

**中國太平洋保險(香港)有限公司**  
China Pacific Insurance Co., (H.K.) Ltd.

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## **CONTRACTORS' ALL RISKS INSURANCE**

1. Now this Policy Witnesseth that in consideration of the Insured (as stated in the said Schedule) having paid or agreed to pay to **China Pacific Insurance Co., (H.K.) Ltd.** (hereinafter called the Company) the premium stated in the said Schedule.
  - 1.1 The Company hereby agree subject to the terms, exceptions and conditions contained herein or attached hereto or endorsed hereon that if during the Period of Insurance stated in the said Schedule or during any further period in respect of which the Insured shall have sustain loss or damage or shall incur liability in the circumstances provided for by this Policy and defined herein the Company shall indemnify the Insured in the manner hereinafter described.
2. **General Exceptions**  
The Company shall not indemnify the Insured in respect of the loss damage or liability directly or indirectly caused by or arising out of:
  - 2.1.1 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, military or usurped power or persons acting on behalf of or in connection with any political organization with activities directed towards the overthrow or influencing of a government, de jure or de facto, by force, confiscation, nationalization, commandeering, requisition or destruction or damage by order of any government, de jure or de facto, or by any public authority;
  - 2.1.2 strike, riot, lock out, civil commotion or persons taking part in labour disturbances;
  - 2.1.3 acts of terrorism committed by a person or persons acting on behalf of or in connection with any organization. For the purpose of this exception "terrorism" means the use of violence for political ends and includes the use of violence for the purpose of putting the public or any section of the public in fear;
  - 2.1.4 nuclear weapons, materials, ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste, from the combustion of nuclear fuel and for the purposes of this exception combustion shall include any self-sustaining process of nuclear fission.
  - 2.2 In any action, suite or other proceeding where the Company allege that by reason of the provisions of exceptions, 2.1.1, 2.1.2, 2.1.3 above any loss damage or liability is not covered by this insurance the burden of proving that such loss damage or liability is covered shall be upon the Insured.
3. **SECTION I - MATERIAL DAMAGE**
  - 3.1 The Company shall indemnify the Insured in respect of loss of or damage to the Insured Property described in the Schedule whilst at the Site during the Period of Insurance arising from any cause whatsoever not hereinafter excluded.
  - 3.2 The Company shall not indemnify the Insured in respect of that part of the Works :
    - 3.2.1 which has been taken into use or occupied by the Employer from the time of such taking into
    - 3.2.2 for which a certificate of completion has been issued from the expiry of 28 days from the date of completion certified therein;

- 3.2.3 whichever of 3.2.1 or 3.2.2 is the earlier unless;
  - 3.2.4 such loss or damage be occasioned during the Maintenance Period stated in the Schedule and
  - 3.2.5 was caused by an occurrence during the Construction Period stated in the Schedule or
  - 3.2.6 was caused by an insured Contractor in the course of complying with his obligations under the maintenance and defects liability clauses of the Contract.
- 3.3 Provided that the total liability of the Company under this Section shall not exceed the Sum Insured shown in the Schedule for each item of the Insured Property.

#### **EXCEPTIONS TO SECTION I**

- 3.4 The Company shall not indemnify the Insured in respect of :
- 3.4.1 loss or damage due to any fault, defect, error or omission in or failure of any design plan or Specification;
  - 3.4.2 loss or damage due to defect immaterial or workmanship but this exception shall be limited to that part of the Insured Property directly affected and shall not exclude loss or damage to other parts of the Insured Property resulting from an accident due to such defect;
  - 3.4.3 loss of or damage to any item of machinery forming part of the Works or Constructional Plant due to its own explosion, mechanical or electrical breakdown or derangement but this exclusion shall not be deemed to exclude damage to other parts of the Works or Constructional Plant arising as a consequence of such explosion, breakdown or derangement;
  - 3.4.4 loss of Insured Property due to it being stolen or otherwise missing from the Site unless such loss is identifiable by the Insured with a specific occurrence;
  - 3.4.5 loss of or damage to cash, bank notes, treasury notes, cheques, postal orders, money orders, stamps, deeds, bonds, bills of exchange, promissory notes and securities;
  - 3.4.6 loss of use, liquidated damages, penalties, performance guarantees or other consequential losses;
  - 3.4.7 loss or damage due to wear and tear, rust, mildew or other deterioration due to gradually operating causes;
  - 3.4.8 the cost of maintenance;
  - 3.4.9 loss of or damage to any locomotive, waterborne vessel, aircraft or vehicle other than any land vehicle which is used solely on the Site and which is not used on any public road or public highway to which any road traffic legislation applies;
  - 3.4.10 damage to tyres whilst attached to a vehicle or plant unless the vehicle or plant is damaged at the same time;
  - 3.4.11 loss or damage due to cessation of work whether total or partial.

