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Commercial Vehicle INSURANCE

(1) INSURING CLAUSE

The Insured and the Company agree:

- (a) the Proposal and Declaration is incorporated in and is the basis of this insurance contract;
- (b) the Insured will pay the Premium specified in the Schedule;
- (c) the Company will provide the insurance subject to the terms and conditions of this Policy in respect of any Event occurring during the Period of Insurance specified in the Schedule; and
- (d) the following shall be conditions precedent to any liability of the Company:
 - (i) observance of the terms and conditions of this Policy relating to anything to be done or not to be done or to be complied with by the Insured or any other person claiming to be indemnified; and
 - (ii) the truth of the contents and statements in the Proposal and Declaration.

This Policy will not be in force unless it has been signed in the Schedule by a person authorised by the Company.

(2) GENERAL DEFINITIONS

For the purposes of this Policy:

- (a) **"The Company"** means Asia Insurance Co Ltd.
- (b) **"Event"** means any one event or series of events arising out of one common cause or source in connection with the Motor Vehicle.
- (c) **"Geographical Area"** means the territories of Hong Kong and includes its territorial waters for the purpose of the transit of the Motor Vehicle by sea (including incidental loading or unloading) by a craft designed for the carriage of motor vehicles.
- (d) **"The Insured"** means the person specified as such in the Schedule.
- (e) **"The Motor Vehicle"** means the motor vehicle specified in the Schedule.
- (f) **"The Policy"** means this Commercial Vehicle Insurance Policy the 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.
- (g) **"The Proposal and Declaration"** means any signed proposal form and declaration and any information supplied by or on behalf of the Insured in addition thereto or in substitution therefor.
- (h) **"The Schedule"** means the pages attached to this Policy specifying the terms and details of this insurance contract.
- (i) In this Policy, unless the context otherwise requires, the singular includes the plural and vice versa, and a reference to one gender includes a reference to the other genders.

(3) OPERATIVE INSURANCE COVER

- (a) Where the "Operative Insurance Cover" in the Schedule is stated to be **"Comprehensive Insurance"**, Sections (I) and (II) of this Policy are operative.
- (b) Where the "Operative Insurance Cover" in the Schedule is stated to be **"Third Party Legal Liabilities Insurance"**, only Section (II) of this Policy is operative.

(4) LIMITATIONS AS TO USE OF THE MOTOR VEHICLE

- (a) The insurance coverage under any part of this Policy is operative only when the Motor Vehicle is used:
 - (i) in connection with the Insured's business or the business of any person to whom the Motor Vehicle is hired; or
 - (ii) for social domestic and pleasure purposes.
 Whilst the Motor Vehicle is so used, the carriage of passengers (other than for hire or reward) is permitted.
- (b) This Policy will not operate when the Motor Vehicle is used :
 - (i) for racing pace-making reliability-trial or speed-testing;
 - (ii) whilst drawing a vehicle except the towing of any one disabled mechanically propelled vehicle; or
 - (iii) for carriage of passengers for hire or reward.

(5) INSURED DRIVER

For the purposes of this Policy, "Insured Driver" means any of the following:

- (a) whilst the Motor Vehicle is used in connection with the Insured's business or the business of any person to whom the Motor Vehicle is hired:
 - (i) the Insured or any other person who is in the Insured's employ and is driving on the Insured's order or with his permission; or
 - (ii) any person to whom the Motor Vehicle is hired or any other person who is in the employ of such hirer and is driving on his order or with his permission;
- (b) whilst the Motor Vehicle is used for social domestic or pleasure purposes, the Insured or any other person who is driving on the Insured's order or with his permission;

PROVIDED that the person driving holds a licence to drive the Motor Vehicle or has held and is not disqualified from holding or obtaining such a licence, the expression "licence" being taken to mean a licence or other permit required under the laws or regulations or by the licensing authority of the Geographical Area.

