



Sun Flower Insurance Brokers Limited
Room 1105-08, Hing Yip Commercial Centre, 282 Des Voeux Road Central, Hong Kong
Tel: 2521 1881 Fax: 2521 1919 Email: vip@sunflowergroup.com.hk www.sunflowerVIP.com
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.

PROPERTY ALL RISKS INSURANCE

WHEREAS the Insured has made to the ASIA INSURANCE CO., LTD. (hereinafter called the Company) a proposal and declaration which shall be the basis of this contract and be deemed to be incorporated herein and in consideration of the payment to the Company of the Premium mentioned in the Schedule.

NOW THIS POLICY WITNESSETH THAT if at any time after payment of the Premium and before the last day of the Period of Insurance, the Property Insured or any part thereof be lost damaged or destroyed by Fire or any accident not hereinafter excepted while such Property Insured is situated within the Insured Premises.

THE COMPANY WILL (subject to the conditions contained herein or endorsed or otherwise expressed hereon) by payment, or at its option, reinstatement or repair make good to the Insured the amount of such loss or damage not exceeding the Sum Insured set against such item or in the whole the Total Sum Insured.

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

EXCEPTIONS

This Policy does not cover:

- loss damage destruction caused by or arising from:
 - scratching, denting, wear, tear, deterioration, gradual depreciation, inherent vice, moth, insects, vermin, or the action of light or atmospheric or climatic conditions;
 - any process of cleaning, testing, repairing or restoring any article;
 - overwinding of clocks or watches;
 - mechanical or electrical breakdown or derangement of machinery or equipment;
- theft or attempted theft by any employee or relative of the Insured, except from a building and then only if there is violent or forcible entry to or exit from such building;
 - interruption of the water supply gas electricity of fuel systems or failure of the effluent disposal systems to and from the Insured Premises unless damage by a cause not excluded in the Policy ensues and then the Company shall be liable only for such ensuing damage;
- any accident or any loss or destruction of or damage to any property directly or indirectly caused by or arising from:
 - war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war,
 - mutiny, military or popular 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,
 - the burning or confiscation or detention of property by the Customs or by order of any government or Public Authority;
- any accident or any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss 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. Solely for the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission;
- any accident loss destruction or damage directly or indirectly caused by or contributed to by or arising from nuclear weapons materials;
- loss or damage caused by accumulation of water resulting from circumstances where the Insured could, but has failed to, take reasonable steps to prevent such accumulation;
- consequential loss or consequential damage of any kind or description including loss of delay;
- loss or damage whilst in water-borne transit;
- damage to articles of a brittle nature;
- unexplained loss, mysterious disappearance, shop-lifting, nor loss or shortage disclosed upon taking inventory;
- the costs of repairing replacing or rectifying the Property Insured or any part thereof
 - which is defective or faulty in materials or workmanship;
 - in which there is a fault defect error or omission in design plan or specification;
- loss from any fraudulent scheme, trick, device or false pretence practised upon the Insured, or upon any person having care of the Property Insured at such time;
- loss caused by infidelity or dishonesty on the part of the Insured or any of the employee of the Insured;
- costs and expenses arising from loss or destruction or damage caused by pollution or contamination except destruction or damage to the Property Insured caused by pollution or contamination resulting from a peril hereby insured against;
- damage to movable property in the open or in open-sided buildings or to fences and gates caused by wind, rain, hail, frost, snow, flood, sand or dust;
- damage to any property caused by freezing solidification or inadvertent escape of molten material;
- any accident loss destruction or damage caused by landslip & subsidence;
- 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, on or about the covered property to be removed;
- the Deductible as specified in the Policy.

PROPERTY EXCLUDED

This Policy does not insure:

- property during the course of construction or while undergoing testing prior to commissioning;
- cash, cheques, postal notes, money orders, stamps, promissory notes, credit card vouchers, bills of exchange, jewellery, furs, precious stones, precious metals or bullion, curiosities or work of art;
- motor vehicles and other mechanically or electrically propelled vehicles and accessories, railway locomotives and rolling stock, watercraft or aircraft and/or property contained in any of the foregoing;
- standing timber, growing crops, trees and the like, livestock, dams, reservoirs, canals, tunnels, bridges, docks, piers or wharves, unless specified in the Schedule; mining property located beneath the surface of the ground, any land (including topsoil, backfill drainage or culverts), driveways, pavements, roads;
- manuscripts, plans, drawing, designs, patterns, models or moulds;
- books of account, business books or computer systems records;
- property damaged as a result of its undergoing any process.

