



360° BUSINESS PROTECTION OFFICE INSURANCE POLICY



® **Sun Flower Insurance Brokers Limited**

Placing through Sun Flower Insurance Agency Limited

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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.

NOTES TO POLICYHOLDER

Thank you for insuring with Allied World.

This comprehensive policy is a packaged protection plan for your business. We will provide the insurance cover described in this policy during the period of insurance upon receiving your premium payment.

The covers provided in your policy include:

- Property All Risks
- Business Interruption
- Money & Personal Assault
- Public Liability
- Employees' Compensation (optional)
- Director and Employment Practices Liability (optional)
- Data Protection (optional)

with the following documents forming the basis of and part of your policy.

- the proposal, declaration and any other information you have given us
- the policy schedule and any amended schedule
- the most recent renewal confirmation
- any endorsement amending any of the above

We highly recommend that you read this policy thoroughly which sets out the benefits and limitations of the insurance you have bought. Should you have any query about this policy cover, please do not hesitate to contact your broker, agent or us for clarification.

Making a Claim

If you have any query when making a claim, please contact:

Claims Team

Tel +852 2968 3221 Fax +852 2917 6179

Email hk_claims@awac.com

Customer Service Excellence

Should you have any feedback or advice to assist us in continuously improving our customer service, please contact:

Marketing & Communications Team

Tel +852 2968 3000 Fax +852 2968 5111

Email hkhotline@awac.com

GENERAL DEFINITIONS

Accident

A sudden, unforeseen and fortuitous event.

Business

The trade, profession or occupation that You carry on at the Premises.

Damage

Unforeseen and sudden Accidental and physical loss or destruction or damage.

Employee(s)

Anyone who has entered into or works under a contract of employment with You as defined in the Employees' Compensation Ordinance of Hong Kong.

Excess

The amount shown in this Policy for which You shall be responsible and which shall be deducted from the adjusted claim for any insured loss or Damage.

Hong Kong

The territorial limits of Hong Kong Special Administrative Region.

Period of Insurance

The period of insurance as stated in the Schedule.

Premises

The location specified to be insured in the Schedule.

Schedule

The Policy schedule, any amended schedule, the most recent renewal confirmation, or any endorsement amending any of these.

Sum Insured

The amount specified in the Schedule.

We/Our/Us

Allied World Assurance Company, Ltd.

You/Your/The Insured

The person(s) or the organisation(s) named as the Insured in the Schedule.

SECTION I PROPERTY ALL RISKS

DEFINITIONS

Contents

Includes Business machines and equipment including laptop computers, utensils of trade, fixtures and fittings, Tenants' Improvements, furnishings, interior decorations and other contents belonging to You or for which You are responsible in the Premises excluding those more specifically insured.

Personal effects

Articles of personal use specifically designed to be worn or carried but excluding: (a) Money (b) Spectacles and/or contact lenses (c) Binoculars and telescopes (d) Musical instruments, radio, television, video, audio and any form of portable communication equipment.

Portable equipment

Includes portable phones, laptop computers, audio and visual equipment belonging to You, and used by You or any of Your directors, partners and Employees anywhere in the world when required for Business purpose.

Property

The item(s) specified to be insured in the Schedule.

Shop front

Includes show windows and surrounds, glass door and frames at the Premises, but excludes external blinds, signs and neon signs.

Stock in trade

Includes goods, merchandise and trading materials belonging to You or held in trust by You or for which You are responsible in the Premises.

Tenant's improvements

Building improvements, alterations and betterments made at Your expense to Premises occupied by You.

THE COVER

In the event of loss of or Damage to Your Property caused by Accident, We shall, at Our option, pay for the loss or damage, or reinstate, replace or repair the lost or damaged Property.

BASIS OF SETTLEMENT

a. CONTENTS

We shall, at our option, pay the cost of reinstatement, repair or replacement of the damaged Contents, or shall arrange for their replacement or for repair work to be carried out subject otherwise to the terms, conditions and exclusions of this Policy.

