



AsiaSuccess INSURANCE

The information supplied by or on behalf of the Insured for the purpose to effect AsiaSuccess Insurance Policy is the basis of this contract.

In consideration of the payment of the Premium specified in the Policy Schedule, the Company undertakes and agrees, subject to the terms exclusions and conditions of this Policy, to indemnify the Insured to the extent and in the manner hereinafter provided in the respective Sections specified to be operative in the Policy Schedule in respect of events occurring during the Period of Insurance specified in the Policy Schedule.

Provided that this Policy shall not be in force unless it has been signed in the Policy Schedule by an authorized person of the Company.

INTRODUCTION

AsiaSuccess Insurance Policy is an insurance contract between the Insured and Asia Insurance Co., Ltd. The contract is evidenced by this document together with the Policy Schedule which is hereinafter referred to as "the Policy".

The Policy consists of 7 Sections :

- (1) Property All Risks Insurance
- (2) Business Interruption Insurance
- (3) Money Insurance
- (4) Fidelity Guarantee Insurance
- (5) Personal Accident Insurance
- (6) Public Liability Insurance
- (7) Employees' Compensation Insurance

The coverage under each Section is stated in the relevant parts of the Policy. Additional to the special definitions exclusions and conditions applicable to the individual Sections, insurance coverage in respect of all Sections is further subject to General Definitions General Exclusions and General Conditions.

GENERAL DEFINITIONS (applicable to all Sections)

"The Company" means Asia Insurance Co., Ltd.

"Contents" or "Contents (other than Stock-in-Trade)" means property contained in the Premises such as interior decorations tenant's improvements furniture fixtures and fittings (including Plate Glasses), business utensils electricity telephone and sanitary installations business machines, equipment and appliances and all other trade contents not otherwise specifically insured, belonging to the Insured or for which the Insured is responsible including Documents but excluding Money Stock-in-Trade Curiosities Works of Art, unless specifically mentioned in the Policy Schedule.

"Documents" means printed books unused stationery and maps written books deeds manuscripts business books architects plans patterns models moulds plans designs and computer system records.

"Employees" means persons employed in connection with the Insured's Business under a contract of service with the Insured as defined in Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and its amendments.

"Geographical Area" means anywhere within the territories of Hong Kong.

"Hong Kong" means Hong Kong Special Administrative Region of the People's Republic of China.

"The Insured" means the person or persons so specified in the Schedule in whose name and for whose benefit this Policy is issued.

"The Insured's Business" means the business operations including its related activities carried on by the Insured at the Premises specified in the Policy Schedule and no other.

"Money" means bullion current coinage currency notes cheques (including non-negotiable cheque) travellers' cheques credit card sales vouchers postal and money orders and current postal stamps all belonging to the Insured or for which the Insured is responsible.

"Period of Insurance" means the time specified in the Policy Schedule during which this Policy is operative at the expiry of which time the Policy may be renewed and a new Period of Insurance will run for a further 12 months period.

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

"Plate Glass" means fixed external plain plate or sheet glass in shop front fixed internal glass including glass in mirrors showcases wall-cases counter-cases fixed plate or sheet glass in windows doors skylights and partitions in the Premises, belonging to the Insured or for which the Insured is responsible but excluding armour plate and glass that is silvered embossed lettered bent or ornamental.

"The Policy" means this AsiaSuccess Insurance Policy the Policy Schedule and any Memoranda and Endorsements contained herein or endorsed hereon which shall be read as one document and any word or expression to which a specific meaning has been assigned shall bear such meaning throughout.

"The Policy Schedule" means the typed sheets attached to the Policy which set out the details of the insurance contract and the Sections of the Policy that are operative.

"Property Insured" means the property insured under Section (1) and includes both Contents and Stock-in-Trade.

"Premises" means the Premises stated in the Schedule occupied solely by the Insured for the purposes of the Insured's Business.

"Stock" or "Stock-in-Trade" means goods contained in the Premises in connection with the Insured's Business belonging to the Insured or held in trust or on commission by the Insured and for which the Insured is responsible.

In this Policy, unless the context otherwise requires, the singular includes the plural and vice versa and words and expressions importing the masculine gender include the feminine and neuter gender.

SECTION (1) PROPERTY ALL RISKS INSURANCE

INSURANCE COVERAGE

The Company will subject to the terms exclusions and conditions hereof indemnify the Insured by payment reinstatement or repair against accidental physical loss of or damage to Property Insured contained in the Premises occurred during the Period of Insurance provided that the Company's maximum liability under this Section including its Extensions shall not exceed the Sum Insured in respect of each item as stated in the Schedule or the Sum Insured in whole by this Section (1) for any one Period of Insurance.

Provided further that:

- (1) In respect of loss of or damage to Contents (other than Stock-in-Trade), claims settlements are on Replacement Cost basis (that is, the cost of repairing or replacing the damaged Insured Property with new property of the same kind and quality without adjustment for wear-and-tear and depreciation), further subject to the following sub-limits:
 - (a) the Company's liability in respect of any one loss occurrence is limited to the amount specified in the Policy Schedule as Section (1) Sum Insured (Contents);
 - (b) the Company's liability in respect of any one item of equipment or machinery shall not exceed HK\$200,000 (unless declared to and agreed by the Company and specified in Memorandum attached hereto);
 - (c) in respect of any claim for loss or damage to Documents (including card tape file or transparency), the Company's maximum liability shall not exceed the following sub-limits:
 - (i) HK\$50,000 in annual aggregate during any one period of insurance in respect of computer systems' records;
 - (ii) HK\$5,000 any one item and HK\$50,000 in annual aggregate during any one period of insurance in respect of other Documents.
 The indemnity provided herein is limited to cover the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein), and not for the value of the information contained therein.
- (2) In respect of loss of or damage to Stock-in-Trade claims settlement are on Indemnity Value basis (that is, the actual value of the Stock to the Insured at the time the loss or damage occurs) provided that the Company's liability in respect of any one loss occurrence is limited to the amount specified in the Policy Schedule as Section (1) Sum Insured (Stock-in-Trade).

EXTENSIONS TO INSURANCE COVERAGE UNDER SECTION (1)

(1) Alterations or Repairs

Interior contract works for alterations decorations repairs or maintenances are allowed in the Premises without prejudice to the interests of the Insured under this Policy provided that the contract value of each contract work shall not exceed HK\$250,000.

(2) Removal of Debris

The Company will pay for the costs of removing debris from the Premises following loss of or damage to Property Insured provided that:

- (a) the Company's liability under this Extension is limited to 10% of Total Sum Insured for Contents and Stock; and
- (b) the loss or damage necessitating the removal of such debris is indemnifiable under Section (1).

(3) Contents temporarily removed from the Premises

The Company will pay for loss of or damage to Contents caused by accidents occurred whilst temporarily removed from the Premises anywhere within Hong Kong for cleaning renovation repair or other similar purposes provided that the value of Contents so removed will not exceed 10% of the Section (1) Sum Insured (Contents) at any one time.

(4) Documents in Transit

The Company will pay for loss of or damage to the Insured's Documents caused by accidents occurred whilst in transit between the Premises and any other locations within Hong Kong provided that the Company's liability under this Extension is limited to HK\$5,000 any one loss occurrence.

(5) Works of Art

The Company will pay for loss of or damage to the Insured's curiosities or works of art (including but not limited to paintings, sculptures and the likes) caused by accidents occurred at the Premises provided that the Company's liability under this Extension is limited to HK\$10,000 any one item and HK\$50,000 in annual aggregate during any one period of insurance.