CONDITIONS

1. IDENTIFICATION

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

2. MISREPRESENTATION

In the event of any misrepresentation, misdescription or non-disclosure in any material particular or if any claim made shall be fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any false declaration or statement be made then this Policy shall be void and no compensation shall be payable thereunder.

3. CANCELLATION

The Company may at any time cancel this Policy by sending seven days' notice by registered letter to the Insured at his last known address and in such event the Insured shall become entitled to the return of a proportionate part of the premium corresponding to the unexpired period of insurance. The Policy may also be terminated at any time at the request of the Insured in which case the Company will retain a premium calculated at its customary short period rate for the time that the Policy has been in force.

4. REASONABLE PRECAUTIONS

The Insured shall take due precautions for the safety of the Property Insured as if it were not insured.

5. ALTERATIONS

This Policy shall be void and of no effect if during its currency:

- (a) the risk be materially increased without the assent of the Company being signified by endorsement hereon,
- (b) the Insured shall at any time engage in or follow any occupation other than that declared on the proposal or by endorsement hereon,
- (c) if the interests in the Property Insured pass from the Insured except by will or operation of law unless the Company shall have agreed otherwise by endorsement hereon.

6. CLAIMS

- (a) On discovery of any loss or damage covered by this Policy, the Insured shall in case of theft or loss give immediate notice to the Police and shall take all reasonable steps to cause the discovery of any guilty person or persons and for the recovery of the property lost.
- (b) The Insured shall also give written notice to the Company detailing the circumstances and within fourteen days shall deliver to the Company a statement of the loss or damage sustained and details of the loss or damage done and shall furnish all such explanations and proofs as may be reasonably required.
- (c) The Insured shall at his own expense:
 - (i) take prompt steps to minimise loss or damage to the Property Insured and also take reasonable steps to protect it from further loss or damage,
 - (ii) do and concur in doing and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or be required before or after indemnification by the Company.
- (d) The Company by its agents or servants shall be entitled to:
 - (i) enter into or upon any land or building where the loss destruction or damage has occurred and take and keep possession of the damaged property,
 - (ii) deal with the salvage in any reasonable manner,
 - (iii) keep possession of any such property and examine, sort, arrange, remove, or otherwise deal with the same.

The powers conferred by this Condition shall be exercisable by the Company at any time until notice in writing is given by the Insured that he makes no claims under the Policy or, if any claim is made, until such claim is finally determined or withdrawn and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Insured or diminish its right to rely upon any of the conditions of this Policy in answer to any claim.

If the Insured or any person on his behalf shall not comply with the requirements of the Company, or shall hinder or obstruct the Company in the exercise of its powers hereunder, all benefits under this Policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.
- (e) The Company shall be under no liability in respect of any loss or damage which shall not be notified to the Company within sixty days of its occurrence.

7. FORFEITURE OF BENEFITS

If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy, or if the loss or damage be occasioned by the wilful act, or with the connivance of the Insured, or if the claim be made and rejected and an action or suit be not commenced within three months after such rejection, all benefits under this Policy shall be forfeited.

8. OPTION TO REINSTATE

The Company may at its option, reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage, or may join with any other companies or insurers in so doing, but the Company shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, nor more than the Sum Insured thereon.

If the Company so elects to reinstate or replace any property, the Insured shall, at his own expense, furnish the Company with such plans, specifications, measurements, quantities, and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view to reinstate or replace shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the Property Insured, because of any law or regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be required to reinstate or repair such property as if the same could lawfully be reinstated to its former condition.

9. CONTRIBUTION

If at the time of any loss or damage happening to the Property Insured, there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons, covering the same property, the Company shall not be liable to pay or contribute more than its rateable proportion of such loss or damage.

10. AVERAGE (UNDERINSURANCE)

If the Property Insured shall, at the time of any accident, be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference, and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this Condition.

11. SUBROGATION

The Company may at any time at its own expense and without prejudice to any question between the Company and the Insured, take such steps as it deems fit for the recovery of any of the property lost or stated to be lost, and for this purpose the Insured shall, as and when required, give all information and assistance to the Company.