We shall pay the cost of reinstatement or replacement of Contents to a condition similar to but not better nor more extensive than their condition when new.

We shall deduct an amount for wear and tear if You do not repair or replace the damaged Contents.

b. STOCK IN TRADE

We shall pay the actual cost of the damaged Stock in Trade subject otherwise to the terms, conditions and exclusions of this Policy.

CONDITIONS APPLICABLE TO SECTION I

AVERAGE

If Your Property shall, at the commencement of any loss, destruction or damage to such Property, be collectively of greater value than the Sum Insured, You shall be considered as being your own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Each item shall be separately subject to this condition.

AUTOMATIC REINSTATEMENT OF SUM INSURED

We shall automatically reinstate the Sum Insured from the date of the loss to the expiry of the Period of Insurance, provided that You pay the additional premium for reinstatement, unless We inform You in writing to the contrary before payment is made.

LIMIT OF LIABILITY

Our liability under this Section including its Extensions Applicable to Section I 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, for any one Period of Insurance.

EXTENSIONS APPLICABLE TO SECTION I

1. Temporary Removal

We shall pay for loss of or Damage to Contents temporarily removed from the Premises for the purpose of cleaning, renovation or repair within Hong Kong. The maximum amount we shall pay in respect of any one occurrence is 10% of the Sum Insured of Contents.

2. Stock in Transit

We shall pay for loss of or damage to Stock In Trade in the course of collection and delivery by You, Your directors, partners and any of Your Employee(s) but excluding jewellery, mobile phone and digital equipment, electronic components, watches, electrical and electronic equipment. The maximum amount we shall pay in respect of any one occurrence is HK\$50,000.

3. Documents in Premises

We shall pay for the cost value of materials and the cost of clerical labour used in reproducing any documents, manuscript, pattern, model, mould, plan or design, business book or computer system records as a result of Damage. The maximum amount we shall pay in respect of any one Period of Insurance is HK\$50,000.

4. Document in Transit

We shall pay for the cost value of materials and the cost of clerical labour used in reproducing any documents, manuscript, pattern, model, mould, plan or design, business book in the course of collection and delivery by You, Your directors, partners and any of Your Employee(s) from the Premises to anywhere in Hong Kong as a result of Damage. The maximum amount we shall pay in respect of any one Period of Insurance is HK\$20,000.

5. Works of Art

We shall pay for loss of or damage to Work of Art kept in the premises. The maximum amount we shall pay in respect of any one Period of Insurance is HK\$10,000.

6. Personal Effects

We shall pay for loss of or damage to Personal Effects belonging to You or any of Your directors, partners or Your Employees whilst on the Premises. The maximum amount we shall pay in respect of any one Period of Insurance is HK\$3,000.

7. Fixed Glass

We shall pay the cost of replacing fixed plain plate and sheet glass in windows, doors, showcases, counters and shelves on the Premises which belongs to You or for which You are legally responsible and the reasonable cost of any temporary boarding-up rendered as necessary following such breakage. The maximum amount we shall pay in respect of any one Period of Insurance is 10% of the Sum Insured of Contents or HK\$50,000 whichever is the lesser.

8. Damage to Premises

We shall pay for the cost of repair to the building of the Premises for which You are responsible following theft or attempted theft of Contents involving forcible and violent entry into or exit from the Premises. The maximum amount we shall pay in respect of any one Period of Insurance is HK\$50,000.

9. Alterations or Repairs

We shall pay for the loss of or damage to the Property arising from any alteration, repair, decoration or maintenance works performed in the Premises. Provided that the contract value of each contract work shall not exceed HK\$200,000.

10. Locks Replacement

We shall pay for the cost of replacement of damaged door locks due to a theft or burglary to Your Premises involving forcible and violent means of entry into or exit from the Premises. The maximum amount we shall pay in respect of any one Period of Insurance is HK\$2,000.