(6) Personal Effects of the Insured's Employee

The Company will pay for loss of or damage to the Insured's Employees' clothing and personal effects (excluding Money mobile phones watches jewellery or computer tablets) caused by accidents occurred at the Premises provided that:

- (a) such clothing and personal effects are not otherwise insured;
- (b) the Company's liability under this Extension any one loss occurrence is limited to HK\$5,000 any one Employee and HK\$30,000 in annual aggregate during any one period of insurance.

(7) Trade Sample

The Company will pay for loss of or damage to trade samples belonging to the Insured or for which the Insured is responsible caused by accidents occurred at the Premises provided that the Company's liability shall not exceed 10% of the Section (1) Sum Insured (Contents) in annual aggregate during any one period of insurance.

(8) Damage to Premises by Theft

The Company will indemnify the Insured in respect of physical damage to the building structures of the Premises caused by theft or attempted theft of Property Insured involving forcible and violent means of entry into or exit from the Premises provided that the Insured is responsible to repair such damage and the Company's liability under this Extension shall not exceed HK\$50,000 in annual aggregate during any one period of insurance.

(9) Accidental Breakage of Fixed Glass

The Company will indemnify the Insured in respect of accidental breakage of Fixed Glass in windows doors showcases and shelves at the Premises and also pays for the reasonable costs of any temporary boarding-up rendered necessary for the protection of the undamaged Insured Property as a result of the breakage of Fixed Glass provided that:

- (a) the indemnity provided herein shall not include any cost of lettering or decorations on the glass;
- (b) the Company will not be liable for any disfiguration or damage other than fracture extending through the entire thickness of the glass;
- (c) the Company's liability under this Extension is limited to HK\$30,000 in annual aggregate during any one period of insurance.

(10) Shop Front Signboard

The Company will pay for accidental damage to the shop front signboards at the Premises belonging to the Insured or for which the Insured is responsible provided that the Company's liability under this Extension shall not exceed HK\$5,000 any one loss occurrence and HK\$20,000 in annual aggregate during any one period of insurance.

(11) Replacement of Locks

The Company will pay for the reasonable costs of replacing damaged door locks pertaining to the Premises due to theft or attempted theft of Property Insured involving forcible and violent means of entry into or exit from the Premises provided that the Company's liability under this Extension shall not exceed HK\$5,000 in annual aggregate during any one period of insurance.

(12) Fire Extinguishing Expenses

The Company will pay for the reasonable costs of refilling fire extinguishers fluid and/or replacing sprinkler heads belonging to the Insured or for which the Insured is responsible following fire or explosion at the Premises provided that the Company's liability shall not exceed HK\$20,000 in annual aggregate during any one period of insurance.

(13) Seasonal Increase in Stock

During the period commencing from the first day of November of any year and terminating on the first day of March immediately following, the Sum Insured for Stock-in-Trade specified in the Schedule will automatically be increased by an amount not exceeding 25% of the said Sum Insured.

(14) Stocks & Samples in Transit

The Company will pay for loss of or damage to Stock or trade samples (but excluding jewellery mobile phones digital equipment and electronic components) caused by accidents occurred whilst in the course of collection and/or delivery by the personal custody of the Insured's employees to the Insured's customer premises anywhere within Hong Kong for the purpose of the Insured's Business provided that the Company's liability under this Extension is limited to HK\$50,000 in annual aggregate during any one period of insurance.

(15) Architects' and Surveyors' Fee

The Company will pay for architect's surveyors' and consultant engineers' fees necessarily and reasonably incurred in the reinstatement of the Premises consequent upon its destruction or damage caused by an accident not specifically excluded by this Policy up to but not exceeding 10% of Sum Insured (Contents) at any one time.

(16) Damage to Property in the open

The Company will pay for loss of or damage to Contents including canopy which is left in the open compound of the Premises caused by fire lightning explosion or impact by third party vehicles provided that the Company's liability under this Extension is limited to HK\$5,000 in annual aggregate during any one period of insurance.

(17) Temporary Protection

The Company will pay for the reasonable costs of temporary protection of the Property Insured in consequence of loss indemnifiable under Section (1) provided that:

- (a) the Insured shall keep an accurate record of such expenditures;
- (b) the costs incurred solely for the protection of the Property Insured from further damage or diminishing the extent of damage;
- (c) the Company's liability under this Extension is limited to HK\$20,000 in annual aggregate during the period of insurance.

(18) Automatic Reinstatement of Sum Insured

Unless the Company advises the Insured to the contrary, in the event of loss or damage recoverable under this Section, the Sum Insured shall be automatically reinstated in full from the date of the notification of a claim subject to appropriate additional premium as required.

SPECIAL EXCLUSIONS/CLAUSES/WARRANTIES (applicable to Section (1) Insurance and its Extensions)

- (1) The Company will not be liable for the first amount specified as "Section (1) Claim Excess" in the Policy Schedule.
- (2) The Company will not be liable for:
 - (a) loss of or damage to Money securities or other negotiable documents travel tickets stamps watches jewellery furs antiques models or moulds precious metals or precious stones or articles composed of any of them;
 - (b) property more specifically insured under any other insurance;
 - (c) explosive;
 - (d) motor vehicles or other mechanically or electrically propelled vehicles or accessories licensed for road use, watercraft or aircraft and/or property contained in any of the foregoing;
 - (e) loss or damage arising from loss of market, loss of use or consequential loss of any kind (including loss of delay);
 - (f) any disappearance or shortage of Property Insured (whether revealed at stocktaking or making of an inventory or otherwise) not identifiable with a specific loss occurrence (including loss caused by shoplifting or unexplained loss);
 - (g) theft of Property Insured not accompanied by violence or threat of violence to persons, or forcible and violent entry into or exit from the Premises;
 - (h) loss of or damage to Property Insured not contained in a building capable of being locked unless specifically endorsed otherwise;
 - (i) loss or injury of live animals or vegetation;
 - (j) denting chipping or scratching of Property Insured;
 - (k) the cost of normal upkeep or making good;
 - (l) loss or destruction or damage caused by pollution or contamination.
- (3) The Company will not be liable for:
 - (a) mechanical or electrical breakdown or derangement of any kind but loss or damage by fire or explosion ensuing therefrom is not excluded;
 - (b) the cost of repairing replacing or rectifying any property which is defective in material or workmanship or in which there is a fault defect error in design plan or specification;
 - (c) breakage of articles of a brittle or fragile nature unless due to fire or thieves;
 - (d) damage to any particular component part caused by short-circuiting self-heating leakage of electricity over-running or excessive pressure in that particular part;
 - (e) loss or damage to property undergoing construction or erection or resulting from testing intentional overloading or experiment;
 - (f) loss or damage to any boiler or other pressure vessel including pipes valves and other apparatus thereof steam turbine and/or engine occasioned by or arising from explosion rupture collapse bursting cracking burning out or bulging provided that this Exclusion shall be limited to the aforementioned items immediately affected and does not extend to other property damaged or lost as a result of such explosion rupture or bursting;
 - (g) damage to fixed oil or water tanks apparatus or pipes caused by their bursting leaking discharging or overflowing;
 - (h) loss or damage caused by landslide subsidence vibration removal or weakening of support of land structure or building in which the Property Insured is situated.
- (4) The Company will not be liable for loss or damage to Property Insured caused by or attributable to:
 - (a) wear tear depreciation deterioration moths vermin insects damp rust rot corrosion the action of light or atmosphere or any other gradual operating cause;
 - (b) mold moss mildew fungi spores bacterial infestation or any similar organism and wet or dry rot, whether directly or indirectly the result of a covered peril. This includes but is not limited to the costs for investigation testing remediation services extra expense or business interruption. Such loss is excluded regardless of any other cause or event that continues concurrently or in any sequence to the loss. If loss otherwise covered by this Policy occurs and the cost of removal of debris is increased due to the presence of mold moss fungi bacterial infestation wet or dry rot and extremes of humidity, this Policy will only be liable for the costs of debris removal which would have been incurred had no such factors been present in or about the Property Insured to be removed;
 - (c) any process of manufacturing cleaning testing repair restoration renovation maintenance modification or dyeing or servicing;
 - (d) misuse or use contrary manufacturers' instructions;
 - (e) delay confiscation detention or destruction by customs or other officials or authorities;
 - (f) fraud or dishonesty of the Insured's Employees, partners, directors or family member;
 - (g) willful acts committed by the Insured's Employees, partners, directors or family member;
 - (h) fraudulent scheme trick device or false pretence practised upon the Insured, or upon any person having care of the Property Insured at such time;
 - (i) change in temperature or humidity failure or inadequate operation of or any variation in temperature of air-conditioning cooling or heating systems;
 - (j) the failure of the supply of water gas electricity or fuel or the deliberate act of the suppliers of water gas electricity or fuel;
 - (k) inherent vice;
 - (l) total or partial cessation of work or the retarding or interruption or cessation of any process or operation caused thereby.

