following:

1. **Damage to Safes or Strongrooms**  
Loss of or damage to any safe or strongroom caused by theft or attempted theft of "Money".
2. **Cash Carrying Cases or Bags**  
Loss of or damage to any cash carrying case, bag or security waistcoat caused by theft or attempted theft of "Money".
3. **Cash Cheques**  
Loss of "Money" following violence or threat of violence to "Insured's" directors, partners or "Employee" resulting in the forced signing of a cash cheque.
4. **Personal Assault**  
If an "Insured Person" suffers "Bodily Injury", as a result of an attempt by thieves to steal the "Money" or other property insured under this Policy or if loss of or damage to their personal effects as a result of an attempt by thieves to steal

the "Money" or other property insured under this Policy, the Company shall pay the amount shown in the "Policy Schedule":

Provisions

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

### 5. Loss of Money in Residence

This section is extended to cover the loss of or damage to "Money" in the residence of the "Insured Persons", arising from theft or attempted theft involving forcible and violent means of entry to or exit from the residence; or hold-up accompanied by violence or threat of violence at the residence within Hong Kong SAR.

### 6. Franking Machines

Loss of or damage to any franking machine caused by theft or attempted theft of "Money".

### 7. Holiday Money Accumulation

If the "Insured" suffers a claim for loss of "Money" during weekends, public holidays and the day immediately following a public holiday the Sublimit under this Section shall be automatically increased by an additional sum equal to the Sublimit shown in the "Policy Schedule".

## Money Special Conditions and Warranties

### 1. Record of Money Warranty

The "Insured" warrants that a complete record will be kept of "Money" in transit and on "Premises" insured by this Section and such record shall be deposited in some place other than in any safe or strongroom containing "Money".

### 2. Keys and Combination Codes Warranty

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

### 3. Locked safe or strongroom Warranty

The "Insured" warrants that all "Money" will be securely kept in a locked safe or strongroom in the "Premises" out of "Business Hours".

### 4. Transit Warranty

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



then such "Money" shall be in the custody of, at least, two authorized persons.

### Definitions ~ Section III

"Authorized Employees" means the "Insured", the "Insured's" partner or any "Employee" authorized by the "Insured" to have the care and custody of "Money", excluding any temporary hire.

"Bodily Injury" means an injury caused by violent, external and visible means arising from a Personal Assault covered under this Section and resulting solely and independently of any other cause in death or medical and/or surgical treatment.

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

"Doctor" means a qualified medical practitioner of western medicine holding a valid medical license, granted by the appropriate licensing authority and acting within the scope of his license within the Geographical Limit as specified in the "Policy Schedule" and who is not the "Insured Person", "employer" or "employee(s)" of the "Insured Person", spouse or lineal relatives.

"Employee(s)" means any natural person (except a director or trustee of "yours", if a corporation, who is not also an officer or employee thereof in some other capacity) while in the "Insured's" regular service in the ordinary course of the "Insured's" "business" during the Period of Insurance and whom the "Insured" compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any temporary hire, broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character.

"Hospital" means any lawfully operated institution for the care and treatment of the sick and injured and/or ill persons and which provides facilities for diagnosis, major surgery and full-time nursing service and is not primarily a rest or convalescent home or similar establishment or other than incidentally a place of alcoholics or drug addicts.

"Insured Person" means the "Insured" or any partners, directors or "Authorized Employees" of the "Insured" aged between 16 and 70 years.

"Loss of Limb" as shown in the "Policy Schedule" means physical severance of at least all four fingers in their entirety or "Permanent" total "Loss of Use" of an entire arm or hand, physical severance at or above the ankle or "Permanent" total "Loss of Use" of an entire leg or foot.

"Loss of Sight" as shown in the "Policy Schedule" means total and irrecoverable loss of sight of an eye, which is beyond remedy by surgical or any other treatment.

"Loss of Use" means loss in terms of physical incapacity or disability and not in terms of professional or occupational incapacity or disability of the "Insured Person".

"Medical Expenses" as shown in the "Policy Schedule" means cost of medical, surgical or other remedial attention, treatment or appliances given or prescribed by "Doctor", "Hospital", nursing homes and ambulance charges.

"Permanent" means lasting twelve (12) consecutive calendar months from the date of disability and at the expiry of that period being beyond hope of improvement or recovery.

"Permanent Disablement" as shown in the "Policy Schedule" means disablement of an "Insured Person" when he is completely unable to engage in any gainful occupation or employment for the remainder of his life, after twelve (12) calendar months of continuous total disability which has resulted from a Personal Assault covered under this Section.

"Temporary Total Disablement" as shown in the "Policy Schedule" means state of incapacity resulting from the "Insured Person" suffering "Bodily Injury", which temporarily totally prevents the "Insured Person" from engaging in his occupation.

## Section IV - Fidelity Guarantee

### Fidelity Guarantee Cover

The Company shall indemnify the "Insured" against any pecuniary loss sustained by the "Insured" in connection with the "Business" arising from an act or series of acts of fraud or dishonesty committed by an "Employee" during the Period of Insurance and discovered:

1. during the same Period of Insurance; or
2. within six (6) months of:
  - a. the expiry of the Period of Insurance; or
  - b. the termination of the contract of employment between the "Insured" and the "Employee",
 whichever shall first occur.

### Limit of Indemnity

The Limit of Indemnity in respect of any one act or series of acts of Fraud or dishonesty committed during the Period of Insurance shall be limited to HK\$50,000.

### Fidelity Guarantee Conditions

1. If at the time of any loss the "Insured" holds any other security guarantee or insurance covering the same loss, the Company shall not be liable to pay for or contribute more than its rateable proportion of any sums payable in respect of such loss. Any sum of money which but for fraud or dishonesty of an "Employee" would become payable to that "Employee" shall be deducted from the amount of the loss before a claim is made under this Section.
2. It is a condition precedent to liability that the "Insured" shall not continue to trust any "Employee" with "Money" or goods after the "Insured" has knowledge of any material fact bearing on the honesty of the "Employee" unless the Company is advised and its written approval is obtained.
3. The "Insured" shall if required by the Company provide all information and evidence to the criminal authorities in respect of any fraud or dishonesty committed by an "Employee" in consequence of which a claim is made under this Section. The "Insured" shall if so required by the Company forthwith prosecute the "Employee" for such acts subject to the payment by the Company in the event of a conviction of all expenses necessarily incurred by the "Insured" in such prosecution.
4. Company's Right of Recovery

The Company shall be entitled at its own expense and for its own benefit in the name of the "Insured" or otherwise to prosecute all claims and exercise all rights of action competent to the "Insured" against any of the "Employees" in respect of any acts insured against in connection with which the Company may have made a payment under this Policy and the "Insured" shall give to the Company all such information and assistance as may be reasonably required for maintaining any such claims or rights. The Company waives its rights to any recovery (excluding any counter security taken by the Company) made by the "Insured" for the amount by which the loss sustained by the "Insured" exceeds the amount for which the Company is liable under this Policy.

### Fidelity Guarantee Exclusions

The Company shall not be liable:

1. if there is any non-disclosure or misstatement of facts affecting the risk of the Company at the time of effecting this Policy or subsequently; or
2. if the precautions and checks for securing accuracy of accounts and limiting the amount of monies received by or entrusted to any of the "Employees" at any one time is not observed and put in practice on the part of the "Insured" in accordance with the said proposal; or
3. In respect of a loss committed by an "Employee", where the "Insured" or any representative of the "Insured" had prior knowledge of previous acts committed by that same "Employee" against the "Insured".