11. Business Sign Board

We shall pay for the cost of replacement of damaged sign board installed at the lobby of the Premises. The maximum amount we will pay in respect of any one Period of Insurance is HK\$2,000.

12. Fire Extinguishing Expenses

We shall pay for the cost of refilling the fire extinguishers fluid and/or replacing sprinkler heads belonging to You or for which You are legally responsible following fire or explosion taking place on the Premises. The maximum amount we shall pay in respect of any one occurrence is HK\$3,000.

13. Removal of Debris

We shall pay for the costs and expenses incurred in the removal of debris of Contents and Stock In Trade insured following Damage arising out of Accident insured under this Section. The maximum amount we shall pay in respect of any one Period of Insurance is 10% of the Sum Insured and up to HK\$50,000 for any one occurrence.

14. Architects & Surveyor's Fee

We shall pay for the fees charged by architect, surveyor, consultant engineer necessarily incurred in the reinstatement of the Premises consequent upon its destruction or Damage insured under this Section. The maximum amount we shall pay in respect of any one Period of Insurance is HK\$5,000.

EXCEPTIONS

This Section does not cover:

1. Loss of or damage to:
 - a) money, jewellery, watches, valuables, furs, bullion, precious metals or stones unless specifically mentioned in the Schedule;
 - b) any curiosity or works of art kept outside the Premises;
 - c) property more specifically insured under other insurance;
 - d) motor vehicles or their accessories;
 - e) livestock;
 - f) property being worked upon or arising from any process of repair
 - g) renovation and maintenance other than as prescribed in Extensions Applicable to Section I Item 9 - Alterations or Repairs.
2. Loss or damage attributed to or caused by:
 - a) infidelity or dishonesty act by You or Your partners, directors or Your Employees;
 - b) pollution or contamination unless caused by a peril insured by this Section;
 - c) theft or attempted theft unless it involves entry into or exit from the Premises by forcible and violent means or follows a hold-up accompanied by violence or threat of violence at the Premises;
 - d) wear and tear, depreciation, gradual deterioration, moths, vermin, insects, mildew, rust, inherent defect and/or workmanship;
 - e) electrical or mechanical breakdown or derangement or scratching of lenses or glass unless the loss is accompanied by other damage for which this Section provides indemnity;
 - f) unexplained disappearance or any shortage revealed only at time of stock taking or making of an inventory and not attributable to a specific Accident insured by this Section;
 - g) occurrence from any vehicle whilst left unattended;
 - h) subsidence, landslip, heave of the site or collapse of the buildings;
 - i) consequential loss of any kind;
 - j) breakage of china, porcelain or glass not properly fixed before the Accident insured by this Section.

SECTION II BUSINESS INTERRUPTION

DEFINITIONS

Additional Expenditure

The additional expenditure necessarily, reasonably and actually incurred in order to restore normal conduct of Your Business during the Indemnity Period in consequence of the Damage.

Indemnity Period

The period beginning with the occurrence of the Damage and ending not later than the number of months specified in the Schedule thereafter during which the Business is affected by Damage.

THE COVER

If Your Business is interrupted because of Damage by Accident and a valid claim is payable under Section I of this Policy, We shall pay for the Additional Expenditure resulting from the interruption in accordance with the Basis of Settlement and the Limit of Liability.

BASIS OF SETTLEMENT

Cover applies only as indicated in the Schedule.

LIMIT OF LIABILITY

Our liability shall not exceed the amount in respect of each item as stated in the Schedule for any one Period of Insurance.

EXTENSIONS APPLICABLE TO SECTION II

1. Denial of Access

We shall cover interruption of Your Business caused by the hindrance of access to or use of Your Premises following damage to nearby property by Accident insured under Section I of this Policy. Provided that such hindrance is for a continuous period of more than 48 hours and up to the Limit of Liability as stated in the Schedule.