SPECIAL CONDITIONS (applicable to Section (1) Insurance and its Extensions)

- (1) At the time of loss damage or destruction the Sum Insured for Contents (other than Stock-in-Trade) must represent its full Replacement Cost and the Sum Insured for Stock-in-Trade must represent its full Indemnity Value. Otherwise claims will be paid subject to average, that is to say, the Insured shall be considered as being his own insurer for the difference and shall bear a ratable proportion of the loss or damage accordingly.
- (2) Where any item of Property Insured consists of articles in a pair or set, the Company shall not pay more than the value of any particular part or parts which may have been damaged or lost, and such payment will be without reference to any special value which such article or articles may have as part of such pair or set, nor shall the Company pay more than a proportionate part of the value of the pair or set.
- (3) On the happening of any loss or damage for which indemnity is provided under Section (1) the Company shall be entitled to enter any building where the loss or damage has happened and to take and keep possession of the Property Insured and to deal with the salvage in a reasonable manner but no property may be abandoned to the Company.
- (4) It is hereby warranted that the Insured must comply with and observe all provisions, requirements and regulations of (i) Fire Services Department and/or (ii) Labour Department and/or (iii) Dangerous Goods Ordinance and/or (iv) Factories and Industrial Undertaking Ordinance and/or (v) Any other Statutory Obligations, 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.

SECTION (2) BUSINESS INTERRUPTION INSURANCE

INSURANCE COVERAGE

In the event of the Insured's Business at the Premises being interrupted or interfered with in direct consequence of loss of or damage to Property Insured indemnifiable under Section (1) (which loss or damage in this Section (2) is referred to as "the Damage"), the Company will indemnify the Insured in respect of the following items provided that payment has been made or liability has been admitted in respect of the Damage under Section (1) of this Policy unless such payment or liability has been excluded by this Policy as being below the excess:

(1) Additional Expenditure

The insurance under this Item (1) is deemed to mean the additional expenditure necessarily and reasonably incurred by the Insured with the prior consent of the Company for the sole purpose of avoiding or diminishing interruption of or interference with the Insured's Business which but for such expenditure would have taken place during the Indemnity Period in consequence of the Damage. Provided that the Company's maximum liability under this Item (including its Extensions) shall not exceed HK\$1,000,000 in annual aggregate during any one period of insurance subject to the Indemnity Period of six months.

(2) Loss of Gross Profit

The insurance under this Item (2) is limited to loss of Gross Profit in consequence of interruption of or interference with the Insured's Business following the Damage occurred at the Premises due to (a) reduction in Turnover and (b) increase in cost of working and the amount payable as indemnity hereunder shall be:

- (a) in respect of reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover achieved during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover; and
- (b) in respect of 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 Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Insured's Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

Provided that:

- (i) if the sum insured by this Item (2) be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months), the amount payable shall be proportionately reduced.
- (ii) If any standing charges of the Business be not insured by this Policy (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as increase in Cost of Working that proportion only of the additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the Uninsured Standing Charges.

(3) Rental Payable

The insurance under this Item (3) is deemed to mean the amount of Rental Payable due to the Premises being unfit for occupation for the purpose of normal conduct of Business in direct consequence of the Damage provided that:

- (a) the Insured is liable to pay for such Rental Payable suffered by the Insured whilst the Insured's Business is interrupted during the Indemnity Period;
- (b) the amount payable shall not exceed such proportion of the Sum Insured on this item as per the period necessary for reinstatement bears to the Indemnity Period of this item insured herein.

The Company's maximum liability under this Section including its Extensions shall not exceed the Sum Insured in respect of each item as stated herein or otherwise in the Schedule or the Sum Insured in whole by this Section (2).

SPECIAL DEFINITIONS (applicable to Section (2) and its Extensions)

- (a) "Annual Turnover" means the Turnover during the twelve months immediately before the date of the Damage at the Premises.
- (b) "Gross Profit" means the amount by which:
 - (i) the sum of the amount of the Turnover and the amount of the closing stock and work in progress shall exceed
 - (ii) the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses.The amounts of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provisions being made for depreciation.
- (c) "Turnover" means the money paid or payable to the Insured for goods sold and delivered and/or for services rendered in the course of the Business at the Premises.
- (d) "Indemnity Period" means the period commencing from the occurrence of the Damage and ending not later than the amount of months specified as the Indemnity Period shown in the Policy Schedule immediately thereafter during which the results of the Business shall be affected in consequence of the Damage.
- (e) "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 Damage at the Premises.
- (f) "Rental Payable" means the sums of money the Insured is liable to pay as tenant in respect of rental of the Premises.
- (g) "Standard Turnover" means the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

EXTENSIONS TO INSURANCE COVERAGE UNDER SECTION (2)

(1) Denial of Access

The Company will pay for loss insured under Section (2) resulting from interruption of or interference with the Insured's Business caused by accidental physical loss or damage to property in the vicinity of the Premises caused by an accident not otherwise excluded under Section (1), which prevents or hinders the use of or access to the Premises (whether the Premises or Property Insured be damaged or not) provided that the Company's maximum liability under this Extension shall not exceed HK\$500,000 in annual aggregate during any one period of insurance subject to the Indemnity Period of six months.

(2) Failure of Public Utilities

The Company will pay for loss insured under Section (2) resulting from interruption of or interference with the Insured's Business caused by failure of the public utility supply of electricity gas or water at the terminal point of the supplier's feed to the Premises caused by an accident not otherwise excluded under Section (1) unless such failure is caused by the deliberate act of any supplier or the exercise by any such supplier of its power to withhold or restrict supply or is in consequence of a fault in any part of the installations belonging to the Insured.

Provided that the Company's maximum liability under this Extension shall not exceed HK\$500,000 in annual aggregate during any one period of insurance subject to the Indemnity Period of six months.

(3) Professional Accountant's Charges

The Company will pay for reasonable fees payable by the Insured to his auditors for producing and certifying any particulars of details or any other proofs information or evidence as may be required by the Company for the adjustment of any claim under Section (2) provided that the Company's maximum liability under this Extension shall not exceed HK\$50,000 in annual aggregate during any one period of insurance.