### Definitions ~ Section IV

"Employee(s)" means any natural person (except a director or trustee of yours, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the "Insured's" regular service in the ordinary course of the Insured's "Business" during the Period of Insurance and whom the "Insured" compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any temporary hire, broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character.

## Section V - Comprehensive General Liability

### Comprehensive General Liability Cover

Subject to all the terms contained herein and endorsed hereon, the Company will pay to or on behalf of the "Insured" "Loss" for which the "Insured" shall become legally liable to pay as damages in respect of "Personal Injury" or "Property Damage(s)" occurring within the "Coverage Territory" during the Period of Insurance as a result of an "Occurrence" happening in connection with the "Insured Business" described in the "Policy Schedule(s)".

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **LIMITS OF INSURANCE** of this **Section V – Comprehensive General Liability** set out below or any endorsement which forms part of this Policy.

This insurance applies only to damages for "Personal Injury" or "Property Damage(s)", which are determined in a legal suit on the merits of the case taking place in the "Coverage Territory" and awarded within the "Jurisdiction Limits"; or in a settlement to which the Company agrees.

### Comprehensive General Liability Exclusions

The coverage provided under this Section V – Comprehensive General Liability does not apply to any:

#### 1. Aircraft Products

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage" arising out of or in connection with or related to "Insured's Products", which is manufactured, designed or intended for use in any "Aircraft" and which control, monitor or in any way affect the flying of the "Aircraft".

#### 2. Construction, Demolition, Alteration, Addition Works.

"Loss" for which the "Insured" shall become legally liable to pay in respect of any liability arising out of or in connection with or related to any project involving the construction of, demolition of, alteration of and/or addition to any building, structure or infrastructure by or on behalf of the "Insured" where the total cost of the project exceeds HK\$250,000 or the project is not carried out in the insured premises.

#### 3. Contractual Liability

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage(s)" for which the "Insured" is obligated to pay by reason of the assumption, in a contract or agreement, of liability which would otherwise not attach. This exclusion does not apply to liability which would have been imposed by law in the absence of such contract or agreement.

#### 4. Damage to Impaired Property

"Property Damage(s)" to "Impaired Property" or property that has not been physically damaged, arising out of or in connection with or related to:

- a. a defect, deficiency, inadequacy, or dangerous condition in "Insured's Products" or work performed by or on behalf of the "Insured" to meet the level of performance, quality, fitness, or durability warranted; or represented by the "Insured"; or

- b. a delay or failure by the "Insured" or anyone acting on behalf of the "Insured" to perform a contract of agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical damage to "Insured's Products" or the deficiency or inadequacy of work performed by or on behalf of the "Insured" after "Insured's Products" or works has been put to its intended use.

#### 5. Damage to Certain Property

"Property Damage(s)" or "Loss" for which the "Insured" shall become legally liable to pay in respect of "Property Damage(s)" to:

- a. property the "Insured" owns, rents, or occupies;
- b. premises the "Insured" sells, gives away or abandons, if the "Property Damage(s)" arises out of any part of those premises;
- c. property loaned to the "Insured";
- d. personal property in the "Insured's" care, custody or control;
- e. property being loaded or unloaded by the "Insured" onto or from any "Aircraft", "Watercraft" or "Licensed Motor Vehicle" if the "Property Damage(s)" arises out of the loading or unloading;
- f. that particular part of any property on, at or with which the "Insured" or any contractors or subcontractors working directly or indirectly on the "Insured's" behalf are performing operations, if the "Property Damage(s)" arises out of those operations;
- g. that particular part of any property that must be restored, repaired or replaced because the "Insured's" work was incorrectly performed on it; and/or
- h. "Insured's Products".

#### 6. Employees' Compensation or Similar Law

"Loss" for which the "Insured" shall become legally liable to pay in respect of any obligation of the "Insured" under a employees' compensation, disability benefits or unemployment compensation law or any similar law.

#### 7. Employer's Liability

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" to an employee of the "Insured" or other person under contract of service or apprenticeship with the "Insured" arising out of and in the course of the employment of the employee by the "Insured" or out of such service or apprenticeship, as well as "Personal Injury" to the spouse, child, parent, brother or sister of that employee or other person as a consequence of such "Personal Injury" to that employee or other person. This exclusion applies whether the "Insured" may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the "Personal Injury".

#### 8. Employment Practices

"Loss" for which the "Insured" shall become legally liable to pay in respect of any liability relating to "Employment Practices".

#### 9. Expected or Intended Damage or Injury

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage(s)" expected or intended from the standpoint of the "Insured". This exclusion does not apply to "Personal Injury" resulting from the use of reasonable force to protect any persons or property.

#### 10. Failure to Perform, Efficacy

"Loss" for which the "Insured" shall become legally liable to pay in respect of any liability arising out of or in connection with or related to the failure of "Insured's Products" or part thereof to perform its intended function or meet the performance requirements.

#### 11. Fines, Penalties, Punitive Damages, Exemplary Damages etc.

Fines, penalties (whether civil, criminal or contractual), punitive damages, exemplary damages, treble damages or any other damages resulting from the multiplication of, or in excess of compensatory damages.

#### 12. Communicable Disease or Infection

"Loss" for which the "Insured" shall become legally liable to pay in respect of any liability arising out of or in connection with or related to any condition directly or indirectly caused by or associated with the actual or alleged transmission of a communicable disease or infection.

#### 13. Infringement of Patent, Copyright, Trademark, Trade Dress etc

"Loss" for which the "Insured" shall become legally liable to pay in respect of any liability arising out of or in connection with or related to infringement of any patent, copyright, trademark, trade dress, trade name, service mark, misappropriation of a trade secret or other intellectual property.

#### 14. Lead

It is hereby declared and agreed that this Policy does not apply to any liability arising directly or indirectly out of, caused by, in any way related to or in connection with the toxic properties of lead or exposure to lead or lead-containing products, materials or substances.

Furthermore, this Policy does not cover any liability arising out of:

- a. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; or
- b. all forms of lead, including but not limited to solid, liquid, vapour and fumes.

#### 15. Offshore Operations

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage(s)" arising out of or in connection with or related to operational risks of "Offshore Operations".

#### 16. Ownership, Maintenance, Use, Operation etc. of "Watercraft", "Aircraft"

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage(s)" arising out of or in connection with or related to the ownership, maintenance, use, operation, loading, unloading or entrustment to others of any "Watercraft" exceeding 8 meters

in length or any "Aircraft" owned or operated by or loaned or rented to any "Insured".

#### 17. Pathogenic Organisms

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage(s)" arising out of or in connection with or related to any "Pathogenic Organisms", regardless of any other cause or event that contributed concurrently or in any sequence to that injury or damage.

#### 18. Pollution

"Loss" for which the "Insured" shall become legally liable to pay in respect of any liability arising out of or in connection with or related to directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release, seepage or escape of "Pollutants", or any "Loss", cost or expense arising out of any direction or request, whether governmental or otherwise, that the "Insured" evaluate, test for, monitor, "Clean Up", remove, control, contain, treat, detoxify or neutralize "Pollutants".