2. Failure of Public Utilities

We shall cover interruption of Your Business in consequence of damage to:

- generating stations or sub-stations of the public electricity supply undertaking from which You obtain electricity;
- land based premises of the public gas supply undertaking from which You obtain gas;
- water works or pumping station of the public water supply undertaking from which You obtain water.

Provided that:

- such failure is for a continuous period of more than 48 hours;
- such failure does not result from the deliberate act of any supply authority or the exercise by any such authority of its power to withhold or restrict supply.

And up to the Limit of Liability as stated in the Schedule.

3. Professional Accountants' Charges

We shall pay for any professional accountants' charges reasonably incurred by You for producing and certifying the particulars required by Us in connection with the investigation and verification of claims. The maximum amount we shall pay in respect of any one occurrence is HK\$50,000.

SECTION III MONEY & PERSONAL ASSAULT

DEFINITIONS

Money

Includes cash, bank and currency notes, cheques, postal order, money orders, crossed bankers' draft, current postal stamps, unexpired units in franking machines, credit card vouchers and customer redemption vouchers held in connection with Your Business.

Business Hours

The usual hours during which You transacts Business at the Premises and during which You, any of Your directors, partners or Your Employees normally entrusted with Money are in the Premises.

Permanent Total Disablement

The physical loss of any one eye or limb or such physical injury which prevents You or any of Your directors, partners and Your Employees from attending any occupation or to Business of any kind for a period of at least 12 months and such physical loss or injury is expected to continue for the remainder of that person's life.

THE COVER

We shall indemnify You against loss of or Damage to Money held in connection with the Business within Hong Kong up to Limit of Liability specified.

LIMIT OF LIABILITY

Our liability shall not exceed the following amounts for any one occurrence:

- Crossed cheques and credit card sales vouchers HK\$500,000
- Money other than 1 above
 - In transit within Hong Kong HK\$ 30,000
 - In Premises during Business Hours HK\$ 30,000
 - In Premises after Business Hours
 - in a locked safe or strongroom HK\$ 30,000
 - in a locked drawer or cabinet HK\$ 5,000
 - not secured in a locked safe and/or strongroom and/or locked drawer HK\$ 5,000
 - In the bank night safe HK\$ 50,000

EXTENSIONS APPLICABLE TO SECTION III

1. Seasonal Increase

- Money in premises after Business hours in a locked safe HK\$ 60,000
(any one occurrence)
- Money in premises after Business hours in a locked drawer or cabinet HK\$ 6,000
(any one occurrence)
during Sundays, Public holidays and until noon of the following day

2. Dishonest Act of Employees

We shall pay for the loss of Money due to fraud or dishonest act of Your Employees (discovered within 3 working days after the date of occurrence). The maximum amount We shall pay in respect of any one Period of Insurance is HK\$25,000.

3. Forced Signing of Cash Cheque

We shall pay for the loss of forced signing of cash cheque signed under violence or threat of violence. The maximum amount We shall pay in respect of any one Period of Insurance is HK\$25,000.

4. Safe or Strongroom

We shall pay for loss of or damage to safe or strongroom in Premises, caused by any theft or attempted theft. The maximum amount We shall pay in respect of any one occurrence is HK\$20,000.

5. Money in Residence

We shall pay for loss of or damage to Money in Your residence or the residence of Your directors, partners or Your Employees, arising from theft or attempted theft. The maximum amount We shall pay in respect of any one Period of Insurance is HK\$3,000.

6. Personal Assault

We shall indemnify You or Your legal personal representative, in the event that You or any of Your directors, partners or Your Employees sustain bodily injury by assault, causing death or Permanent Total Disablement, directly and solely as a result of theft, attempted theft or hold-up in the course of Your duties. The maximum amount We shall pay in respect of any one Period of Insurance is up to the capital sum of HK\$100,000 per person.