SPECIAL CONDITIONS (applicable to Section (2) Insurance and its Extensions)

- In the event of 100% of Gross Profit earned during the period of twelve months most nearly concurrent with the Period of Insurance, as certified by the Insured's auditors, being less than the Gross Profit Sum Insured, a pro rata return of premium not exceeding 50% of the premium paid on such Sum Insured will be made in respect of the difference. If any Damage shall have occurred, giving rise to a claim under this Section, such return shall be made in respect only of so much of the said difference as is not due to such Damage.
- 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 Turnover during the Indemnity Period.
- Adjustments shall be made to the figures representing the Rate of Gross Profit or Annual/Standard Turnover as may be necessary to provide for trend of the Business and for variations in other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

SPECIAL EXCLUSIONS (applicable to Section (2) Insurance and its Extensions)

- This insurance under Section (2) shall automatically cease if:
 - the Insured's Business be wound up or carried on by a liquidator or receiver or permanently discontinued, or
 - the Insured's interests cease otherwise than by death, or
 - any alteration be made either in the Insured's Business or in the Premises whereby the risk of damage is increased, at any time after the commencement of this Policy, unless its continuance be admitted by memorandum signed by or on behalf of the Company.
- In no case whatever shall the Company be liable in respect of any claim under this Policy after the expiration of:
 - one (1) year from the end of the Indemnity Period or, if later,
 - three (3) months from the date on which payment shall have been made or liability admitted by the Company covering the Damage giving rise to the said claim, unless the claim is the subject of pending action or arbitration.
- The Company shall not be liable for any loss incurred by the Insured during the first forty-eight (48) consecutive hours after the occurrence of the Damage during which the results of the Business shall be affected in consequence of the Damage.

SECTION (3) MONEY INSURANCE

INSURANCE COVERAGE

The Company will subject to the terms exclusions and conditions hereof and the Limits of Indemnity specified hereunder indemnify the Insured against loss of Money by theft accompanied by the use of violence or threat of violence to persons or involving forcible entry into or exit from the Premises.

LIMITS OF INDEMNITY

- Any single incident of loss of crossed cheques HK\$500,000
- Any single incident of loss of Money whilst:
 - in transit in the custody of the Insured or the Insured's authorized employee within Hong Kong HK\$50,000
 - in the Premises during Business Hours HK\$50,000
 - in the Premises out of Business Hours in a locked safe or strongroom HK\$30,000
 - in the Premises out of Business Hours not in a locked safe or strongroom HK\$5,000
 - in bank night safes under removal by a bank official HK\$50,000

For the purpose of Section (3) "Business Hours" means the usual hours during which the Insured transacts business at the Premises and during which the Insured or Employees of the Insured normally entrusted with Money will be actually in the Premises.

EXTENSIONS TO INSURANCE COVERAGE UNDER SECTION (3)

(1) Increased Limit for Sunday and Public Holiday

The Limit of Indemnity of this Section (except item (2) (e) – Money in bank night safe) will be automatically increased by 50% for Sundays and Hong Kong public holidays and until the noon of the following day.

(2) Damage to Safe or Strongroom

The Company will indemnify the Insured in respect of physical damage to safe or strongroom in the Premises caused by theft or attempted theft provided that the Company's maximum liability under this Extension shall not exceed HK\$20,000 in annual aggregate during any one period of insurance.

(3) Counterfeit Currency

Notwithstanding anything contained to the contrary in Special Exclusion (4), the Company will pay for loss due to counterfeit Hong Kong Dollars currency notes (i.e. all foreign currency including renminbi are excluded) provided that the Company's maximum liability under this Extension shall not exceed HK\$1,000 in annual aggregate during any one period of insurance.

(4) Money in Residence

The Company will indemnify the Insured in respect of loss of Money whilst kept in Hong Kong residence of the Insured's authorized employees caused by theft or attempted theft or hold-up accompanied by violence or threat of violence provided that the Company's maximum liability under this Extension shall not exceed HK\$5,000 any one loss occurrence.

(5) Damage to Cash Register

The Company will indemnify the Insured in respect of physical damage to cash register in the Premises caused by theft or attempted theft provided that the Company's maximum liability under this Extension shall not exceed HK\$3,000 in annual aggregate during any one period of insurance.

SPECIAL EXCLUSIONS (applicable to Section (3) Insurance and its Extensions)

The Company will not be liable for:

- any loss which has not been notified to the Company within 14 working days of its occurrence;
- any loss directly or indirectly arising from fraud or dishonesty of the Insured's Employees, partners, directors or family members;
- any loss of Money caused by theft or attempt theft not accompanied by violence or threat of violence to persons, or forcible and violent entry into or exit from the Premises;
- depreciation in value currency fluctuation dishonoured cheques or use of counterfeit money;
- shortage due to clerical or accounting error or omission not identifiable with a specific occurrence insured against;
- theft from an unattended and/or unattended vehicle;
- theft from any safe or strongroom opened by a key or combination code left in the Premises after the Business Hours;
- any loss occurring outside Hong Kong;
- loss of Money entrusted to any person other than the Insured or an Employee of the Insured;
- consequential loss of any kind;
- loss in transit by post; and
- loss which is indemnifiable by any other insurance effected by the Insured.

SPECIAL WARRANTIES (applicable to Section (3) Insurance and its Extensions)

- When out of Business Hours all keys and notes of combination locks letters and numbers for safes vaults and strongrooms containing Money shall be removed from the Premises by the Insured or persons authorized by the Insured and retained in their custody until the Premises is reopened.
- the Insured will keep a proper written record of all Money and shall allow the Company at any reasonable time to inspect such record.

SECTION (4) FIDELITY GUARANTEE INSURANCE

INSURANCE COVERAGE

The Company will subject to the terms exclusions and conditions hereof and the Limits of Indemnity specified hereunder indemnify the Insured against direct 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 the Insured's Employees during the Period of Insurance.

The Company will however be liable if such act(s) is discovered by the Insured within fourteen (14) days after the expiry of this Policy or within fourteen (14) days of termination of employment of such Employees regardless whether due to death, dismissal, retirement or resignation whichever event shall first happen.

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\$30,000 in annual aggregate.

SPECIAL CONDITIONS (applicable to Section (4) Insurance)

- Any money due to the concerned employee(s) from the Insured shall be deducted from the claims amount.
- Discovery of any fraudulent or dishonest act must be reported to the police within 24 hours of its discovery.
- Discovery of any fraudulent or dishonest act must be reported to the Company within 14 days of its discovery.
- If at the time of any loss the Insured holds any other insurance 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.

SPECIAL EXCLUSIONS (applicable to Section (4) Insurance)

The Company shall not be liable:

- in respect of any fraudulent or dishonest act committed outside Hong Kong;
- in respect of any loss arising outside Hong Kong;
- in respect of any loss committed by an Employee of the Insured where the Insured or any representative of the Insured had prior knowledge of previous acts committed by that same Employee against the Insured;
- for any consequential loss whatsoever;
- for the first HK\$1,000 of any one loss occurrence.

SECTION (5) PERSONAL ACCIDENT ASSAULT INSURANCE

INSURANCE COVERAGE

The Company will pay the Benefits specified hereunder if the Insured or any of his Directors or Employees (for the purposes of Section (5) referred to hereinafter as "the Insured Person") shall within twelve (12) months of the assault sustains the injury specified hereunder as a direct and sole result of actual or attempted theft or hold-up accompanied by the use of violence or threat of violence to persons whilst the Insured Person is engaged in the Insured's Business at the Premises:

- Death HK\$50,000
- Permanent Total Disablement HK\$50,000
- Permanent total loss of:
 - both eyes HK\$50,000
 - or 2 limbs HK\$50,000
 - or one eye and one limb HK\$50,000
- Permanent total loss of one eye or one limb HK\$50,000

Provided that the Company's maximum liability under this Extension shall not exceed HK\$50,000 in respect of any one Insured Person during any one period of insurance.