#### 19. Product Guarantee, Product Warranty

"Loss" for which the "Insured" shall become legally liable to pay in respect of any liability arising out of, in connection with or related to any Product Guarantee or Product Warranty given by or on behalf of the "Insured".

#### 20. Product Recall

Damages claimed for any "Loss", cost or expense incurred by "Insured" or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Insured's Products";
- b. "Impaired Property"; or
- c. work performed by or on behalf of the "Insured",

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### 21. Professional Liability

"Loss" for which the "Insured(s)" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage(s)" arising out of or in connection with or related to the rendering of or failure to render any "Professional Services" or advice by the "Insured" or any error or omission connected therewith.

This exclusion does not apply to liability arising out of the rendering or failure to render medical advice at the "Insured's" premises by "Medical Persons" employed by the "Insured" to provide first aid and ancillary medical services.

#### 22. Tobacco

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" arising out of or in connection with or related to tobacco or tobacco smoke or any ingredient or additive present in any articles, items or goods which contain or include tobacco.

#### 23. Trailer, Licensed Motor Vehicles

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Personal Injury" or "Property Damage(s)" caused by or in connection with or arising out of the ownership or possession or use by or on behalf of the "Insured" of any trailer

or "Licensed Motor Vehicle". However, this exclusion does not apply to liability in respect of the loading, unloading or collection of goods onto or from such trailer or "Licensed Motor Vehicle".

#### 24. Vibration, Pile Driving, Subsidence, Demolition etc.

"Loss" for which the "Insured" shall become legally liable to pay in respect of "Property Damage(s)" to land, buildings, or other structures caused by vibration, pile driving, subsidence or demolition or resulting from the removal or weakening of support, and any "Loss" arising in consequence of such "Property Damage(s)".

#### 25. Cyber Liability Exclusion

It is hereby declared and agreed that this Policy does not cover any liability arising directly or indirectly out of, caused by, in any way related to or in connection with the Insured Business or profession or any activities or any transactions performed, processed, using and/or conducted through the internet, intranet, extranet, the Insured's own website or web address including without limitation any transmission of electronic mail or documents by electronic means.

Notwithstanding the generality of the foregoing, this exclusion does not apply to Privacy Breach Liability and Expenses (PBLE) Extension under Section V – Comprehensive General Liability Coverage Extensions.

### Limits of Insurance

The "Limits of Insurance" shown in the "Policy Schedule" shall be on one combined single limit basis and the rules below specify the maximum the Company will pay for "Loss" for any one "Occurrence", where applicable, regardless of the number of:

1. "Insureds"; or
2. "Claims" made; or
3. Claimants

for all "Personal Injury" and "Property Damage(s)" arising out of any one "Occurrence" during each "Policy Year".

Notwithstanding the above, the total aggregate "Limits of Insurance" during any one Period of Insurance specify the maximum the Company will pay for "Loss" for which the "Insured" shall become legally liable to pay as damages arising out of "Product Hazard" shall not exceed the "Limits of Insurance" stated in the "Policy Schedule".

The maximum payment by the Company shall in no case exceed the "Limits of Insurance" less Deductible.

### Claims Expenses

The Company will pay "Claims Expenses" in addition to "Limits of Insurance" subject to the following conditions:

1. All "Claims Expenses" incurred by the Company and/or by the "Insured" with the Company's written consent in the settlement or defence of any "Claim" for compensation in respect of which the "Insured" is or would be entitled under this Policy.
2. All "Claims Expenses" recoverable from the "Insured" by claimants in connection with the said "Claims".
3. The Company is not obliged to pay any "Claim" or judgments or defend any suit after the "Limits of Insurance" are exhausted by payment of judgments or settlements.

4. If a payment exceeding the "Limits of Insurance" has to be made to dispose of a "Claim", the liability of the Company for "Claims Expenses" will be limited to the proportion of the Company's liability under this Policy to that payment.
5. All sums payable under this Policy for "Loss" will be paid by the Company in the order that such sums are presented to the Company for indemnification.

Notwithstanding the above, the "Limits of Insurance" are inclusive of "Claims Expenses" for:

1. any "Occurrence" in United States of America or Canada and all its territories, possessions and any state of political subdivision thereof; or
2. any "Claim" brought in a court of law in the United States of America or Canada and all its territories, possessions and any state of political subdivision thereof.

and the "Limits of Insurance" available for damages shall be reduced by any amount that the Company pays on behalf of the "Insured" for "Claims Expenses" or that the Company incurs on behalf of the "Insured" as "Claims Expenses".

### Cross Liability

Each of the parties comprising the "Insured" as stated in the "Policy Schedule" is considered a separate legal entity and the word "Insured" applies to each party as if a separate Policy has been issued to each of the said parties but nothing contained in this clause will operate to increase the Company's liability under this Policy.

### Bankruptcy

Insolvency of the "Insured" will not relieve the Company of the Company's obligations under Section V – Comprehensive General Liability.

### Defense and Settlement

With respect to the coverage afforded by this Policy, the Company will defend in the name of and on behalf of the "Insured" any "Claim" against the "Insured" alleging such "Personal Injury" or "Property Damage" and seeking damages on account thereof even if such Claim is groundless, false or fraudulent, and the Company may make such investigation, negotiation and settlement of any Claim as the Company may deem expedient.

Provided that:

1. the Company shall not be obliged to pay any "Claim" or judgement or to defend any suit after the "Limits of Insurance" has been exhausted by payment of judgements or settlements;
2. if a payment exceeding the "Limits of Insurance" has to be made to dispose of a "Claim", the Company's liability to pay any "Claims Expenses" in connection therewith shall be limited to such proportion of the "Claims Expenses" as the "Limits of Insurance" bears to the amount paid to dispose of the "Claim"; and
3. the Company does not have the duty to defend the "Insured" against any "Claim" to which this insurance does not apply.

The Company shall have the right to recommend that the "Insured" settle such "Claim" for an amount for which the "Claim" can be settled. The "Insured" may decline to settle any "Claim" which the Company so recommends that it settle; provided, however, that in the event the "Insured" shall elect to contest or continue to contest such "Claim" after the Company has recommended it be settled,

the Company may withdraw from the matter, and the liability of the Company shall not exceed the sum of the amount of damages for which the "Claim" could have been settled and the amount of "Claims Expenses" incurred with the Company's consent prior to the date on which the Company first recommended settlement.

The Company may in the case of any "Claim" pay to the first "Named Insured" the amount of the Company's applicable "Limits of Insurance" or any lesser sum for which the "Claim" can be settled and the Company will thereafter have no further liability in respect of such "Claim".

## Insured's Product Warranty

### Products to Conform National Standards

The "Insured" warrants that all "Insured's Products" sold/supplied by the "Insured", during the Period of Insurance, shall conform with the national standards or required standards of the country in which they are sold or exported.

## Comprehensive General Liability Coverage Extensions

The following Specific Extensions are subject to the individual Sublimits shown in the "Policy Schedule" for Section V - Comprehensive General Liability. If no individual Sublimit is shown in the "Policy Schedule" for a Specific Extension then, the Specific Extension as described in this Section will be excluded from this Policy coverage. The Sublimits shown in the "Policy Schedule" for the following Specific Extensions are the most we will pay in the Policy aggregate for each Specific Extension and they are part of and shall not increase the "Limits of Insurance" shown in the "Policy Schedule" for Section V – Comprehensive General Liability.