(6) SECTION (I) INSURANCE - AGAINST LOSS OF OR DAMAGE TO THE MOTOR VEHICLE

- (a) The Company will indemnify the Insured against loss of or damage to the Motor Vehicle and/or its accessories and/or its spare parts whilst thereon. The Company may, at its option, repair reinstate or replace the Motor Vehicle and/or its accessories and/or its spare parts or pay in cash the amount of such loss or damage.

The Company's indemnity pursuant to this paragraph 6(a) is limited to :

- (i) the reasonable market value of the Motor Vehicle at the time of its loss or damage; or
(ii) the Insured's Estimated Value of the Motor Vehicle as specified in the Schedule whichever is the lesser amount.

- (b) If the Motor Vehicle is disabled by reason of loss or damage insured by this Policy, the Company will additionally pay the reasonable cost of protection and removal of the Motor Vehicle to the nearest repairer and redelivery after repair to the Insured's address within the Geographical Area where the loss or damage was sustained provided that the amount recoverable hereunder shall not exceed 20% of the agreed cost of repairs to the Motor Vehicle.
- (c) In the event of loss of or damage to the Motor Vehicle and/or its accessories and/or its spare parts necessitating the supply of a part not obtainable from stock held in the Geographical Area in which the Motor Vehicle is held for repair or in the event of the Company exercising the option to pay in cash the amount of the loss or damage the liability of the Company in respect of any such part will be limited to the price quoted in the latest catalogue or price list issued by the manufacturer or his agents for the Geographical Area in which the Motor Vehicle is held for repair or, if no such catalogue or price list exists, the price last obtaining at the manufacturer's works plus the reasonable cost of transport otherwise than by air to the Geographical Area in which the Motor Vehicle is held for repair and the amount of the relative import duty and the reasonable cost of fitting such part.

(7) SPECIAL CONDITIONS APPLICABLE TO SECTION (I) INSURANCE

- (a) If at the Insured's request a Hire Purchase Owner has been specified in the Schedule or in a Memorandum endorsed hereon, any payment in cash by the Company in respect of loss of or damage to the Motor Vehicle shall be made to the Hire Purchase Owner so specified whose receipt shall be a full and final discharge of all liability of the Company in respect of such loss or damage.
- (b) The Insured may authorise the repair of the Motor Vehicle necessitated by damage for which the Company may be liable under this Policy provided that:
- (i) the estimated cost of such repair does not exceed HK\$5,000;
- (ii) the Company is furnished forthwith with a detailed estimate of the repair cost; and
- (iii) the Insured shall give the Company every assistance to see that such repair is necessary and the charge is reasonable.
- (c) Where repair cost to the Motor Vehicle is the subject of a claim under Section (I), the Company shall have a right of veto concerning a proposed place of repair or repair firm.

(8) SPECIAL EXCEPTIONS TO SECTION (I) INSURANCE

The Company will not be liable in respect of:

- (a) consequential loss;
- (b) depreciation wear and tear mechanical or electrical breakdown failure or breakage;
- (c) loss of or damage to the Motor Vehicle arising out of the operation as a tool of the Motor Vehicle or any plant forming part of the Motor Vehicle or attached thereto;
- (d) damage to tyres unless damage is caused to other parts of the Motor Vehicle at the same time;
- (e) damage caused by overloading or strain; and
- (f) any claims excesses applicable to Section (I).

(9) CLAIMS EXCESSES APPLICABLE TO SECTION (I) INSURANCE

- (a) In respect of any Event giving rise to a claim for loss of or damage to the Motor Vehicle, the Company will not be liable for the first HK\$3,000 (referred to herein as "**Standard Claims Excess**") plus any additional amount specified in the Schedule as "**Additional Claims Excess**".
- (b) If the expenditure incurred by the Company shall include any amount for which the Company is not liable pursuant to paragraphs 9(a), the Insured shall forthwith repay such amount to the Company.
- (c) The provisions of paragraphs 9(a) shall not apply to loss of or damage to the Motor Vehicle caused by fire self-ignition lightning or explosion which arises independently and not out of any preceding accident involving the Motor Vehicle.