#### **CONDITIONS TO SECTION I**

- 3.5 The Sum Insured shall in respect of Item 4 in the Schedule represent the new replacement value inclusive of erection, freight and customs.
- 3.6 If in the event of loss or damage to the Insured Property Item 4 it is found that the Sums Insured are less than the amounts required to be insured the amount recoverable under this Policy shall be reduced in such proportion as the Sums Insured bear to the amounts required to be insured.
- 3.7 In the event of loss or damage to the Insured Property under Item 4 indemnifiable under this Policy the basis of loss settlement shall be :
- 3.7.1 in the case of damage which can be repaired, the costs of necessary repairs without deduction for depreciation, however indemnification shall be limited to costs not exceeding the actual value of the damaged property;
  - 3.7.2 in the case of a total loss, the actual value of the insured property immediately before the occurrence of the loss less salvage.
- 3.8 In the event of loss or damage to the Insured Property the insurance hereunder shall be maintained in force during the Period of Insurance for the Sum Insured the Insured undertaking to pay an additional premium at the agreed rate on the amount of any loss exceeding HKD100,000.00 pro rata from the date of such loss or damage to the expiry of the Period of Insurance but this additional premium shall be disregarded for the purpose of any adjustment of premium under General Conditions 5.6 of this Policy.

#### 4. SECTION II – LIABILITY TO THIRD PARTY

- 4.1 The Company shall indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay for;
  - 4.1.1 accidental death, bodily injury, illness or disease suffered by any person arising out of the performance of the Contract described in the Schedule;
  - 4.1.2 accidental loss or damage to physical property arising out of the performance of the Contract described in the Schedule.
- 4.2 The liability of the Company under this section of the Policy for all compensation payable to any claimant or number of claimants in respect of or arising out of all occurrence of a series consequent on or attributable to one original cause shall not exceed the limit of indemnity specified in the Schedule.
- 4.3 In respect of any claim covered by this section of the Policy the Company shall in addition be liable for:
  - 4.3.1 all costs and expenses of litigation recovered by any claimant against the Insured;
  - 4.3.2 all costs and expenses of litigation incurred by the Insured with the written consent of the Company in resisting any claim.
- 4.4 Where the Insured consists of more than one party the insurance by this Section shall apply to each party as if a separate policy had been issued to each party.
- 4.5 Provided always that the aggregate liability of the Company shall not be increased beyond the limit of indemnity specified in the Schedule.

#### **EXCEPTIONS TO SECTION II**

- 4.6 The Company shall not indemnify the Insured in respect of:
  - 4.6.1 liability in respect of death, bodily injury, illness or disease suffered by any person employed by an insured Contractor or employed by any party to whom part or parts of the insured Contract have been sub-contracted. However this exclusion shall not apply to any liability which may attach to any sub-contractor insured under this Policy in respect of death bodily injury illness or disease suffered by a person employed by any other sub-contractor;
  - 4.6.2 liability in respect of compensation claimed from the Insured by an injured person or dependent under any Employees' Compensation Legislation;
  - 4.6.3 Liability resulting from or attributable to or caused by the ownership or possession or use by or on behalf of the Insured of any locomotive, waterborne vessel, aircraft or vehicle other than any land vehicle which is used solely on the contract Site and which is not used on any public road or public highway to which any road traffic legislation applies;
  - 4.6.4 liability compulsorily insurable under any legislation governing the use of motor vehicles;
  - 4.6.5 liability in respect of loss or damage to any building, property or structure caused by or resulting from vibration or by the removal or weakening of support;
  - 4.6.6 liability in respect of loss of or damage to property belonging to or in the care, custody or control of the Insured;
  - 4.6.7 liability in respect of loss or damage to permanent or temporary works or materials forming part of the Contract or contracts insured under this Policy;
  - 4.6.8 liability consequent upon any agreement by the Insured to pay any sum by way of indemnity or otherwise or predetermined penalties or liquidated damages imposed under any contract entered into by the Insured unless such liability would have attached also in the absence of such agreement contractual penalty or liquidated damages.