SPECIAL CONDITIONS (applicable to Section (5) Insurance)

- (1) For the purposes of Section (5):
 - (a) "Permanent Total Disablement" means disablement that prevents the Insured Person from engaging in any gainful occupation or employment of any and every kind;
 - (b) permanent loss of sight shall be treated as loss of eye;
 - (c) loss of limb shall mean:
 - (i) in the case of an upper limb loss by physical severance at or above wrist or permanent total loss of use of an entire arm or hand;
 - (ii) in the case of a lower limb loss by physical severance at or above ankle or permanent total loss of use of an entire leg or foot.
- (2) In respect of any Insured Person entitled to compensation under Section (5) as a result of injury, only one item of Benefits (a), (b), (c)(i), (c)(ii), (c)(iii), or (d) will be payable by the Company.
- (3) All Benefits payable under Section (5) shall be paid to the Insured or to his legal personal representative whose receipt of payment shall be full and final discharge of the Company's liabilities under Section (5).

SPECIAL EXCLUSIONS (applicable to Section (5) Insurance)

- The Company shall not be liable for:
- (1) death, injury, charge, cost, or expense caused
 - (a) by suicide or attempted suicide, intentional self-injury, willful exposure to danger (other than in an attempt to save human life), or the committing of any criminal act;
 - (b) by pre-existing physical or mental defect, illness, or infirmity;
 - (c) by the effect or influence of alcohol or drugs, unless the drug is taken in accordance with the authorized medical prescription;
 - (2) death or injury happened outside the Premises;
 - (3) disappearance of the Insured Person.

SECTION (6) PUBLIC LIABILITY INSURANCE

INSURANCE COVERAGE

The Company will subject to the terms exclusions and conditions hereof indemnify the Insured against:

- (a) legal liability for accidental bodily injury (including illness and disease) caused to any person other than an Employee of the Insured; and
 - (b) legal liability for accidental physical loss of or damage to property not owned or held in trust by the Insured or an Employee of the Insured or in the Insured's care custody or control caused by the negligence of the Insured or his Employees occurring within the Geographical Limit during the Period of Insurance in connection with the Insured's Business provided that the Company's indemnity under and all its Extensions, to the Insured and/or any other person claiming to be indemnified including claimant's costs and other costs and expenses incurred by or on behalf of the Insured or such other person with the Company's written consent arising out of one event or all events of a series consequent on or attributable to one common cause or original source is limited to the amount specified in the Schedule as Section (6) Insurance Limit of Liability.
- It is hereby warranted that the Insured must fully comply with and observe all provisions requirements and regulations of (i) Fire Services Department and/or (ii) Labour Department and/or (iii) Dangerous Goods Ordinance and/or (iv) Factories and Industrial Undertaking 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.

EXTENSIONS TO INSURANCE COVERAGE UNDER SECTION (6)

- (1) **Contract Work by Independent Contractor**

This Policy is extended to indemnify the Insured against legal liability in respect of accidental bodily injury to third parties and/or accidental physical damage to tangible property of third parties directly arising out of interior contract works for alterations decorations repairs or maintenances carried out inside the Premises by an independent contractor appointed by the Insured in connection with the Insured's Business provided that:

 - (a) the contract value of each contract work shall not exceed HK\$250,000;
 - (b) contract work involving external walls or the use of scaffolding are excluded;
 - (c) if at the time of any claim arising under this Extension, the Insured is entitled to indemnity under any other insurance policy or policies whether effected by or on behalf of the Insured, this Extension definitely shall not be called upon in contribution.
- (2) **Tenant's Liability**

The Company will indemnify the Insured against all sums the Insured shall become legally liable to pay as tenant and not as owner for damage to the premises rented to the Insured and occupied by the Insured at which the Insured's Premises is situate provided that this Extension shall not apply to liability assumed by the Insured under a tenancy or other agreement which would not have attached to the Insured in the absence of such agreement.
- (3) **Overseas Business Visits**

The indemnity provided by Section (6) is also extended to include legal liability of partners directors and Employees of the Insured occurring in the course of their occasional business visits outside Hong Kong in connection with the Insured's Business provided that

 - (a) such partners directors or Employees are normally resident in Hong Kong;
 - (b) the Company's maximum liability under this Extension shall not exceed:
 - (i) HK\$3,000,000 in respect of any one loss occurrence happened in the United States of America or Canada and in annual aggregate during any one period of insurance;
 - (ii) the amount specified in the Policy Schedule as Section (6) Insurance Limit of Liability in respect of any one loss occurrence happened elsewhere in the world and unlimited during the Period of Insurance.
- (4) **First Aid**

This Policy is extended to indemnify the Insured against legal liability (as defined in the Policy) arising out of the provision of first aid treatment given by the Insured and/or any of the Insured's directors, partners or employees at the Premises but excluding any treatment rendered by duly qualified member of the medical profession and/or any registered and/or voluntary medical services.
- (5) **Sports Social and Welfare Activities**

The Company will indemnify the Insured against legal liabilities (as defined in the Policy) arising out of sports social and/or welfare activities organized by the Insured within Hong Kong in connection with the Insured's Business. If at time of accident, there is any other insurance effected by or on behalf of the Insured for the same liabilities of the Insured, this extension shall not be operative.
- (6) **Food and Drink Poisoning**

This Policy is extended to indemnify the Insured against legal liability in respect of accidental bodily injury to third parties arising out of poisoning caused by food and/or drinks supplied free of charge by the Insured at the Premises in connection with the Insured's Business. Provided that:

 - (a) the Insured must take every possible precaution to prevent the provision of articles of food and/or drinks which are not in good condition and to ensure that the same free from contamination and fit for human consumption;
 - (b) the maximum liability of the Company under this Extension inclusive of all costs and expenses shall not exceed HK\$3,000,000 any one loss occurrence and in annual aggregate for any one period of insurance.
- (7) **Shop Front Signboard Liability**

This Policy is extended to indemnify the Insured against legal liability (as defined in the Policy) arising from the shop front signboards situated at the Premises in connection with the Insured's Business. Provided that:

 - (a) the shop front signboards must be under proper and regular inspection and maintenance by the Insured;
 - (b) The maximum liability of the Company under this Extension inclusive of all costs and expenses shall not exceed HK\$3,000,000 any one loss occurrence and in annual aggregate for any one period of insurance.

SPECIAL EXCLUSIONS/CLAUSES/CONDITIONS (applicable to Section (6) Insurance and its Extensions)

- (1) The Company will not be liable for any claim in respect of or arising out of:
 - (a) liability arising directly or indirectly from or through or in connection with the ownership possession or use by or on behalf of the Insured of any:
 - (i) mechanically propelled vehicle licensed for road use or for which a certificate of motor insurance is required or trailer attached thereto or the loading or unloading of such vehicle or trailer of the delivery or collection of goods in connection with such vehicle or trailer within the limits of any carriageway or thoroughfare
 - (ii) aircraft hovercraft or watercraft;
 - (iii) pressure vessel lifting apparatus or other item of plant owned by the Insured or for the maintenance of which the Insured is responsible;
 - (b) injury to or illness contracted by any Employee of the Insured or any claim under Employees' Compensation Law;
 - (c) injury disease loss or damage liability caused by or arising from:
 - (i) anything which the Insured or partners or directors or Employees of the Insured have manufactured sold supplied repaired serviced tested financed or processed;
 - (ii) seepage, pollution or contamination;
 - (d) loss of or damage to property belonging to the Insured or held in trust by or in the care custody or control of the Insured or partners or directors or Employees of the Insured;
 - (e) the cost of replacing, reinstating, rectifying, recalling or guaranteeing the performance of any goods sold, supplied, repaired or serviced or of any work done by the Insured in connection with the Business;
 - (f) advice design specification given or provided by the Insured or partners or directors or Employees of the Insured in a professional capacity or any breach of duty owed by the Insured or such other persons in a professional capacity;
 - (g) injury disease loss or damage liability caused by or attributable to any treatment administered by or any operation performed or diagnosis made by the Insured or any partners or directors or Employees of the Insured;
 - (h) libel and/or slander and/or infringement of copyright or patent on the part of the Insured or any partners or directors or Employees of the Insured;
 - (i) fines penalties punitive or exemplary damages awarded against the Insured or any partners or directors or Employee of the Insured;
 - (j) injury disease of any person or loss of or damage to any property land or building caused by vibration or the removal or weakening of support;
 - (k) injury disease loss or damage liability caused by foul berthing or foul mooring;
 - (l) injury disease loss or damage liability caused by or attributable to or resulting from sub-contractors to the Insured or persons in the service or employment of or acting on behalf of such sub-contractors;
 - (m) liability assumed by the Insured under an agreement unless such liability would have attached to the Insured in the absence of such agreement;
 - (n) injury to or illness contracted by any person in the service of the Insured or under a contract of service or apprenticeship with the Insured or acting on behalf of the Insured and/or the Insured's contractor or its sub-contractor of any tiers arising out of or in the course of performance of the Insured's Business or contract work of the Insured;
 - (o) any willful or malicious act or any criminal activity; and
 - (p) the first amount specified as "Section (6) Claim Excess" in the Policy Schedule.
- (2) This Policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.
- (3) This Policy does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of or allegedly due to exposure to or contact with Electromagnet Radiation. Electromagnetic Radiation shall mean magnetic energy, waves, fields or forces generated, produced, distributed, transmitted or maintained by charges, currents, frequencies, energy or forces of electricity.