### 1. Damage to Rented Premises (Tenant's Liability)

Comprehensive General Liability Exclusions 5a & 5c shall not apply in respect of loss of or damage to "Premises" or fixtures or fittings thereof hired or rented to the "Insured". However, the Company shall not pay for:

- a. "Loss" or damage if the liability is assumed by the "Insured" under a tenancy or other agreement and would not have attached in the absence of such agreement.
- b. the first HKD1,000.00 each and every "Claim" under this Extension.

### 2. Exhibition/Trade Fair

This Section is extended to cover the "Insured"'s legal liability arising from or happening during an exhibition / trade fair held or participated by the "Insured" in any exhibition hall or trade fair centre anywhere within Hong Kong SAR, provided that the duration of exhibition / trade fair shall not exceed 14 consecutive days and up to the sublimit amount shown in the "Policy Schedule" for this extension.

### 3. First Aid Facilities

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

### 4. Food and Drinks Poisoning

This Section is extended to include the "Insured"'s legal liability arising out of any claim made in respect of poisoning of any

kind arising from food and/or drinks sold or supplied or the presence of deteriorated matter in such food and/or drinks sold or supplied by the "Insured" in connection with the Business at the "Premises", up to the amount of the "Limit of Insurance" shown in the "Policy Schedule" for this extension provided always that the Company shall not be liable under this Extension

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

### 5. Overseas Visits

This Section is extended to include the "Insured"'s legal liability arising from occasional visits outside Hong Kong SAR by any of the "Insured"'s directors, partners or employees in connection with the Business and being engaged in non-manual works, provided that such liability occurs during the Period of Insurance and such directors, partners or employees shall observe, fulfil and be subject to the terms, Limits of Insurance, Exclusions, Conditions and the Jurisdiction Clause of this Policy.

### 6. Property Owner's Liability

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

### 7. The Business

The Business shall include:

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

### 8. Products Liability Mould Extension

In the case that Products Liability coverage is provided under this Policy, Section V – Comprehensive General Liability is extended to cover:

In respect to Products Liability; "Personal Injury" or "Property Damage(s)" resulting from any of your covered products when they have mould or other "Fungi" as their customary components and they are intended to be consumed as a food or beverage.

### 9. Privacy Breach Liability and Expenses (PBLE) Extension

(Claims Made and Reported)

We will indemnify you for those sums that you become legally obligated to pay as damages because of an actual or alleged "Privacy Breach" covered "Claim", up to the amount of the limit of insurance available for this Extension shown on the "Policy Schedule", provided all of the following conditions have been met:

- a. You have experienced a "Privacy Breach"; and:
  - i. Such "Privacy Breach" did not occur before the "Retrospective Date" and it is first discovered by you during the Period of Insurance; and
  - ii. At the time of applying for this insurance you did not have any knowledge of circumstances which may give rise to a "Claim" under this Extension; and
  - iii. Such "Privacy Breach" is first reported to us as soon as practicable after the date it is first discovered by you,



but in no event later than 30 days after it is first discovered; and

- iv. The "Privacy Breach" must involve "Private Personal Data" that was held in Hong Kong SAR by you or on your behalf.

b. Privacy Breach Expenses:

We will reimburse you for the expenses incurred by you to mitigate a covered "Privacy Breach". We will pay up to the amount of the limit of insurance available for this Extension shown on the "Policy Schedule" in respect to reasonable and necessary direct expenses incurred for any of the "Privacy Breach Expenses" set forth hereunder:

- i. "Privacy Breach Notification Expenses"
- ii. "Crisis Management Service Expenses"
- iii. "Identity Restoration Case Management Service Expenses"
- iv. "Computer and Network Forensic Consulting Service Expenses"
- v. "Data Breach Reward Expenses"

#### Exclusions

This Privacy Breach Liability and Expenses Extension does not insure against "Claim" or damages incurred resulting directly or indirectly from:

1. Any "Privacy Breach" that first occurred prior to the "Retroactive Date", whether known to you or not;
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you, any of your partner(s), director(s) or trustee(s) or employee(s) acting alone or in collusion with others; or whether occurring during or outside of the hours of employment;
3. Any fines, penalties or surcharges or fees from affected financial institutions, provincial or federal regulators and or courts of law;
4. Criminal investigations or proceedings, or any civil investigations or proceedings initiated by a government agency or authority;
5. Except as provided under "Computer and Network Forensic Consulting Service Expenses", any expense to investigate or correct a deficiency in your systems, employee management, vendor management, internal systems, procedures, computer network or system firewalls, computer network or system antivirus or any other physical or procedural security which may have contributed to the "Privacy Breach";
6. "Privacy Breach" or "Privacy Breach Expenses" arising out of the failure to apply or the improper application of necessary software patches;
7. "Privacy Breach" arising out of any virus, worm, trojan, bot or any other malicious code, software, spyware or malware that was, on the date the data breach occurred, named and recognized by the CERT Coordination Centre, and any other industry acceptable third party antivirus, antimalware or other solution that monitors malicious code activity;
8. Any other expenses such as expenses to reissue credit or debit cards or any other expenses not provided for under "Privacy Breach Expenses" described above;

9. Any expense or other loss caused by or resulting from delay, loss of use, loss of existing or prospective markets, diminished value or any other consequential loss;
10. Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance; and/or
11. Third party's costs incurred from liability claims or defense costs, other than what you become legally obligated to pay.

#### Limits of Insurance

The most we will pay for all insured expenses in any one "Privacy Breach" is the limit shown on the "Policy Schedule".

All incidents of "Privacy Breach" that are discovered at the same time or arise from the same cause or from a series of similar causes will be considered one "Privacy Breach". All theft of "Private Personal Data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "Privacy Breach".

Regardless of when expenses are incurred, we will not pay "Privacy Breach Expenses" in excess of the Limit of Insurance that is applicable to the Period of Insurance when the "Privacy Breach" was first discovered.

#### Definitions ~ PBLE Extension

1. "Claim" under the context of this Extension means any written or oral notice received by you from any party advising that it is the intention of such party to hold you responsible for a "Privacy Breach".
2. "Computer and Network Forensic Consulting Service Expenses" are those reasonable and necessary digital forensic services required to determine the scope and extent of any unauthorized disclosure, release or theft of electronic information resulting from a "Privacy Breach" or breach of privacy regulations.
3. "Crisis Management Service Expenses" means the reasonable and necessary costs and fees incurred by you for the retention of a public relations consultant provided such action is necessary to avoid or mitigate damage to your brand(s) and the cost of effecting notification on a wide scale of the data breach via the media.
4. "Data Breach Reward Expenses" means any money that you pay for information which leads to the arrest and conviction of an individual(s) who commits or attempts to commit a "Privacy Breach" covered by this Extension.
5. "Identity Restoration Case Management Service Expenses" means where available and warranted, expenses incurred to provide victims with:
  - a. Credit, fraud, public records or other monitoring services for a period of up to one year; and
  - b. Identity fraud education and resolution assistance.
6. "Privacy Breach" means the loss, theft, accidental release or accidental publication of "Private Personal Data" entrusted to you if such loss, theft, accidental release or accidental publications has or could reasonably result in the fraudulent use of such information.
7. "Privacy Breach Expenses" means "Privacy Breach Notification Expenses", "Crisis Management Service Expenses", "Identity Restoration Case Management Service

Expenses" and "Computer and Network Forensic Consulting Service Expenses".