#### 5. GENERAL CONDITIONS

- 5.1 This Policy shall be construed according to the laws of Hong Kong.
- 5.2 The Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
- 5.3 All the terms, exceptions and conditions contained herein or endorsed hereon are incorporated in and form part of this contract of insurance and are deemed to be conditions precedent to any liability on the part of the Company so far as they relate to anything to be done by the Insured.
- 5.4 The expressions "Constructional Plant", "Certificate of Completion", "Contract", "Contractor", "Contract Sum", "Final Contract Sum", "Maintenance Period", "Site", "Specification" and "Works" shall bear the meaning ascribed to them in the Government of Hong Kong Special Administrative Region General Conditions of Contract for Civil Engineering Works/Building Works (1999 edition) as amended by any Special Conditions of Contract.

- 5.5 If any change shall occur materially varying any of the facts upon which this Policy is based the Insured shall immediately give notice in writing to the Company and the premium shall be adjusted in accordance with any agreed rate.
- 5.6 The Insured shall within three months of the expiration of the Period of Insurance furnish to the Company a declaration of the Final Contract Sum and if such sum shall differ from the Contract Sum the premium shall be adjusted accordingly subject to any minimum retained premium previously agreed.
- 5.7 The Insured shall take all reasonable precautions to prevent loss damage or accident and shall comply with the "Construction Sites (Safety) Regulations" and any ordinance or regulation which might apply in respect of the insured Contract.
- 5.8 In the event of any occurrence which might give rise to a claim under this Policy the Insured shall :
- 5.8.1 notify the Company as soon as practicable and in writing give an indication as to the nature and extent of the damage;
- 5.8.2 at the expense of the Company take such immediate action as is necessary to minimize the loss provided that such expense shall not increase the Company ultimate loss;
- 5.8.3 keep parts affected and make them available for inspection by a representative or surveyor of the Company for a reasonable period of time but the Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not;
- 5.8.4 furnish all such information and documentary evidence as the Company may require and submit a formal claim within 6 months the occurrence or such further time as the Company may in writing agree, such agreement not to be unreasonably withheld;
- 5.8.5 inform and assist the police authorities in case of loss or damage due to theft or burglary or malicious action;
- 5.8.6 immediately send to the Company upon receipt any writ summons or other proceedings which may be commenced against the Insured;
- 5.8.7 give to the Company all information and assistance to enable the Company to settle or resist any claim or institute proceedings.
- 5.9 In the event of a claim or claims arising for which the Company could be liable under this Policy the Company shall be entitled :
- 5.9.1 to undertake in the name and on behalf of the Insured the absolute conduct and control of any proceedings and the settlement of the same;
- 5.9.2 to take proceedings at their own expense and for their own benefit but in the name of the Insured to recover compensation or secure an indemnity from any third party in respect of anything covered by this Policy;
- 5.9.3 to pay to the Insured in respect of any claim or claims the maximum liability of the Company under Section II of this Policy as stated in the Schedule or such lesser sum for which the said claim or claims can be settled (subject to deduction in either case of any sum or sums already paid on account for such claim or claims) and thereafter the Company shall be under no further liability in respect of the said claim or claims except for payment of costs and expenses incurred prior to the date of such payment and for which the Company may be liable hereunder.
- 5.10 The Insured shall not negotiate, pay, settle, admit or repudiate any claim under the Policy without the written consent of the Company.
- 5.11 This insurance is not to be called upon in contribution and is only to pay any loss hereon if and so far as not recoverable under any other insurance.
- 5.12 All differences arising out of this Policy shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an award shall be a condition precedent to any right of action against the Company. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve 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.