Other SPECIAL CONDITIONS - as per "Special Conditions Applicable to Section (6) and Section (7)" specified hereinafter.

SECTION (7) EMPLOYEES' COMPENSATION INSURANCE (This Section is operative only if so stated in the Schedule)

INSURANCE COVERAGE

The Company will subject to the terms exclusions and conditions hereof indemnify the Insured against his liability under the Ordinance specified hereunder or at Common Law in respect of bodily injury or death sustained by any Employee of the Insured by Accident occurring or Disease contracted by any Employee of the Insured during the Period of Insurance within the Geographical Area arising out of or in the course of his employment with the Insured in connection with the Insured's Business and costs and expenses incurred by or on behalf of the Insured with the Company's written consent provided that:

- (a) the Company's liability under Section (7) arising out of any one event or all events of a series consequent on or attributable to one common cause or original source including costs and expenses incurred by or on behalf of the Insured is limited to the amount specified in the Schedule as Section (7) Limit of Liability; and
- (b) in the event of any change in the liability of the Insured under the Ordinance, the Company's liability under Section (7) shall be limited to such sums as the Company would have been liable to pay as if the Ordinance had remained unaltered.

SPECIAL DEFINITIONS (applicable to Section (7) Insurance and its Extensions)

- (a) "Accident" means an accident or a series of accidents arising out of one event.
- (b) "The Insured's Business" means the business operations including its related activities carried on by the Insured at the Premises specified in the Policy Schedule and no other.
- (c) "The Company's Indemnity" means indemnity provided under this Policy including costs and expenses incurred by or on behalf of the Insured with the Company's written consent.
- (d) "Disease" means a disease contracted by an Employee of the Insured as a result of his exposure to the nature of his employment with the Insured. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance under this Policy.
- (e) "Earnings" means all gross wages salaries remunerations commissions bonuses overtime termination payments allowances and the like directors' fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in kind by the Insured to his Employees.
- (f) "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).
- (g) "The Ordinance" means the Employees' Compensation Ordinance (Chapter 282 of the laws of Hong Kong).
- (h) "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).

POLICY LIMIT OF INDEMNITY

- (a) 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 shall in the aggregate be limited to the amount specified in the Schedule as "Limit of Liability" 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.
- (b) In relation to any liability of the Insured in respect of a Disease contracted by an Employee due to the nature of his employment with the Insured which nature of employment applies during a period that extends over more than one policy period of insurance:
- (i) the aggregate of the Company's indemnity to the Insured under all insurance policies shall not exceed the limit of indemnity of the insurance policy that was in force at the time the nature of the Employee's employment to which such Disease was due first affected the Employee; and
- (ii) subject to the limitation of paragraph (b)(i) hereof, the Company's Indemnity to the Insured under this Policy shall be limited to such proportion of the Insured's liability in respect of such Disease as that part of the Employee's period of employment falling within the Period of Insurance of this Policy bears to the total period of his employment to the nature of which such Disease was due.
- (c) 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 (a) and (b) hereof shall apply to the aggregate of indemnity to all Insureds.
- (d) 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 (a) or (b) hereof (after the deduction of any sums already paid) or any lesser amount for which such claim or claims can be settled and shall relinquish the conduct of any defence settlement or proceedings relating to such claim or claims and shall not thereafter be responsible for any compensation damages or costs in respect thereof or for any costs or expenses whatsoever incurred by the Insured after the Company shall have relinquished such conduct or for any loss damage or expenses caused to the Insured in consequence of any act or omission of the Company in connection therewith or of the Company relinquishing such conduct.
- (e) If there should be any shortfall in the actual Earnings declared in accordance with paragraph (b) of INSURANCE PREMIUM of this Policy 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.

SPECIAL EXCLUSIONS/CLAUSES (applicable to Section (7) Insurance and its Extensions)

- (1) The Company will not be liable in respect of:
- (a) the Insured's liability to employees of contractors to the Insured;
- (b) any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- (c) any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party;
- (d) the Insured's liability to any self-employed person or sole-proprietor or person who is not an Employee of the Insured within the meaning of the Ordinance;
- (e) any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
- (f) 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;
- (g) 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; and
- (h) any injury by Accident or Disease sustained by an Employee outside the Geographical Area except Extension (1) specified herein.
- (2) This Policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.

AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

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

INSURANCE PREMIUM

- (a) Prior to the commencement of the Period of Insurance, the Insured shall supply the Company with a declaration estimating the Earnings of the Employees employed in the Business during the Period of Insurance (which declaration is referred to herein as "the Estimated Earnings Declaration") on the basis of which a deposit premium becomes payable to the Company.
- (b) 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 completed Premium Adjustment and Declaration of Earnings Form stating the actual Earnings of Employees and provide the relevant supporting documents during the Period of Insurance (which declaration is referred to herein as "the Actual Earnings Declaration").
- If the actual Earnings shall differ from the estimated Earnings the difference in premium shall be met by a further proportionate adjustment premium to be paid to the Company or by a premium refund to the Insured as the case may be.
- (c) 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 (a) and (b) hereof.
- (d) The name Hong Kong Identity Card number class of employment and Earnings of every Employee of the Insured employed in the Business from time to time during the Period of Insurance shall be properly recorded by the Insured and retained in a safe place so that a record exists of all persons who are Employees of the Insured for the purpose of this Policy and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records.
- (e) 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.

TERRORISM ENDORSEMENT

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto it is hereby agreed that in respect of any bodily injury or death by Accident or Disease directly or indirectly caused by, resulting from, in connection with or arising out of an event of Terrorism (hereinafter referred to as "the Loss") regardless of any other cause or event contributing concurrently or in any other sequence of the Loss, the Company shall only be liable to make any payment in respect of the Loss subject to the following terms and conditions:

- (1) the Policy Limit of Indemnity in respect of the Loss shall be limited to such amount which the Company actually receives from the Government of the Hong Kong ("the Government") in respect of the Loss pursuant to an Agreement for Provision of Facility dated 11th January 2002 between the Government and the Company under which the Government agreed to make available to the Company and other direct insurance companies authorized to underwrite employees' compensation insurance business in Hong Kong 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 in respect of the Loss after it has received from the Government (i) an approval letter confirming that the Company should settle the claim and (ii) payment under the Facility Agreement in respect of the Loss;
- (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 in respect of the Loss, 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; and
- (4) this Policy shall in no event compensate any amount in excess of the minimum statutory cover required under the Employees' Compensation Ordinance notwithstanding the limits and coverage provided by this Policy.