Upon payment for or replacement of any property lost or stolen, such property shall belong to the Company subject to the Insured's right to reclaim it upon payment to the Company of the amount paid by the Company in respect of such property.

Any rights of indemnity vested in the Insured against third parties for loss or damage in respect of which a claim is made hereunder may, if and when the Company so desire, and whether the amount of the Company's liability hereunder has been ascertained or not, be enforced by the Company for the benefit of the Company to the extent of the Company's loss, and the Insured shall permit the Company to undertake in the name and on behalf of the Insured the absolute conduct, control and settlement of any proceedings and 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.

12. ARBITRATION

All differences arising out of this Policy shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of 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.

13. TIME LIMIT

In no case whatsoever shall the Company be liable for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless the claim is the subject of pending legal action or arbitration.

CLAUSES /WARRANTIES /ENDORSEMENTS

The following Clauses and Endorsements are hereby incorporated into this Policy unless specifically specified otherwise in the Policy or by endorsement subsequently attached hereto:

DATE RELATED PERFORMANCE AND FUNCTIONALITY CLAUSE (A)

- (1) The Company shall not be liable under this Policy in respect of (i) any loss destruction or damage to property, (ii) consequential loss additional expenditure extra expenses or lost profit, (iii) legal liability, or (iv) other fees costs expenses disbursements awards of whatsoever nature, whether occurring before during or after the year 2000, directly or indirectly caused by contributed to by consisting of or arising in whole or in part from the failure of any **Data Processing System**, whether the property of the Insured or not:
 - (a) to correctly recognise any date as its **True Calendar Date**; or
 - (b) to capture save or retain and/or to correctly manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its **True Calendar Date**; or
 - (c) 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.
- (2) The exclusion of the Company's liability under paragraph (1) of this Memorandum however shall not apply to any claim for subsequent loss destruction or damage to any property or consequential loss which itself results from a **Defined Peril** but only to the extent that such claim would otherwise be insured under this Policy.
- (3) For the purpose of this Memorandum:
 - (a) "**Data Processing System**" shall mean any equipment installation system device and medium and/or any peripheral devices attached thereto (including microchips integrated circuits and other components and parts forming part thereof) for processing manipulating storing or retrieving data electronically and the expression "Data Processing System" also includes any hardware-and-software codes commands and instructions programmed into or encoded in any part of or used in connection with the Data Processing System.
 - (b) "**True Calendar Date**" shall mean the then-current calendar date or any other calendar date intended by the user of the Data Processing System, irrespective of how such date may be interpreted or processed by the Data Processing System.

- (c) **"Defined Perils"** shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, subterranean fire, storm, tempest, flood, escape of water from any tank apparatus or pipe, impact by any vehicle or by goods falling therefrom or animal.

(4) Where this Clause is at variance with or inconsistent with any terms provisions or conditions of this Policy, this Clause shall take precedence and shall prevail.

EXCLUSION OF RIGHTS OF THIRD PARTIES UNDER CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE

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.

IT CLARIFICATION CLAUSE

It is hereby noted and agreed that loss of, damage to or destruction of Property Insured covered under this Policy shall mean physical loss of, physical damage to or physical destruction of the substance of property.

Physical loss of, physical damage to or physical destruction of the substance of property 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 a deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Policy:

- (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.

Notwithstanding the above-mentioned exclusions, this Policy shall not exclude any loss of, damage to or destruction of any Property Insured or consequential loss which itself results from a Defined Contingency (as defined hereunder), but only to the extent that such claim would otherwise be insured under this Policy.

For the purpose of this Clause only, "Defined Contingency" shall mean 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.

SANCTION CLAUSE

Notwithstanding anything contained herein to the contrary, the Company shall not be deemed to provide any cover and shall not be liable to pay for any claim or to provide any benefits 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.

If the Company alleges that by reason of this Clause, any loss, damage, liability, benefit, cost or expense is not covered by this Policy, the burden of proving the contrary shall be upon the Insured.

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, liability, cost or expense of whatsoever 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:

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or public or local authority; or
- (2) 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 Endorsement :

- (1) 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;
- (2) "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 Endorsement 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.

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

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

Subject otherwise to the terms, exceptions and conditions of this Policy.