## CLAUSES ENDORSEMENTS EXTENSIONS & WARRANTIES

### **CROSS LIABILITY CLAUSE**

It is agreed and understood that otherwise subject to the terms exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, the Third Party Liability cover of the Policy shall apply to the insured parties named in the Schedule as if a separate policy had been issued to each party, provided that the Company shall not indemnify the Insured under this Endorsement in respect of liability for

- loss of or damage to items insured or insurable under Section 1 of the Policy, even if not recoverable due to an excess or any limit
- fatal or non-fatal injury or illness of employees or workmen who are or could have been insured under Workmen's Compensation and/or Employers' Liability insurance.

The Company's total liability in respect of the insured parties shall not however exceed in the aggregate for any one accident or series of accidents arising out of one event the limit of indemnity stated in the Schedule.

### **A1. EXTENSION OF COVER FOR VIBRATION OR REMOVAL OR WEAKENING OF SUPPORT**

A1.1 It is agreed and understood that notwithstanding Exception 4.6.5 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section II of this insurance shall be extended to indemnify the Insured for:

A1.1.1 liability in respect of the collapse of any building, property or structure or any part thereof or any damage which impairs the structural stability of any building, property or structure or which endangers its users caused by or resulting from vibration on removal or weakening of support;

A1.1.2 provided that prior to the occurrence of such collapse or damage the condition of such building, property or structure was sound and all reasonable safety precautions had been taken;

A1.1.3 provided that upon discovery of damage which does not immediately result in the collapse of any building, property or structure or any part thereof or any damage which impairs the structural stability of any building, property or structure or which endangers its users which is caused by or alleged to be caused by or resulting from vibration or removal or weakening of support arising out of any operations in connection with the execution of the insured Contract the Insured shall immediately suspend such operations or shall at their own expense take all reasonable safety precautions;

A1.1.4 provided that the Company shall not indemnify the Insured in respect of damage caused by or resulting from vibration or removal or weakening of support to any building, property or structure under demolition or declared by the relevant public authority to be unsafe.

A1.2 In respect of each and every occurrence of damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess shown in the Schedule.

A1.3 The liability of the Company in respect of damage caused by vibration or removal or weakening of support shall not exceed the amount as stated in the Schedule for any one accident and in aggregate for the Period of Insurance.

### **A7. EXTENSION OF COVER FOR EMPLOYER'S PROPERTY**

A7.1 It is agreed and understood that notwithstanding Exception 4.6.6 and otherwise subject to the terms, exclusions, provisions and conditions contained in this Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section II of this insurance shall be extended to indemnify the Insured for:

A7.1.1 liability in respect of loss of or damage to any building, structure or property belonging to the Employer in the care, custody or control of an insured Contractor in connection with the execution of the insured Contract;

A7.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess stated in the Schedule.

A7.3 The liability of the Company in respect of loss of or damage to the Employers' property held in care, custody or control shall not exceed the amount as stated in the Schedule any one loss and in aggregate during the Period of Insurance.

#### **A8 EXTENSION TO EMPLOYER'S EMPLOYEES CLAUSE**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium of this insurance shall be extended to indemnify the Insured for legal liability for death/bodily injury &/or property damage to third parties on site.

For the purpose of this extension, any direct employees under a contract of service for the Principal are also covered under this extension as third parties. However, the coverage is restricted to those parties concerned for the purpose of visiting the site on occasionally basis.

#### **REVISED 4.6.1 MEMORANDUM**

The Wording of the 4.6.1 under Exception to Section II

"Liability in respect of death, bodily injury, illness or disease suffered by :

- (a) any person employed by any insured party i.e. Principal/employer, contractors, sub-contractors, Sub-sub-contractors for the purpose of execution of the Insured contract or any parts thereof; and
- (b) any person to whom part or parts of the Insured contract have been sub-contracted including but not limited to Self-employed Sub-contractors

#### **PROFESSIONAL FEES CLAUSE**

Provided that it is expressly mentioned in the Policy Schedule, this Policy shall also apply to Architects Surveyors and Consulting Engineers fees necessarily incurred in the reinstatement of the property specified consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorised under the Scale of Professional Charges of the Royal Institute of British Architects and/or of the Schedule of Professional Charges of the Royal Institution of Chartered Surveyors and/or of the Association of Consulting Engineers as the case may be, or of the respective equivalent local body, subject to a maximum limit as stated in the Schedule by the item but only to the extent to which the sum insured on property in respect of any item not otherwise exhausted.