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

If the Company alleges that the Loss falls within the scope of this 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 the Policy.

EXTENSIONS TO INSURANCE COVERAGE UNDER SECTION (7)

- (1) **Worldwide Cover for Commercial Visits**
This Section is extended to cover the Employees of the Insured whilst temporarily working outside Hong Kong provided that:
- (a) the Accident or Disease is arising out of and in the course of employment by the Insured in the Business;
- (b) the Employees are normally engaged services for the Insured in Hong Kong;
- (c) this Extension shall not apply to manual work performed outside Hong Kong;
- (d) the Company shall not be liable in respect of judgements which are not in the first instance delivered by or obtained from a court of competent jurisdiction in Hong Kong. The indemnity shall not be provided for a judgement or order obtained in Hong Kong for the enforcement of a judgement obtained elsewhere.
- (2) **Extra-ordinary Weather Conditions**
In the event of any Employee of the Insured whose attendance at his place of employment is required by the Insured during extra-ordinary weather conditions being injured or killed whilst proceeding directly to his place of employment or returning therefrom to his place of residence, such Accident shall be deemed to have arisen out of and in the course of his employment.
- (3) **Emergency Transportation**
This Section is extended to indemnify the Insured in respect of costs necessarily and reasonably incurred by the Insured for emergency transportation to any registered clinic or hospital as a result of serious injury sustained by the Employees of the Insured immediately after an accident occurred during the Period of Insurance.
- Provided that:
- (a) The Injury is arising out of and in the course of his employment of the Insured;
- (b) the maximum liability of the Company under this extension shall be limited to HK\$10,000 in annual aggregate during any one period of insurance.

CLAIMS SETTLEMENT CONDITIONS (applicable to Section (7) Insurance and its Extensions)

- (a) **Claims Notification Demands etc.** In the event of any occurrence which may give rise to a claim under this Policy the Insured shall immediately give notice thereof in writing to the Company with full particulars.
The Insured shall also give the Company notice in writing immediately the Insured becomes aware of any intention to prosecute the Insured any impending prosecution inquest or fatal inquiry in connection with any occurrence which may give rise to a claim under this Policy. Every letter claim writ summons and process shall be forwarded to the Company immediately on receipt.
- (b) **Claims Control by the Company.** The Company shall be entitled upon notice to the Insured to take over and conduct in the Insured's name the defence or settlement of any claim demand or proceedings against the Insured. In that event:
- (i) the Insured shall provide all such information and assistance including the latest Earnings of all Employees duly certified as being correct by an independent auditor and forward all such documents and other records to the Company for the conduct of such claim demand or proceedings as the Company in its discretion may from time to time require; and
- (ii) the Insured shall not without the written consent of the Company incur any expenditure in connection with any such claim demand or proceedings or make any payment admission offer or enter into any settlement whatsoever.
- (c) **Claims Payments by the Insured.** Where the Insured pays all or any part of a claim for which he is liable and for which indemnity is provided by this Policy the Insured shall obtain duly witnessed signed receipts for such payments and shall retain in a safe place all such signed receipts and records and documents relating to such payments and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records and documents.
- (d) **Other Insurance.** Notwithstanding anything contained to the contrary in General Condition (7), if at the time of any claim under this Policy there is any other insurance indemnifying any person or Insured or Insureds who are entitled to be indemnified under this Policy, this Policy is not to be called upon in contribution and, subject to the Policy Limit of Indemnity, is only to pay any amount if and so far not recoverable under such other insurance.
- (e) **Waiver of Claims.** The Insured shall not become a party to any agreement the effect of which is that the Insured waives any claim which the Insured would otherwise have against any person in respect of or arising out of any occurrence resulting in liability on the part of the Insured for which indemnity is provided by this Policy or whereby any such claim is limited or qualified in any way.
- (f) **Subrogation.** The Company shall be entitled at its sole discretion to prosecute in the name of the Insured any claim for damages cost indemnity contribution or otherwise against any person who may be liable to the Insured in respect of any liability on the part of the Insured for which indemnity is provided by this Policy and shall have full discretion in the conduct of any such proceedings and in the settlement of any such claim. The Insured shall give all such information and assistance as the Company may from time to time require and execute any necessary documents for the purpose of vesting such rights in the Company. Any moneys recovered pursuant to the exercise of such rights shall be applied firstly for the benefit of the Company to the extent of the amount paid by the Company in respect of any claim including any costs and expenses paid or incurred by the Company and costs and expenses incurred in prosecuting such recovery action.

SPECIAL CONDITIONS (applicable to Section (7) Insurance and its Extensions)

- (a) **Precautions.** The Insured shall take all reasonable precautions to prevent Accidents and Diseases and shall comply with all relevant statutory requirements and obligations including but not limited to the provisions of the Factories and Industrial Undertakings Ordinance (Chapter 59 of the laws of Hong Kong) and any Regulations Rules or Notices issued made or promulgated thereunder.
- (b) **Changes in Risk.** The Insured shall immediately notify the Company in writing of any material change in the risk insured hereunder made by the Insured or any other person during the Period of Insurance including but not limited to:
- (i) any merger with or acquisition of another company or business;
- (ii) the Insured or any subsidiary or holding company of the Insured being placed in voluntary liquidation receivership or liquidation or entering into a composition with its creditors or being unable to pay its debts from its own resources; or
- (iii) any material change in the nature of the Business or in the number of the Insured's Employees.
- (c) **Right of Inspection.** The Company shall have the right and opportunity at all reasonable times to inspect the works machinery plant and appliances used in the Business.

Other SPECIAL CONDITIONS – as per "Special Conditions Applicable To Section (6) and Section (7)" specified hereinafter.

SPECIAL CONDITIONS APPLICABLE TO SECTION (6) & (7)

- (1) In the event of the death of any person entitled to indemnity under Section (6) or Section (7), the Company will in respect of the liability incurred by such person indemnify his legal personal representative in terms of and subject to the limitations of this Policy which apply to such person.
- (2) The Company may at its own option and expense:
 - (a) arrange for representation at any inquest or fatal enquiry in respect of any death which may be the subject of indemnity under the Section (6) or Section (7).
 - (b) undertake the defence of proceedings in any court of law in respect of any act or alleged offence causing or relating to any event which may be the subject of indemnity under Section (6) or Section (7).
- (3) If the occurrence of any event results in indemnity to more than one person, the limitations of the Company's indemnity under Section (6) or Section (7) as the case may be shall apply to the aggregate of indemnity to all persons and shall apply in priority to the insured.
- (4) At any time after the happening of any event giving rise to a claim under Section (6) or Section (7) the Company may pay to the Insured and/or any person claiming to be indemnified the respective full amount of the Company's liability (after the deduction of any sums already paid) or any lesser amounts for which such claim can be settled and the Company shall relinquish the conduct of any defence settlement or proceedings and shall not be responsible for damages payable to the claimant and claimant's costs or for any damage alleged to have been caused to the Insured or such person in consequence of any alleged act or omission of the Company in connection with such defence settlement or proceedings or of the Company relinquishing such conduct nor shall the Company be liable for any costs or expenses whatsoever incurred by the Insured or by such person or by any claimant or other person after the Company shall have relinquished such conduct.

GENERAL EXCLUSIONS (applicable to all Sections)

The Company will not be liable in respect of:

- (1) any accident loss damage liability bodily injury cost or expense of whatever nature directly or indirectly occasioned by caused by happening through resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
 - (a) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) 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;
 - (c) confiscation or nationalisation or requisition or destruction of or damage to property by order or under the order of any Government or public or local authority of the country or area in which the Premises is situated; or
 - (d) any act of terrorism.