8. "Privacy Breach Notification Expenses" means necessary expenses incurred by the "Insured" in order to fulfill a government mandated order, requirement or request to notify individuals affected by a "Privacy Breach".
9. "Private Personal Data" means an individual's name or first initial and last name in combination with the individual's social insurance number, bank account number, credit and debit card account numbers, PIN numbers or transaction history, driver's license number, medical diagnosis, patient history and medications. HK Identity Card or passport number, identifying personal data or any other applicable private information in accordance with the laws of Hong Kong SAR.
10. "Retroactive Date" means the inception date of your first Allianz Commercial Package Policy which was consecutively renewed with us and includes the coverage provided under this Extension.

## Definitions ~ Section V

"Aircraft" means any vehicle, craft, device or thing made or intended to fly or move in or through the atmosphere or space.

"Claim" means:

1. written demand or written allegation against an "Insured"; or
2. civil or arbitral proceeding for monetary or non-monetary relief against an "Insured", including but not limited to any mediation or similar proceeding.

A "Claim" is first made against an "Insured" when the demand is received by the "Insured" or the proceeding commencing is first served on the "Insured".

"Claims Expenses" means:

1. all reasonable and necessary legal fees and other expenses incurred by the "Insured" in accordance with the Policy conditions or with the consent of the Company in the investigation, settlement or defense of any "Claim" excluding all salaries of the "Insured's" employees, officers and directors and office expenses, and any such fees and expenses incurred by the Company on behalf of the "Insured" shall be deemed incurred by the "Insured";
2. all costs taxed against the "Insured" in the suit;
3. pre-judgment interest awarded against the "Insured" on that part of any judgment the Company pays; provided that, if the Company makes an offer to pay the applicable "Limits of Insurance", the Company will not pay any pre-judgment interest based on that period of time after such offer; and
4. all interest on the full amount of any judgment that accrues after entry of the judgment and before the Company has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable "Limits of Insurance".

"Coverage Territory" means anywhere in the world or otherwise as specified in the "Policy Schedule" subject to the following conditions:

1. We will reimburse the "Insured" for any incurred loss or expense if we are not prevented by law or otherwise from making payments on your behalf; and
2. Notwithstanding any other provision of this Policy, we shall have the right and the duty, if permitted by law or otherwise, to

investigate, defend and settle any claim or action. In the event we are not authorized to investigate, settle or defend any case, the "Insured" shall, with our supervision, make or cause to be made such investigation and defenses as are reasonably necessary and, subject to our prior authorization, will effect to the extent possible such settlement(s) as we and the "Insured" deem prudent. We will reimburse the "Insured" for the reasonable cost of such investigation and defense and, within the applicable limits of liability of the Policy, for the amounts of such authorized settlements.

3. The coverage provided in this Policy Section may be nonadmitted coverage in certain countries. The Company assumes no responsibility to furnish certificates, other evidence of insurance, bonds, or comply with the laws of other nations relating to any coverage provided by this Policy. All penalties for non-admitted insurance which are imposed by any nation to which this coverage applies are the "Insured's" exclusive responsibility.

"Employment Practices" means:

1. unfair or wrongful dismissal, termination or discharge of employment, either actual or constructive;
2. harassment including bullying;
3. discrimination;
4. retaliation, including lockouts;
5. employment related misrepresentations to an employee or applicant for employment;
6. employment related humiliation, defamation or invasion of privacy, denial of natural justice;
7. wrongful failure to employ or promote;
8. wrongful deprivation of career opportunity;
9. wrongful failure to grant tenure;
10. negligent evaluation or unfair discipline;
11. failure to provide accurate references; or
12. failure to comply with employment policies or procedures,

solely relating to an employee or prospective employee of the "Insured".

"Impaired Property" means any tangible property not physically injured, other than "Insured's Products", that cannot be used or is less useful because:

1. it incorporates "Insured's Products" that is known or thought to be defective, deficient, inadequate or dangerous; or
2. "Insured" has failed to fulfil the terms of a contract agreement;

If such property can be restored to use by:

1. the repair, replacement, adjustment or removal of "Insured's Products"; or
2. "Insured" fulfilling the terms of the contract or agreement.

"Insured" means:

1. the person or entity named in the "Policy Schedule" as "Insured";
2. any subsidiary company (including subsidiaries thereof) of the "Insured" and any other organisation under the control of the "Insured" and over which it is exercising active management;



3. any new organisation acquired by the "Insured" during the "Period of Insurance" through consolidation, merger, purchase of the assets of or assumption of control and active management, provided that:
  - a. such acquisition or assumption is notified to the Company in writing within ninety (90) days; and
  - b. the Company gives notice in writing to the "Insured" that such new organisation shall be covered by the Policy; and
  - c. the "Insured" pays any additional premium that may be required by the Company in respect of such new organization.
4. any director, officer, employee, partner or shareholder of the "Insured", but only whilst acting within the scope of their duties in such capacity;
5. any principal in respect of that principal's vicarious liability for the acts or omissions of the "Insured" in the "Insured's" performance of work for that principal;
6. any social and/or sporting clubs, first aid, fire and ambulance services formed with the consent of the "Insured" including any office bearer or member thereof in their respective capacities as such; and
7. any director or senior executive of the "Insured" in respect of private work undertaken by the "Insured's" employees for such director or senior executive.

"Insured Business" means operations of the "Insured" which are stated as "Insured Business" in the "Policy Schedule" including related activities.

"Insured's Products" means:

1. any goods or products designed, manufactured, supplied, sold, handled, distributed, erected, installed, repaired, serviced, treated, assembled, dispatched, delivered or disposed of by the "Insured" or under the "Insured's" name; or
2. containers (other than "Licensed Motor Vehicles"), materials, parts or equipment furnished in connection with such goods or "Insured's Products".
3. does not include vending machines, other property rented to or located for the use of others but not sold, and goods or products that are still in the "Insured's" physical possession.

"Jurisdiction Limits" means the country or countries stated as Jurisdiction Limits in the "Policy Schedule" where the Company will have a duty to defend the "Insured" against any "Claim" seeking damages. However, the Company will have no duty to defend the "Insured" against any "Claim" seeking damages in any country not designated in the "Policy Schedule". If blank or not listed in the "Policy Schedule". "Jurisdiction Limits" shall mean Hong Kong SAR.

"Licensed Motor Vehicle" means any type of machine designed to travel on wheels or on self-laid tracks and to be propelled by other than manual or animal power, and which is subject to licensing by a public authority and/or compulsory motor insurance.

"Limits of Insurance" means the amount stated as "Limits of Insurance" in the "Policy Schedule".

"Loss" means damages, interest, settlements and judgments and "Claims Expenses".

"Medical Persons" means qualified medical practitioners, ancillary medical workers and dentists.

"Occurrence" means a fortuitous event, including continuous, intermittent or repeated exposure to substantially the same general harmful conditions.

For the purposes of this Policy, where a series of, and/or several "Personal Injuries" or "Property Damage(s)" arise out of, are a result of or are attributable directly or indirectly to the same actual or alleged defect, hazard, failure to warn, event, condition or cause, all such "Personal Injuries" and/or "Property Damage(s)" shall be deemed to have been caused by the same single "Occurrence", irrespective of the period or area over which the "Personal Injuries" or "Property Damage(s)" occur.