#### **REMOVAL OF DEBRIS (A.24)**

Provided that it is expressly mentioned in the Policy Schedule, the Sum Insured by this Policy is extended to cover costs and expense (subject to a maximum amount as stated in the Schedule) necessarily incurred by the Insured with the consent of the Company in:

- (a) Removing Debris
- (b) Dismantling and/or demolishing
- (c) Shoring up or propping

of the portion or portions of the property insured by this Policy destroyed or damaged by fire or by any other peril hereby insured against. The total liability under this Policy for both loss to property and such costs and expense shall not exceed the amount of Insurance applying under this Policy to the property covered.

#### **LOADING AND UNLOADING VEHICLES EXTENSION**

It is hereby declared and agreed that notwithstanding anything contained herein to the contrary, this Policy is extended to indemnify the Insured against all sums which the Insured shall become legally liable to pay as compensation for accidental bodily injury to any person or accidental damage to property caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of the load to any commercial motor vehicle for loading thereon or the taking away of the load from such vehicle after unloading therefrom.

Provided that the indemnity by this endorsement does not include liability

- (1) arising from the use of any vehicle in circumstances involving the application of any Compulsory Third Party Motor Insurance Legislation.
- (2) which is insured or would but for the existence of this Policy be insured by any other existing Policy.

## **BURNING AND WELDING CLAUSE**

Notwithstanding anything contained to the contrary of this Policy, the Company is not liable for any loss, damage or liability in respect of work involving the application of heat within or in vicinity of the Insured's premises, unless the following precautions are in operation:

- (1) General
  - (a) The area in which the operation is to be carried out must be clear and free from combustible materials before operations commence.
  - (b) Before carrying out any work on one side of a wall or partition, an inspection must be made on the opposite side to the work to ensure that no combustible materials are in danger of ignition either directly or by condition of heat.
  - (c) Except for plumbing or painting contracts involving one man only, at least one responsible official must be present at commencement of the operation and two or more employees must be present during the whole period of the operation.
  - (d) A thorough examination must be made in the vicinity after termination of each period of work.
  - (e) Portable fire extinguishing appliances must be kept available for immediate use.
- (2) Oxy-Acetylene and other welding and cutting equipment
  - (a) the area in which the work is to be carried out must be shielded adequately by the use of fire-resistant material.
  - (b) Combustible floors in the area must be covered with sand or protected with overlapping sheets of non-combustible material.
- (3) Blow lamps and blow torches
  - (a) Blow lamps must be filled only in the open.
  - (b) Blow lamps must be lighted immediately before work commences and extinguished immediately after work ceases.
  - (c) Lighted blow lamps must not be left unattended

## **SAFETY PRECAUTION CLAUSE**

Notwithstanding anything contained herein to the contrary, it is hereby agreed and understood that the Company shall only indemnify the Insured for loss, damage or liability in the event the Insured shall

- (1) take into account the prevailing weather conditions in Hong Kong;
- (2) construct storage facilities for cement and other materials as water tight structures in areas not exposed to flooding and shall store cement at least 0.6 meters above ground level. The Insurers shall not indemnify the Insured in respect of loss or damage to cement due to rain, flood or other forms of ingress of water unless the cement storage structures also suffer damage by a cause indemnifiable under the Policy;
- (3) take all reasonable measures to secure the Location of Site stated under this Policy against unauthorized entry;
- (4) take all reasonable precaution against fire hazards and provide and maintain fire fighting equipment;
- (5) take all reasonable measures to maintain all temporary works and scaffoldings in good conditions during the period of insurance.

## **CONSTRUCTION SITE EXCLUSION CLAUSE**

This Policy is excluded to cover the Insured's legal liability in respect of loss or damage to third parties property and third parties bodily injury / death arising out of or in connection with any works carried out within the construction site. For the purpose of this policy, the construction site is deemed to mean any site in the course of construction and/or prior to the issue of the necessary occupation permit from the local authorities concerned for the building thereon.

## **NON-CONTRIBUTION CLAUSE**

Notwithstanding any contained herein to the contrary, it is agreed that the indemnity provided by this Policy is not to be called upon in contribution and is only to pay any loss hereon if and so far as not recoverable under any other insurance.