Where any of the following clauses, warranties and/or endorsements are expressly mentioned in the Policy Schedule or Specification, they shall be attaching to and forming part of this Policy.

A7 FOUNDATIONS EXCLUSION The insurance on Building excludes that part of any building below the level of the under surface of its lowest floor.

A8 ELECTRICAL INSTALLATIONS The Company will not be liable for loss of or damage to any Electrical Plant, Apparatus or Installation caused by its own over-running, excessive pressure, short circuiting or self heating.

A11 LIEN CLAUSE Loss, if any, under this Policy shall be payable to the Lien Holder(s) named in the Schedule of this Policy as their interest may appear, whose receipt will be a valid discharge.

A12 MORTGAGEE/NON-OCCUPYING LANDLORD CLAUSE It is hereby declared and agreed that this insurance shall not be invalidated by any change of occupancy or increase of risk taking place in the property without the knowledge of the Insured, provided that he shall immediately, on the same coming to his knowledge, give notice thereof to the Company and pay any additional premium which may be required from the date of such increase of risk.

A13 MORTGAGEE CLAUSE Loss, if any, under this Policy shall be payable to the Mortgagees or Assignees of Mortgagee interest named in the Schedule of this Policy to the extent of their interest.

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

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

Provided that as between the Company and the Mortgagor or Owner of the Property Insured, nothing contained in this clause shall in any way constitute or be deemed to constitute any waiver of, or prejudice or affect any rights which the Company may have against the Mortgagor or Owner of the Property Insured, or lessen any obligations which may be imposed on the Mortgagor or Owner of the Property Insured either by or under this Policy or by law, and such rights and obligations shall as between the Company and the Mortgagor or Owner of the Property Insured remain in full force and effect.

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

A19 REINSTATEMENT VALUE INSURANCE CLAUSE (NOT APPLICABLE TO STOCK) It is hereby agreed that in the event of Property Insured under the within Policy being destroyed or damaged the basis upon which the amount payable under each of the said items of the Policy is to be calculated shall be the reinstatement of the property destroyed or damaged, subject to the following special provisions and subject also to the terms and conditions of the Policy except in so far as the same may be varied hereby.

For the purposes of the insurance under this memorandum 'reinstatement' shall mean the carrying out of the aftermentioned work, namely:

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

SPECIAL PROVISIONS

- (a) The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch; otherwise no payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made.