All "Personal Injury" or "Property Damage(s)" arising out of the same single "Occurrence" will be deemed to have taken place wholly during the "Policy Year" in effect at the time of the commencement of the first of such "Personal Injury" or "Property Damage(s)" arising out of such "Occurrence". In the event of any "Personal Injury" or "Property Damage(s)" arising from continuous, intermittent or repeated exposure to substantially the same general harmful conditions including but not limited to continuous, intermittent or repeated inhalation, ingestion or application of any substance and/or where the "Insured" and the Company cannot agree when the "Personal Injury" or "Property Damage(s)" took place, then:

"Personal Injury" will be deemed to have taken place when the claimant first consulted a medical practitioner in respect of such injury; and

"Property Damage(s)" will be deemed to have taken place when it first became evident to the claimant even if the cause is unknown.

"Offshore Operations" means:

1. fixed or mobile production facilities for the production of oil and gas; or
2. offshore drilling installations

"Pathogen Organisms" means any bacteria, yeasts, mildew, virus, "Fungi", mould or their spores, mycotoxins or other metabolic products.

"Personal Injury" means:

1. "Bodily Injury", death, illness, disability, shock, fright, mental anguish or mental injury;
2. false arrest, detention, false imprisonment, malicious prosecution or humiliation;
3. wrongful entry or wrongful eviction or other invasion of the right to private occupancy;
4. assault and battery not committed by or at the direction of the "Insured" unless committed for the purpose of preventing or eliminating danger to persons or property; or
5. the publication or utterance of libel or slander, or of other defamatory or derogatory material, or a publication or utterance in violation of any individual's rights of privacy except:
  - a. when the first such publication or utterance is related to any publication or utterance made prior to the commencement of this Policy; or
  - b. when any of such publication or utterance is made in the course of or is related to advertising, broadcasting, telecasting or publishing activities conducted by or on behalf of the "Insured".

“Policy Year” means the period of one (1) year, within the “Period of Insurance”, ending each year on the day and month shown in the expiration date in the “Policy Schedule”. If the period between the inception date and the expiration date shown in the “Policy Schedule” is less than one (1) year, then such period shall be deemed to be the only “Policy Year”.

If the period between the inception date and the expiration date is greater than one (1) year, then such period shall be deemed to be the initial “Policy Year” of the “Period of Insurance” and if this Policy is renewed, a new “Policy Year” (of one (1) year’s duration) shall commence on the first day after the expiration date shown in the “Policy Schedule”.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. The term “waste” as used in this definition includes materials, which are to be or are being disposed of, recycled, reconditioned or reclaimed.

“Product Hazard” means “Personal Injury” or “Property Damage(s)” due to defect, deficiency, inadequacy, or dangerous condition in “Insured’s Products”; but only where such “Personal Injury” or “Property Damage(s)” occurred:

1. away from premises owned or occupied by the “Insured”; and
2. after physical possession of the “Insured’s Product” has been relinquished to others.

“Professional Services” includes but is not limited to:

1. Legal, accounting or advertising services;
2. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager;
3. The rendering or failure to render any professional services by or for you in the performance of any claim, investigation, adjustment, appraisal or audit service;
4. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;
5. Engineering services, including related supervisory or inspection services;
6. Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
7. Any health or therapeutic service treatment, advice or instruction;
8. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
9. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardio – vascular fitness, body building or physical training programs;
10. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
11. Body piercing services; or
12. Services in the practice of pharmacy.

“Property Damage(s)” means physical injury to tangible property, including all resulting loss of use of that property; or loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by physical damage of other tangible property.

“Watercraft” means any ship or vessel of whatever type, whether self-propelled or not, including but not limited to cargo vessels, passenger vessels, other vessels used for transport, towboats, barges, storage vessels, tanker vessels, drill ships and offshore drilling platforms.

## Section VI - Employees' Compensation

### Employees' Compensation Cover

If any employee in the "Insured's" immediate employ shall sustain "Bodily Injury" or death by "Accident" or "Disease" caused during the Period of Insurance within Hong Kong SAR and arising out of and in the course of his/her employment by the "Insured" in the "Business", the Company shall, subject to the Limit of Indemnity and to the terms, Exclusions and Conditions contained herein or endorsed hereon (all of which are hereinafter collectively referred to as the "Terms of this Section"), indemnify the "Insured" against its liability in respect of such "Bodily Injury" or death under the Employees' Compensation Ordinance ("Ordinance"), and independently of the "Ordinance", to pay compensation and damages and claimant's costs and expenses, and also indemnify the "Insured" against costs and expenses incurred by or on behalf of the "Insured" with the Company's written consent in connection therewith provided that in the event of any change to the "Ordinance" during or subsequent to the Period of Insurance altering the "Insured's" legal liability under the "Ordinance" the Company's liability shall be limited to such sums as the Company would have been liable to pay if the "Ordinance" had remained unaltered.

It is further provided that:

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

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

### Policy Limit of Indemnity

1. In respect of any "Accident" or "Disease" giving rise to a claim or claims against the "Insured" for which indemnity is provided under this Policy, the Company's indemnity to the "Insured" including costs and expenses incurred by or on behalf of the "Insured" with the Company's written consent shall in the aggregate be limited to the amount specified in the "Policy Schedule" as "Policy Limit of Indemnity", irrespective of the number of Employees who may sustain "Bodily Injury" or death consequent on or attributable to the same occurrence of "Accident" or Disease.
2. In relation to any liability of the "Insured" in respect of a "Disease" contracted by an Employee due to the nature of his employment with "Insured" during a period that extends over more than one Period of Insurance:
  - a. the aggregate of the Company's indemnity to the "Insured" under all insurance policies including costs and expenses incurred by or on behalf of the "Insured" shall not exceed the Limit of Indemnity of the insurance Policy that was in force at the time the nature of the Employees' employment to which such "Disease" was due first affected the Employee; and
  - b. subject to the limitation of paragraph 2.a. hereof, the Company's indemnity to the "Insured" under this Policy including costs and expenses incurred by or on behalf of the "Insured" shall be limited to such proportion of the "Insured's" liability in respect of such "Disease" as that part of the Employees' period of employment falling within the Period of Insurance of this Policy bears to the total period

of his employment to the nature of which "Disease" was due.

3. If the occurrence of any "Accident" or "Disease" results in indemnity hereunder to more than one "Insured", the limitations of the Company's liability specified in paragraphs 1. and 2. hereof shall apply to the aggregate of indemnity to all "Insureds".
4. At any time after the occurrence of any "Accident" or "Disease" giving rise to a claim or claims against the "Insured" for which indemnity is provided under this Policy, the Company may pay to the "Insured" the full amount of the Company's liability specified in paragraph 1. and 2. hereof (after the deduction of any sum already paid) or any lesser amount for which such claim or claims can be settled and shall relinquish the conduct of any defence settlement or proceedings relating to such claim or claims, and shall not thereafter be responsible for any compensation, damages or costs in respect thereof or for any costs or expenses whatsoever incurred by the "Insured" after the Company shall have relinquished such conduct or for any loss, damage or expenses caused to the "Insured" in consequence of any act or omission of the Company in connection therewith or of the Company relinquishing such conduct.
5. If there should be any shortfall in the actual "Earnings" declared in accordance with paragraph 2. of Insurance Premium, of the **EMPLOYEES' COMPENSATION SPECIAL CONDITIONS** of this Section from the respective actual "Earnings", the extent of the Company's Indemnity shall be reduced proportionately by the extent of under-insurance; and the balance shall be borne by the "Insured" himself. If no declaration of the actual "Earnings" by the "Insured" is received by the Company as prescribed, for the purpose of this clause the "Earnings" estimated by the "Insured" as at the commencement of the Period of Insurance shall be used in lieu of the actual "Earnings" that should have been declared to determine the extent of the under-insurance if any.