## **LEGAL REQUIREMENTS WARRANTY (A.33)**

Warranted that the Insured shall duly comply with and observe all provisions, requirements and regulations of

- (i) Fire Service Department and/or
- (ii) Labour Department and/or
- (iii) Dangerous Goods Ordinance and/or
- (iv) Factories and Industrial Undertakings Ordinance and/or
- (v) Any other Statutory Obligation

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

#### **SANCTION LIMITATION AND EXCLUSION CLAUSE**

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

#### **CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE 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.

#### **GONDOLA &/OR SWING BOAT EXCLUSION**

This Policy is excluded to cover the Insured's legal liability in respect of loss of or damage to third parties property and third parties bodily injury / death arising out of or in connection with any usage of gondola &/or swing boat.

#### **ERECTION OR DISMANTLING EXCLUSION CLAUSE**

This Policy is excluded to cover the Insured's legal liability in respect of loss of or damage to third parties property and third parties bodily injury / death arising out of or in connection with any scaffolding or outdoor workstation during time of erection thereto or dismantling therefrom the work site.

#### **PRODUCTS/COMPLETED OPERATIONS EXCLUSION**

The Company shall not indemnify the Insured in respect of liability caused by or arising out of products or completed operations being anything manufactured, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by any Insured after it has ceased to be in their control.

#### **PROFESSIONAL LIABILITY EXCLUSION CLAUSE**

This Insurance does not apply to bodily injury or property damage arising out of the rendering of failure to render any professional services by or for the Named Insured.

#### **TOTAL ASBESTOS EXCLUSION CLAUSE**

In consideration of the premium charged for this (re)insurance, it is hereby understood and agreed that this contract shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

#### **TOTAL POLLUTION EXCLUSION**

The Company shall not indemnify the Insured in respect of liability arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants by the Insured upon or into land, the atmosphere or any water course or body of water.

#### **POLLUTION AND CONTAMINATION EXCLUSION CLAUSE**

It is hereby declared and agreed that this policy excludes all liability in respect of Pollution or Contamination other than caused by a sudden, accidental, identifiable, unintended and unexpected incident occurring during the Period of Insurance.

All pollution or contamination which arises out of one incident shall be deemed to have happened at the time such incident takes place.

The liability of the Company for all compensation payable in respect of all pollution or contamination which is deemed to have occurred during the Period of Insurance shall not exceed the Sum stated in the Schedule as the Limit of Indemnity for any one occurrence.

For the purpose of this Endorsement "Pollution" or "Contamination" shall be deemed to mean :

- (a) all pollution or contamination of buildings or other structures or of water or land or the atmosphere and
- (b) all loss or damage or injury directly or indirectly caused by such pollution or contamination.

#### **ABSOLUTE ASBESTOS EXCLUSION CLAUSE**

It is agreed that this Policy shall not apply:

- (a) to any liability for property damage, personal injury, sickness, disease, occupational, disease, disability, shock, death, mental anguish or mental injury at any time arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos, asbestos products, asbestos fibers or asbestos dust;
- (b) to any obligation of the insured to indemnify any party because of damages arising out of such property damage, personal injury, sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury at any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust;
- (c) to any obligation to defend any suit or claim against the insured alleging personal injury, or property damage and seeking damages, if such suit or claim arises from personal injury or property damage resulting from or contributed to, by any and all manufacture of, mining of, use of, sales of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

Further, should the underlying limits become impaired or exhausted for claim(s) payment(s) and/or loss adjustment expense(s) excluded by this endorsement, coverage provided by this Policy will not drop down over the impaired or exhausted underlying limits, however, the Policy will continue to respond for covered claims in excess of the limits stated in the declaration page as underlying.

#### **COSTS INCLUSIVE CLAUSE**

Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that the total liability of the Company for each and every occurrence in respect of indemnity and legal costs & expenses shall in no case exceed the policy limit as shown on the schedule.