(10) SECTION (II) INSURANCE - AGAINST THIRD PARTY LEGAL LIABILITIES

Subject to Policy Liability Limits Conditions and Exceptions, the Company will indemnify the Insured and/or any Insured Driver against all sums including claimant's costs and expenses which the Insured and/or such Insured Driver shall become legally liable to pay and other costs and expenses incurred by or on behalf of the Insured and/or such Insured Driver with the Company's written consent in respect of :

- (a) death of or bodily injury to any person; and/or
- (b) damage to property;

where such death or bodily injury or property damage arises out of an accident caused by or in connection with the Motor Vehicle including the loading or unloading of goods onto or from the Motor Vehicle and within the limits of any carriageway or thoroughfare the bringing of goods to the Motor Vehicle for loading thereon or the taking away of goods from the Motor Vehicle after unloading therefrom.

(11) POLICY LIABILITY LIMITS APPLICABLE TO SECTION (II) INSURANCE

- (a) The Company's indemnity to the Insured and/or any other person claiming to be indemnified under Section (II) including claimant's costs and expenses and other costs and expenses incurred by or on behalf of the Insured and/or such other person with the Company's written consent arising out of any Event is limited to:
- (i) in respect of death of or bodily injury to any person pursuant to sub-paragraph 10(a), the amount specified in the Schedule as "**Policy Liability Limit - Third Party Death Or Bodily Injury**"; and

(ii) in respect of damage to property pursuant to sub-paragraph 10(b), the amount specified in the Schedule as "**Policy Liability Limit - Third Party Property Damage**".

Where this Policy insures more than one Motor Vehicle, the limitations of the Company's indemnity will nevertheless apply irrespective of the number of insured Motor Vehicles that may be involved in the same Event.

- (b) If the occurrence of any Event results in indemnity to more than one person, the limitations of the Company's indemnity specified in paragraph 11(a) will apply to the aggregate of indemnity to all persons claiming to be indemnified and shall apply in priority to the Insured.
- (c) At any time after the happening of any Event giving rise to a claim or a series of claims under Section (II) the Company may pay to the Insured and/or any other person claiming to be indemnified the respective full amount of the Company's liability specified in paragraph 11(a) (after the deduction of any sums already paid) or any lesser amount for which such claims can be settled and the Company shall relinquish the conduct of any defence settlement or proceedings and shall not then be responsible for damages payable to the claimant and claimant's costs or for any damages alleged to have been caused to the Insured or such person in consequence of any alleged action 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.

(12) SPECIAL CONDITIONS APPLICABLE TO SECTION (II) INSURANCE

- (a) In the event of the death of any person entitled to indemnity under Section (II), 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 insurance which apply to such deceased person.
- (b) The Company may at its own option and expense:
- (i) arrange for representation at any inquest or fatal inquiry in respect of any death which may be the subject of indemnity under Section (II); and/or
 - (ii) 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 (II).

(13) SPECIAL EXCEPTIONS TO SECTION (II) INSURANCE

The Company will not be liable:

- (a) to indemnify any person claiming to be indemnified:
- (i) unless such person shall observe fulfill and be subject to the terms and conditions of this Policy in so far as they can apply; or
 - (ii) if such person is entitled to indemnity under any other insurance policy;
- (b) in respect of death of or bodily injury to any person arising out of and in the course of such person's employment by:
- (i) any person (including the Insured) claiming to be indemnified under Section (II); or
 - (ii) the employer of any person (including the Insured's) claiming to be indemnified under Section (II);
- (c) in respect of damage to property being conveyed by the Motor Vehicle or to property belonging to or held in trust by or in the custody or control of:
- (i) any person (including the Insured) claiming to be indemnified under Section (II); or
 - (ii) a member of the same household of any person (including the Insured's) claiming to be indemnified under Section (II);
- (d) except so far as is necessary to meet the requirements of the Motor Vehicle Insurance (Third Party Risks) Ordinance, in respect of liability incurred by the Insured arising out of the operation as a tool of the Motor Vehicle or any plant forming part of the Motor Vehicle or attached thereto;
- (e) in respect of loss of or damage to utensils stock-in-trade surgical instruments medical appliances or supplies and X-ray apparatus on the Motor Vehicle;
- (f) in respect of death of or bodily injury to or illness of any person caused by or through or in connection with or arising from:
- (i) poisoning of any kind of foreign or deleterious matter in food or drink;
 - (ii) anything harmful in the condition of any goods supplied at or from the Motor Vehicle or the defective condition of the container of such goods;
 - (iii) anything harmful or defective in any treatment given at or from the Motor Vehicle;
- (g) in respect of loss of or damage by vibration or by the weight of the Motor Vehicle and/or of the load carried by the Motor Vehicle to any bridge weighbridge viaduct road or anything beneath;
- (h) in respect of damage to any disabled mechanically propelled vehicle or property therein attached to the Motor Vehicle;
- (i) in respect of judgments which are not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong; or
- (j) any claims excess applicable to Section (II).

(14) CLAIMS EXCESSES APPLICABLE TO SECTION (II) INSURANCE

- (a) In respect of any Event giving rise to a claim for indemnity against liabilities for third party property damage, the Company will not be liable for the first amount of such claim specified in the Schedule as "**Third Party Property Damage Excess**".
- (b) If the expenditure incurred by the Company resulting from a claim includes the amount for which the Company is not liable pursuant to paragraph 14(a), the Insured shall forthwith repay such amount to the Company.

(15) AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

If the Company is obliged by the laws of any country within the Geographical Area or by virtue of any agreement between the Company and The Motor Insurers' Bureau of Hong Kong to pay an amount for which the Company would not otherwise be liable under this Policy the Insured and any other person on whose account the payment is made shall forthwith repay such amount to the Company.

(16) NO CLAIM DISCOUNT ("THE DISCOUNT")

- (a) In the event of no claim being made or arising under this Policy during any of the periods of insurance specified below, the next renewal premium shall be reduced by the Discount specified hereunder:

Periods of Insurance	The Discount (On Renewal Premium)
One Year	10%
2 consecutive years	20%
3 or more consecutive years	30%

- (b) For the avoidance of doubt, any claim made under any part of this Policy during a period of insurance shall result in cancellation of the Discount specified in paragraph 16(a) notwithstanding any assertion or allegation that the Insured and/or the person claiming to be indemnified is not to be blamed for or has not contributed to the occurrence of the Event resulting in the claim under this Policy.
- (c) In the event of a transfer of interest in the Policy with the Company's prior consent from one Insured to another the claim-free period of qualification for the Discount so far as it affects the new Insured shall commence afresh with effect from the date of transfer, and the original Insured shall retain his right to the Discount earned up to the date of transfer which right is applicable to any motor insurance policy taken out by the original Insured on any one commercial vehicle within 12 months of the date of transfer.
- (d) If more than one Motor Vehicle is insured under this Policy, the Discount shall be applied as if a separate Policy had been issued in respect of each such Motor Vehicle.

(17) GENERAL EXCEPTIONS

The Company will not be liable under this Policy in respect of:

- (a) any accident loss damage or liability caused sustained or incurred:
 - (i) outside the Geographical Area;
 - (ii) whilst on the Insured's order or with his permission or to his knowledge the Motor Vehicle in respect of which indemnity is provided by this Policy is being used otherwise than in accordance with the Limitations As To Use Of The Motor Vehicle, or being driven by any person other than an Insured Driver or is for the purposes of being driven by him in the charge of such person;
- (b) any accident loss damage or liability caused by or contributed to by or arising from any failure by the Insured to comply with and observe all provisions regulations or requirements relating to the carriage of dangerous goods whether such provisions regulations or requirements are issued by the Fire Services or any other Government Department or form part of any Statutory Ordinance;
- (c) any accident loss damage or liability (except so far as is necessary to meet the requirements of the Motor Vehicles Insurance (Third Party Risks) Ordinance) directly or indirectly proximately or remotely occasioned by contributed to by or traceable to or arising out of or in connection with:
 - (i) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war mutiny rebellion revolution insurrection military or usurped power;
 - (ii) strike riot civil commotion;
 - (iii) detention seizure confiscation or any attempt thereat;
 or by any direct or indirect consequences of any of the said occurrences;
- (d) any liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- (e) any accident loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and, for the purpose of this paragraph 17(e), combustion shall include any self-sustaining process of nuclear fission;
- (f) any accident loss damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapon materials; and
- (g) any accident loss damage or liability caused sustained or incurred when the Motor Vehicle is being driven for police purposes by, or under the direction of, any police officer.

In any action suit or other proceedings where the Company alleges that by reason of paragraph 17(c) any accident loss damage or liability is not indemnifiable by this Policy, the burden of proving that such accident loss damage or liability is indemnifiable shall be upon the person claiming to be indemnified.

(18) GENERAL CONDITIONS

- (a) Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company and in respect of notice or communication to the Insured to his address specified in the Schedule.
- (b) In the event of any occurrence which may give rise to a claim under this Policy the Insured shall immediately give notice thereof to the Company with full particulars. Every letter claim writ summons and process shall be notified or forwarded to the Company immediately on receipt by the Insured. Notice shall also be given in writing to the Company immediately the Insured or any person claiming to be indemnified shall have knowledge of any impending prosecution inquest or fatal inquiry in respect of any occurrence which may give rise to a claim under this Policy. In case of theft or other criminal act which may be the subject of a claim under this Policy the Insured shall give immediate notice to the Police and shall cooperate with the Company in securing the conviction of the offender.
- (c) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured or any person claiming to be indemnified without the prior written consent of the Company which shall be entitled to take over and conduct in the name of the Insured or such person the defence or settlement of any claim or to prosecute in the name of the Insured or such person for the Company's own benefit any claim for indemnity or damages or otherwise and the Company shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured and such person shall give all such information and assistance as the Company may require.
- (d) The Insured shall take all reasonable steps to safeguard the Motor Vehicle from loss or damage and to maintain it in efficient condition and the Company shall have at all times free and full access to examine the Motor Vehicle or any part thereof or any driver or employee of the Insured. In the event of any accident or breakdown the Motor Vehicle shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the Motor Vehicle be driven before the necessary repairs are effected any extension of the damage or any further damage to the Motor Vehicle shall be excluded from the scope of indemnity granted by this Policy.
- (e) The Company may cancel this Policy by giving seven days' notice by registered letter to the Insured at his last known address and in such event will return to the Insured the premium paid less the pro rata portion thereof for the period the Policy has been in force or the Policy may be cancelled at any time by the Insured on seven days' notice and (provided no claim has arisen during the current Period of Insurance and the current Certificate of Insurance has been returned to the Company on or before the date of cancellation) the Insured shall be entitled to a return of premium less the premium calculated at the Company's short period rates for the period the Policy has been in force.
- (f) If at the time any claim arises under this Policy there is any other insurance covering the same loss damage or liability the Company shall not be liable to pay or contribute more than its rateable proportion of any loss damage compensation costs or expenses provided always that nothing in this paragraph 18(f) shall impose on the Company any liability from which but for this paragraph 18(f) it would have been relieved pursuant to sub-paragraph 13(a)(ii).
- (g) All differences arising out of this Policy shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. 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 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.
- (h) This Policy is subject to the exclusive jurisdiction of Hong Kong and is to be construed according to the laws of Hong Kong.