### Reimbursement of Non-Covered Payments

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

### Employees' Compensation Special Conditions

#### Insurance Premium

1. Prior to the commencement of the Period of Insurance, the "Insured" shall provide the Company with record of past wage roll certified as being correct by the appropriate officer of the "Insured". Such certified wage roll shall be referred to herein as "the Estimated Earnings Declaration" on the basis of which a deposit premium becomes payable to the Company.
2. The "Insured" shall within ninety (90) days after the expiry of the Period of Insurance or upon cancellation of the Policy supply the Company with a further declaration stating the actual "Earnings" of Employees during the Period of Insurance (which declaration is referred to herein as "the Actual Earnings Declaration"). If the actual "Earnings" shall differ from the estimated "Earnings", the difference in premium shall be met by a further proportionate adjustment premium to be paid to the Company or by a premium refund to the "Insured" as the case may be.
3. It is hereby declared that the premium payable by the "Insured" in consideration of the indemnity provided under this Policy is

the sum of the deposit premium and the adjustment premium calculated pursuant to paragraphs 1. and 2. hereof.

4. The name, Hong Kong Identity Card number, class of employment and "Earnings" of every Employee of the "Insured" employed in the "Business" from time to time during the Period of Insurance shall be properly recorded by the "Insured" and retained in a safe place so that a record exists of all persons who are the Employees of the "Insured" for the purpose of this Policy; and the "Insured" shall at all reasonable times allow the Company to inspect and obtain copies of such records.
5. If the "Insured" fails to cooperate with the Company in submitting the completed premium adjustment and declaration of "Earnings" form, without prejudice to any other rights of the Company, the Company shall retain the discretion not to renew this insurance upon expiry of the Policy.

## Employees' Compensation Exclusions

The Company shall not be liable for:

1. any liability to employees of contractors or sub-contractors to the "Insured".
2. liability to any person who is not an Employee within the meaning of the "Ordinance".
3. any liability arising from "Pneumoconiosis" or "Mesothelioma" or "Noise-Induced Deafness".
4. 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".
5. 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.

## Employees' Compensation Terrorism Endorsement

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

1. the Policy Limit of Indemnity shall be such amount which the Company actually receives from the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the Government") pursuant to an Agreement for Provision of Facility dated 11th January 2002 between the Government and the Company under which the Government agreed to make available to the Company and other direct insurance companies authorised to underwrite employees' compensation insurance business in Hong Kong SAR a facility to enable them to meet claims under employees' compensation insurance policies in respect of death and injury arising out of an event of terrorism ("the Facility Agreement").
2. the Company will only be required to make payment after the Company has received from the Government (a) an approval letter confirming that the Company should settle the claim and (b) payment under the Facility Agreement.
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.

4. subject always to the exceptions and conditions of the Facility Agreement, this Policy shall not cover any difference in limits between the minimum cover required under the "Ordinance" and the limits provided by this Policy, its endorsements or extensions.

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

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

In the event any part of this Endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect. Words and phrases in this Endorsement shall have the same meaning as in this Policy.

## Definitions ~ Section VI

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

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

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

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

"Insured" means the person(s), company(s) or firm(s) named as The Insured" in the "Policy Schedule" while carrying on the "Business".

"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).

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

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

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

## Section VII - Personal Accident

### Personal Accident Cover

#### Accidental Death or Permanent Accidental Injury

The Company shall pay the percentage of the Sum Insured stated in the "Policy Schedule" in accordance with the Benefits Scale, if during the Period of Insurance any "Insured Person(s)" suffers "Accidental" Death or "Accidental" "Permanent" "Bodily Injury".

#### Benefits Scale

Benefits for "Accidental":	% of Sum Insured
Death	100%
Loss of Limbs	100%
Permanent Total Disablement	100%
Loss of Sight	
- both Eyes	100%
- one Eye	50%
Loss of Hearing	
- both Ears	75%
- one Ear	15%
Loss of Speech	75%
Loss of a Thumb	
- both phalanges	25%
- one phalanx	10%
Loss of an Index Finger	
- three phalanges	10%
- two phalanges	8%
- one phalanx	4%
Loss of other Fingers	
- three phalanges	6%
- two phalanges	4%
- one phalanx	2%
Loss of a Big Toe	
- both phalanges	10%
- one phalanx	15%
Loss of each other Toe	2%
Loss of Sense of Smell or Taste	10%
Third Degree Burns	
Area - Damage as a percentage of Total Body Surface Area	
- Head - Equals to or greater than 2% but less than 5%	50%
- Head - Equals to or greater than 5% but less than 8%	75%
- Head - Equals to or greater than 8%	100%
- Body - Equals to or greater than 10% but less than 15%	50%
- Body - Equals to or greater than 15% but less than 20%	75%
- Body - Equals to or greater than 20%	100%

Provided that:

- the aggregate amount payable amongst all benefits shall not exceed the Sum Insured stated in the "Policy Schedule"; and
- no payment shall be made under any benefit listed under the Benefits Scale except on proof that loss or disablement has continued for twelve months from the date of "Bodily Injury"

and in all probability, shall continue for the remainder of the "Insured Person's" life.

### Personal Accident Specific Extensions

The following Specific Extensions are subject to the individual Sublimits shown in the "Policy Schedule", if no individual Sublimit is shown in the "Policy Schedule" for a Specific Extension then, the Specific Extension as described in this section will be excluded from this Policy coverage. The Sublimits shown in the "Policy Schedule" for the following Specific Extensions are the most we will pay in the Policy aggregate for each Specific Extension and they are part of and shall not increase the Limits of Insurance shown in the "Policy Schedule" for Section VII – Personal Accident of this Policy.

This Section is extended to cover the Extensions listed below provided always that no payment for any Personal Accident Specific Extension shall be made if any benefit listed under the Benefits Scale becomes claimable.

#### Disappearance

The Company will pay the benefits consequent upon the presumption of death of the "Insured Person" twelve months after the disappearance, sinking or wrecking of the conveyance in which the "Insured Person" was travelling as a fare-paying passenger at the time of an "Accident" resulting in such disappearance, sinking or wrecking of the conveyance and sufficient evidence is available that leads to the conclusion that death is caused to the "Insured Person". Provided that the person(s) to whom such benefits are paid shall undertake to refund the full amount of the payment to the Company should the "Insured Person" be subsequently found to be living.

#### Medical Expenses

If the "Insured Person" suffers a covered "Accidental" "Bodily" Injury, the Company shall pay up to the Sum Insured stated in the "Policy Schedule" the actual medical expenses necessarily and reasonably incurred for medical and/or surgical treatment within 104 weeks from the time the "Insured Person" suffers "Bodily Injury".

#### Temporary Total Disablement

If the "Insured Person" suffers "Accidental" "Bodily Injury" resulting in him/her being totally disable to attend his/her occupation, the Company shall pay the weekly benefit stated in the "Policy Schedule" up to 104 weeks from the date of "Bodily Injury".