It is also agreed that, regardless of any contributory causes, this Policy does not cover any loss, damage, liability, cost or expense directly or indirectly arising out of (a) biological or chemical contamination; and/or (b) missiles, bombs, grenades, explosives due to any act of terrorism.

For the purpose of this Exclusion:

- (a) an "act of terrorism" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological, ethnic, or similar purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear;
 - (b) "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.
- This Exclusion also excludes loss, damage, liability, 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. In the event any portion of the Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. With regard to Insurance Section (7), the Terrorism Exclusion is replaced by Terrorism Endorsement specified in Insurance Section (7).
- (2) any accident loss damage expense liability or bodily injury occasioned by or happening through or in consequence directly or indirectly of:
 - (a) nuclear weapons material;
 - (b) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and, solely for the purpose of this General Exclusion 2(b), combustion shall include any self-sustaining process of nuclear fission;
 - (3) consequential loss or damage of any kind except as provided for under Section (2);
 - (4) any accident loss damage expense 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, web site or similar facility;
 - (e) any data or other information posted on a web site or similar facility;
 - (f) any loss of data or damage to any computer system, including but not limited to hardware or software (unless such loss or damage is caused by an earthquake, a fire, a flood, or a storm);
 - (g) the functioning or malfunctioning of the Internet or similar facility, or of any internet address, Web site or similar facility (unless such malfunctioning is caused by an earthquake, a fire, a flood, a storm); or
 - (h) any infringement, whether intentional or unintentional, of intellectual property rights (including but not limited to trademark, copyright or patent).

For the avoidance of doubt, this Policy shall not be liable for:

- (a) loss of or damage to or destruction of data or software, in particular any detrimental change in data software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage;
 - (b) loss damage or destruction 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;
 - (c) any claim caused by contributed to by or arising in whole or in part from the failure of any data processing system, whether the property of the Insured or not, to capture save retain or to correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date.
- This Policy however shall not exclude any loss of damage to or destruction of any property or any consequential loss which itself results from fire, lightning, explosion, aircraft and other aerial devices or articles dropped therefrom, impact by road vehicle or animal, riot, civil commotion, strike, malicious act of any person, earthquake, storm, flood, bursting or overflowing of water tanks, apparatus or pipes, or water discharged or leaking from automatic sprinkler installation, but only to the extent that such claim would otherwise be insured under this Policy.
- (5) any claim or any benefits provided hereunder to the extent that the provision of such cover or payment of such claim or provision of such benefits would expose the Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws and/or regulations of the European Union, United Kingdom or United States of America and/or any other applicable national economic or trade sanctions, laws and/or regulations; and
 - (6) judgements which are not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong.

In any action, suit or other proceedings where the Company alleges that by reason of the provisions of General Exclusion (1), any accident loss damage expense liability bodily injury cost or expense is not covered by this Policy, the burden of proving that such accident loss damage expense liability or bodily injury is covered shall be upon the Insured.

GENERAL CONDITIONS (applicable to all Sections)

- (1) The due observance and fulfillment of the terms conditions of this Policy 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 the truth of the statements and answers in the Proposal and Declaration shall be conditions precedent to any liability of the Company to make any payment under this Policy.
- (2) The Insured shall take all reasonable precaution to:
 - (a) maintain the Premises in a safe condition;
 - (b) prevent loss damage accidents and disease;
 - (c) avoid incurring liabilities;
 - (d) comply with all statutory regulations and requirements governing the use of the Premises.
- (3) This Policy may be avoided if there be any alteration in the Insured's Business or in the Premises or property therein whereby the risk of loss damage liability accident or injury is materially increased unless such alteration be advised to and agreed in writing by the Company.
- (4) It is warranted that whenever the Premises is left unattended or out of Business Hours all locks bolts and other security protections fitted to the Premises including any that may be required by the Company are in full and effective operation. It shall be a condition precedent to the Company's liability that any burglar alarm system fitted at the Premises or required by the Company to be installed at the Premises:
 - (a) is installed as approved or required by the Company and full particulars of the alarm be lodged with the Company;
 - (b) is put into full and proper operation overnight or whenever the shop is left unattended or out of Business Hours; and
 - (c) be maintained in efficient working order and serviced regularly under a maintenance contract with the alarm company concerned.
- (5) In the event of any occurrence which may give rise to a claim under this Policy, the Insured or his legal personal representative:
 - (a) shall forthwith notify the Company in writing;
 - (b) if there has been theft or any attempt thereof, shall forthwith give notice to the Police;
 - (c) shall at his own expense supply the Company with full particulars of the loss or damage in writing as soon as possible and in any case not later than thirty days after the occurrence of the loss or damage;
 - (d) if a claim arises under Section (6) and/or Section (7), shall forthwith send to the Company any writ summons or other legal proceedings issued or commenced against the Insured and shall give all necessary information and assistance to enable the Company to settle or resist any claim or to institute proceedings;
 - (e) shall not incur any expense in making good and loss or damage without the written consent of the Company and shall not negotiate pay settle admit or repudiate any claim without the like consent; and
 - (f) shall at his own expense give the Company all such record books of account or documents or other such information as the Company may reasonably require for investigating or verifying a claim.
- (6) The Company shall be entitled:
 - (a) to undertake in the name and on behalf of the Insured the absolute conduct control and settlement of any proceedings instituted by a third party against the insured or the Insured's legal personal representative in respect of any liability covered by this Policy; and
 - (b) to take proceedings at its own expense and for its own benefit, but in the name of the Insured, to recover compensation or secure indemnity from any third party in respect of anything covered by this Policy.
- (7) If at the time of any occurrence giving rise to any loss damage expense or liability for which indemnity is provided under this Policy there shall be any other insurance against such loss damage expense or liability or any part thereof the Company shall not be liable for more than its ratable proportion thereof.
- (8) If any claim under this Policy shall be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, all benefits hereunder shall be forfeited.
- (9) Unless otherwise expressly stated nothing contained herein shall give any rights against the Company to any person other than the Insured. Further the Company shall not be bound by any passing of the interest of the Insured otherwise than by death or operation of law unless and until the Company shall by endorsement declare the Insurances to be continued. The extension of the Company's liability in respect of the property of any person other than the Insured shall give no right of claim hereunder to such person, the intention being that the Insured shall in all cases claim for and on behalf of such person and the receipt of the Insured shall in any case absolutely discharge the Company's liability hereunder in respect of such loss.
- (10) This Policy may be cancelled by the Insured giving seven days' notice in writing to the Company and the Premium shall be adjusted on the basis of the Company receiving or retaining the customary short term premium or minimum premium. The Policy may also be cancelled by the Company giving seven days' notice in writing to the Insured at his last known address and the Premium shall be adjusted on the basis of the Company receiving or retaining pro rata premium.
- (11) All difference 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 arbitrator, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve (12) 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.
- (12) 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.
- (13) This Policy is subject to the jurisdiction of Hong Kong and is to be construed in accordance with the laws of Hong Kong.

IMPORTANT NOTICE – Section (7) only

The Employees' Compensation Ordinance requires an employer to take out an insurance policy covering ALL employees engaged in his business with Minimum Amount of insurance coverage. The Insured should ensure that this Policy complies with the Ordinance requirements. A subsequent change in number of employees may result in a higher amount of insurance coverage being required under the Ordinance. In this event, the Insured should consult the Company immediately.



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Thank you for considering Sun Flower to be one of your selected intermediaries.

We are pleased to get in touch should you have any enquiry regarding the captioned insurance.