#### **CYBER EXCLUSION**

Notwithstanding anything herein to the contrary, this policy does not cover loss, damage and third party liability directly or indirectly caused by, arising from, or consisting of, in whole or in part :

- (a) the use or misuse of the internet or similar facility;
- (b) any electronic transmission of data or other information;
- (c) any computer virus or similar problem;
- (d) the use or misuse of any internet address, website or similar facility;
- (e) any data or other information posted on a website or similar facility;
- (f) any loss of data or damage to any computer system, including but not limited to hardware or software;
- (g) the functioning or malfunctioning of the Internet or similar facility, or of any internet address, website or similar facility.
- (h) any infringement whether international or intellectual property rights including but not limited to trademarks, copyrights or patent.

#### **TERRORISM EXCLUSION ENDORSEMENT**

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

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

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

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

## **TERRORISM EXCLUSION CLAUSE FOR CONTAMINATION AND EXPLOSIVES**

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

1. biological or chemical contamination
  2. missiles, bombs, grenades, explosives
- due to any act of terrorism.

For the purpose of this endorsement an act of Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any 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.

For the purpose of 1) "Contamination" means the contamination, poisoning, or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances.

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

## **WAR AND CIVIL WAR EXCLUSION CLAUSE**

Any loss or damage or liability directly or indirectly caused by :

1. War, invasion, act of foreign enemy, hostilities or war-like operations (whether war is declared or not), civil war;
2. Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government of public or local authority or any person or persons acting on behalf of or in connection with any organization the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by violent means.

## **ELECTRONIC DATE RECOGNITION CLAUSE EDRC – CAR**

This insurance does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) the calculation comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- (b) any change, alteration or modification involving the date change to the year 2000 or any other date change, including leap year calculations, to any such computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, injury, cost, claim or expense.

## **SEEPAGE, POLLUTION & CONTAMINATION EXCLUSION CLAUSE**

This Insurance does not cover any liability for :-

- 1) Personal injury or bodily injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination.
- 2) The costs removing, nullifying or cleaning-up seeping, polluting or contamination substances.
- 3) Fines penalties, punitive or exemplary damage.

## IT CLARIFICATION CLAUSE

It is understood and agreed that the property or material damage covered by this policy shall mean physical damage to the substance of property.

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

Consequently the following are excluded from this policy:

- (1) Loss and damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance or property shall be covered.
- (2) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

## NUCLEAR ENERGY RISKS EXCLUSION CLAUSE

This Insurance shall exclude Nuclear Energy Risks.

Nuclear Energy Risks shall mean:

- i) All Property on the site of a nuclear power station.  
Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.
- ii) All property, on any site (including but not limited to the sites referred to in (i) above) used or having been used for:-
  - a) The generation of nuclear energy; or
  - b) The production, Use or Storage of Nuclear Material
- iii) Any other Property eligible for insurance by the relevant Nuclear Insurance Pool and/or Association but only to the extent of the requirements of the local Pool and/or Association.
- iv) The supply of goods and service to any of the sites, described in (i) to (iii) above, unless such insurances shall exclude the perils of irradiation and con-tamination by Nuclear Material.

Except as undernoted, Nuclear Energy Risks shall not include:-

- i) Any insurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in (i) to (iii) above (including contractors' plant and equipment);
- ii) Any Machinery breakdown or other Engineering insurance not coming within the scope of (i) above; Provided always that such insurance shall exclude the perils of irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:

1. The provision of any insurance whatsoever in respect of:-
  - a) Nuclear Material;
  - b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agree with the relevant local Nuclear Insurance Pool and/or association.
2. The provision of any insurance for the undernoted perils:
  - Fire, lightning, explosion;
  - Earthquake;
  - Aircraft and other aerial devices or articles dropped therefrom;
  - Irradiation and radioactive contamination;
  - Any other perils insured by the relevant local Nuclear Insurance Pool and/or Association; in respect of any other Property not specified in (1) above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

Definitions

"Nuclear Material" means:-

- i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and
- ii) Radioactive Products or Waste.  
"Radioactive Products or Waste" means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabri-cation so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose.

"Nuclear Installation" means:-

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

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

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

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

"High Radioactivity Zone or Area" means:-

- i) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and
- ii) For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.

#### **MINIMUM PREMIUM CLAUSE**

Notwithstanding anything contained herein to the contrary, this Policy is subject to a Minimum Premium as stated in the Schedule.