#### Temporary Partial Disablement

If the "Insured Person" suffers "Accidental" "Bodily Injury" resulting in him/her being partially disable to attend his/her occupation, the Company shall pay the weekly benefit stated in the "Policy Schedule" up to 8 weeks from the date of "Bodily Injury".

### Personal Accident Specific Conditions

#### Geographical Limits

The coverage extended under Section VII – Personal Accident is provided 24 hours a day, for all "Accidental" Death or "Accidental" "Permanent" "Bodily Injury" suffered within the territorial limits of Hong Kong SAR or China, unless otherwise specified in the "Policy Schedule".

#### Age Limitation

The cover by this Section shall only apply to "Insured Person(s)" who are aged between sixteen (16) and seventy (70) years on the first day of the Period of Insurance.



## Cease of Coverage

In the event of an "Accident" giving rise to a claim under death or 100% "Permanent" "Accidental" "Bodily Injury" cover, the Company's Liability under this Policy will cease to apply to the "Insured Person(s)" concerned.

## Changes

It is a condition precedent to any liability of the Company that all changes in the occupation, duties, pursuits or any other changes which may increase the possibility of a claim under this Section relating directly or indirectly to an "Insured Person" be immediately notified in writing to the Company and any additional premium as a result of the changes be paid on request.

At each renewal date and before payment of any premium for any renewal of this Section, the "Insured" shall advise in writing details of any serious sickness or injury suffered by any "Insured Person".

## Notice of Claim and Treatment

The "Insured" shall report in writing as soon as possible full details of any "Bodily Injury" which may result in a claim under this Section and immediately upon the happening of any such "Bodily Injury" the "Insured Person" shall seek medical attention with a legally qualified and registered medical practitioner and shall undergo any treatment such practitioner shall deem necessary.

## Written Evidence

All certificates, information and evidence relating to the "Bodily Injury" must be produced at the expense of any claimant in the form and nature as stipulated by the Company and the claimant shall agree to undergo further medical examination at the expense of and if required by the Company.

## Non Assignment

The Company shall not recognize any notice of trust, charge or assignment relating to this Section, and the receipt of the "Insured" or the "Insured's" legal person representatives shall in all cases effectively discharge any of the Company's liability.

## Personal Accident Exclusions

The Company does not cover "Accidental" "Bodily Injury" directly or indirectly consequent upon:

1. Through committing or attempting to commit an assault or any criminal offence.
2. Through suicide or attempted suicide or intentional self-injury (whether sane or insane).
3. Whilst under the influence of alcohol or drugs, treatment of alcoholism, drug abuse or any other complications arising therefrom.
4. Engaging in a sport in a professional capacity or where the "Insured Person" would or could earn income or remuneration from engaging in such sport.
5. Engaging in collision sports, including but not limited to: Boxing, Martial Arts (MMA, karate, full-contact, kung-fu, taekwondo, jujitsu, judo, etc.), Rugby, American Football, Aussie Rules Football, Ice Hockey and Fencing.
6. Whilst engaging in aviation (such as a crew member or engaging in a trade or technical operation of aircraft) or aerial activities (such as sky diving, hang gliding, paragliding, parachuting).

7. Whilst mounting into, dismounting from or travelling in any balloon or aircraft other than as a passenger (fare paying or otherwise) in any duly licensed standard type of aircraft anywhere in the world.
8. Whilst engaged in pot-holing, mountaineering or rock or cliff climbing necessitating the use of ropes or guides, and bungee jumping in whatever form.
9. Whilst engaging in winter sport (except curling and recreational skating).
10. Whilst engaging in underwater activities involving the use of underwater breathing apparatus (except group leisure snorkeling).
11. Whilst participating in any racing, speed contest or professional sport.
12. Arising out of the participation in any naval, military or air force operations whether in the form of military exercises or war games or actual engagement with the enemy, whether foreign or domestic other than peace time national reservists training.
13. Arising out of any cosmetic treatments, procedures or interventions.
14. Birth control, infertility treatment thereof, pregnancy including childbirth, caesarean operation, abortion, miscarriage and all complications therefrom.
15. HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or mutant derivatives or variations thereof however caused. Venereal or sexually transmitted Disease, Infectious Disease and virus infection.

Medical condition or complication arising from it which existed before the commencement of the Period of Insurance, or for which care, treatment or advice was sought, recommended by or received from a "Doctor" or for which a claim has or could have been made under any earlier Policy.

## Definitions ~ Section VII

"Accident/Accidental" means an unforeseen and unexpected event of an accidental nature, which shall independently of any other cause, be the sole and direct cause of "Bodily Injury".

"Bodily Injury" means injury sustained by an "Insured Person" whilst this Policy is in force and which is solely caused by an "Accident" and independently of any other cause.

"Doctor" means a qualified medical practitioner of western medicine holding a valid medical license, granted by the appropriate licensing authority and acting within the scope of his license within the Geographical Limit as specified in the "Policy Schedule" and who is not the "Insured Person", employer or employee of the "Insured Person", spouse or lineal relatives.

"Hospital" means any lawfully operated institution for the care and treatment of the sick and injured and/or ill persons and which provides facilities for diagnosis, major surgery and full-time nursing service and is not primarily a rest or convalescent home or similar establishment or other than incidentally a place of alcoholics or drug addicts.

"Insured Person(s)" means the "Insured's" employees named, listed or described in the "Policy Schedule" for personal "Accident" cover, or any amendment or endorsement(s) to this Section attached and forming part of this Policy.

"Loss of Hearing" means total and irrecoverable loss of hearing, which is beyond remedy by surgical or any other treatment.

"Loss of Limb" means physical severance of at least all four fingers in their entirety or "Permanent" total "Loss of Use" of an entire arm or hand, physical severance at or above the ankle or "Permanent" total "Loss of Use" of an entire leg or foot.

"Loss of Sight" means total and irrecoverable loss of sight of an eye, which is beyond remedy by surgical or any other treatment.

"Loss of Speech" or "Loss of Sense of Smell or Taste" means medically certified "Permanent" and irrecoverable loss of the sense of taste, smell or speech, which is beyond remedy by surgical or any other treatment.

"Loss of Use" means loss in terms of physical incapacity or disability and not in terms of professional or occupational incapacity or disability of the "Insured Person".

"medical Expenses" means cost of medical, surgical or other remedial attention, treatment or appliances given or prescribed by "Doctor", "Hospital", nursing homes and ambulance charges.

Treatment by herbalist acupuncturist and bonesetter for injury will be payable up to a maximum of HKD1,000 per "Accident" per "Insured Person" and up to a maximum Policy annual aggregate of HKD10,000.

"Permanent" means lasting twelve (12) consecutive calendar months from the date of disability and at the expiry of that period being beyond hope of improvement or recovery.

"Permanent Total Disablement" means disablement of an "Insured Person" when he is completely unable to engage in any gainful occupation or employment for the remainder of his life, after twelve (12) calendar months of continuous total disability which has resulted from "Accidental" "Bodily Injury".

"Temporary Partial Disablement" means state of incapacity resulting from the "Insured Person" suffering "Bodily Injury", which temporarily prevents the "Insured Person" from engaging in a substantial part of his occupation.

"Temporary Total Disablement" means state of incapacity resulting from the "Insured Person" suffering "Bodily Injury", which temporarily totally prevents the "Insured Person" from engaging in his occupation.