- (b) When any Property Insured under this memorandum is damaged or destroyed in part only the liability of the Company shall not exceed the sum representing the cost which the Company could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- (c) No payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
- (d) Each item insured under this memorandum is declared to be separately subject to the following Condition of Average, namely:
If at the time of reinstatement the sum representing the cost which would have been incurred in reinstatement if the whole of the property covered by such item had been destroyed exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction or damage to such property by any other peril hereby insured against then the Insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly.
- (e) No payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made if at the time of any destruction or damage to any Property Insured hereunder such property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth herein.
- (f) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would be payable under the Policy if this memorandum had not been incorporated therein the rights and liabilities of the Company and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of the Policy, including any Conditions of Average therein, as if the memorandum had not been incorporated therein.
- A20 PUBLIC AUTHORITIES CLAUSE** The insurance by this Policy extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Ordinance, Law, Statute or with Bye-Laws of any Municipal or Local Authority provided that:
- (1) The amount recoverable under this Extension shall not include:
 - (a) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws
 - (i) in respect of destruction or damage occurring prior to the granting of this Extension;
 - (ii) in respect of destruction or damage not insured by the Policy;
 - (iii) under which notice has been served upon the Insured prior to the happening of the destruction or damage;
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Policy) of that portion of the property destroyed or damaged.
 - (b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen.
 - (c) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owners thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
 - (2) The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Company may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Company under this Extension not being thereby increased.
 - (3) If the liability of the Company under (any item of) the Policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this Extension (in respect of any such item) shall be reduced in like proportion.
 - (4) The total amount recoverable under any item of the Policy shall not exceed the Sum Insured thereby.
 - (5) All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they have been incorporated herein.
- A22 RENT CLAUSE** The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage and then the amount payable shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of Rent insured.
- A23 PROFESSIONAL FEES CLAUSE** The insurance of this Policy is extended to cover Architects', Surveyors' and Consulting Engineers' fees necessarily incurred in the reinstatement of the Property Insured consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorized under the Scale of Professional Charges of The Royal Institute of British Architects and/or of the Schedule of Professional Charges of The Royal Institution of Chartered Surveyors and/or of the Association of Consulting Engineers as the case may be, or of the respective equivalent local body.
- A24 REMOVAL OF DEBRIS CLAUSE** The insurance of this Policy is extended to cover the costs and expenses necessarily incurred by the Insured with the consent of the Company in:
- (a) removing debris,
 - (b) dismantling and/or demolishing,
 - (c) shoring up or propping,
- of the portion or portions of the Property Insured destroyed or damaged by fire or by any other peril hereby insured against.
- The Company will not pay for any costs or expenses:
- (a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site,
 - (b) arising from pollution or contamination of property not insured by this Policy.
- A33 LEGAL REQUIREMENTS WARRANTY** Warranted that the Insured shall duly 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.
- A34 STORAGE WARRANTY** Warranted no waste materials or goods of any description whatsoever whether belonging to the Insured or not shall be stored temporarily or otherwise on any staircase or landing or in any passageway within or in common use with the Premises described in the Policy.
- Provided that the Company shall be deemed to have waived any breach of this Warranty not occasioned by or contributed to by the Insured of which the Company shall have received written notice from the Insured prior to the occurrence of loss destruction or damage.
- Warranted also that all waste materials will be kept in receptacles and removed from the building daily.
- B24 OCCUPANCY WARRANTY A** Warranted no goods or merchandise, other than samples, stored in the within described Premises.
- B25 OCCUPANCY WARRANTY B** Warranted no trade processing or manufacturing carried on at the within described Premises.
- B45 STORAGE WARRANTY (HAZARDOUS)** Warranted no goods specified as Extra Hazardous in the attached Classified Goods List stored on the within described Premises.
- C6 AUTOMATIC REINSTATEMENT OF SUM INSURED CLAUSE** In the event of loss or damage recoverable under this insurance, the Sum Insured by this Policy shall, in the absence of written notice by the Company or the Insured to the contrary, be immediately reinstated in consideration of which the Insured undertakes to pay the appropriate additional premium.
- E11 LANDSLIP AND SUBSIDENCE EXTENSION** In consideration of the payment of the additional premium, it is hereby agreed that notwithstanding anything contained in the within Policy to the contrary, the insurance under this Policy shall extend to cover loss of or damage to the Property Insured directly caused by subsidence of the site or landslip, occurring within the Period of Insurance stated in the Schedule but excluding:
- (1) loss or damage occasioned by or through or in consequence directly or indirectly of any of the following occurrences:
 - (a) Coastal erosion
 - (b) Heave
 - (c) Bedding down of structures or the settlement of made up ground within 5 years of the completion of such works;
 - (2) loss of or damage to paths drives fences gates boundary and retaining walls caused by subsidence and/or landslip;
 - (3) unless otherwise specifically insured, the cost of removal of subsidence and/or landslip debris or the making good of the site following subsidence and or landslip except in so far as is necessary to repair the Property Insured;
 - (4) loss or damage directly occasioned by or through defective design or workmanship or the use of defective materials;
 - (5) consequential loss or damage of any kind or description;
 - (6) the first HK\$10,000 or 10% (ten percent) of each and every loss, whichever is the greater, as ascertained after the application of any condition of average and occurring within each and every separate period of 72 consecutive hours during the currency of this Policy.
- WARRANTED:**
- (1) The Insured shall maintain the Property Insured in sound repair and shall take all responsible steps to prevent damage from the perils covered hereby.
 - (2) The Insured shall maintain any man-made slope and retaining wall for which they are responsible in accordance with laws regulations codes and guides issued by the Hong Kong Government including the guidelines stipulated in the GEOGUIDE 5 - Guide To Slope Maintenance published by the Geotechnical Engineering Office, Civil Engineering Department, Hong Kong.
 - (3) The Insured shall notify the Company immediately:
 - (a) any excavations are commenced beneath, around or in the vicinity of the Property Insured.
In such event the Company shall have the right to vary or cancel the cover provided under this Policy.
 - (b) of the operation of an insured peril affecting any part of the site (whether or not the Property Insured is involved) or its nearby surroundings.