EXCEPTIONS

This Section does not cover:

- Loss of or damage to Money:
 - arising from fraud or dishonest act of Your Employees, other than as prescribed in Extensions applicable to Section III Item 2 Dishonest Act of Employees;
 - from an unattended vehicle;
 - entrusted to any person other than You, Your partners, directors or Your Employees;
 - in transit by post;
 - from a safe or strongroom opened by the use of key or combination code left in the Premises;
 - not notified to Us within 14 days of its occurrence.
- Shortage due to error or omission or not identifiable with a specific event.

SECTION IV PUBLIC LIABILITY

DEFINITIONS

Injury

Bodily injury, disease or illness including death resulting therefrom

Geographical Limits

The Premises specified in the Schedule and anywhere in Hong Kong, except those premises owned, hired, rented or leased to You and are not specified in the Schedule

THE COVER

We shall indemnify You against all sums which You shall become legally liable to pay, including all costs and expenses incurred with Our written consent, in the event of:

- a) accidental Injury to any person;
- b) accidental loss of or damage to property

happening during the Period of Insurance and arising out of and in the course of the Business within the Geographical Limits subject to the Limit of Liability and the Jurisdiction Clause.

LIMIT OF LIABILITY

You are covered up to the Limit of Liability as specified in the Schedule, in respect of any one claim or number of claims arising out of one cause. If We are liable to indemnify more than one party, the total amount of indemnity to all such parties shall not exceed the amounts shown in the Schedule.

EXTENSIONS APPLICABLE TO SECTION IV

1. Overseas Commercial Visits

We shall cover Your legal liability arising from occasional visits outside Hong Kong by You or any of Your directors, partners or Your Employees in connection with Your Business happened during the Period of Insurance.

2. Indemnity to Personal Representative, Directors, Partners and Employees

We shall cover the legal liability of:

- (a) Your legal personal representative, in the event of Your death;
- (b) Your directors, partners or Your Employees in their capacity, as such in the event that there is no other insurance covering the same liability.

Provided that such persons shall observe, fulfil and be subject to the terms of this Policy.

3. First Aid

We shall indemnify:

- (a) You and/or
 - (b) any of Your directors, partners or Your Employees (other than a qualified medical practitioner)
- against liability in respect of medical or first aid treatment given by such person in the course of his/her employment with You at Your Premises.

Provided that You shall have arranged with any such person for the conduct and control of all claims to be vested in Us and that person shall observe, fulfil and be subject to the terms of this Policy.

4. Food and Drink Poisoning

The indemnity provided by this Section shall extend to include the legal liability for Bodily Injury directly caused by food or drink poisoning, or the presence of deleterious matter in such food or drink or the defective container of such food or drink, provided always that such food or drink are supplied free of charge as a service to any person in the Premises. Our maximum liability under this extension shall not exceed the sum of HK\$2,000,000 for any one Period of Insurance.

5. Welfare, Social and Sports Clubs

We shall indemnify:

- (a) You and/or
 - (b) any of Your directors, partners or Your Employees
- against any claims in connection with their undertaking activities organized by You such as welfare, social or sports clubs, within Hong Kong.

Provided that:

- (a) such clubs and/or members are not entitled to indemnity under any other insurance Policy, otherwise the indemnity granted by this Section shall apply only for an amount in excess of that provided by such other Policy;
- (b) such clubs and/or members shall observe, fulfil and be subject to the terms of this Policy.

6. Tenants' Liability

We shall cover Your legal liability as tenants for damage to the Premises (including their fixtures and fittings) leased and occupied by You. Provided that this extension shall not apply to any liability for loss or damage assumed by You under tenancy or other agreement which would not have attached in the absence of such agreement.

7. Independent Contractor's Liability

We shall cover Your legal liability arising from interior decoration work performed by independent contractors at the Premises for contract value not exceeding HK\$200,000.

EXCEPTIONS

This Section does not indemnify You in respect of:

1. any liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
2. bodily Injury to Your Employees and any claim arising under the Employees' Compensation Ordinance;
3. loss of or damage to:
 - a) Your property or property in Your custody or control;
 - b) that part of any property upon which You have been operating;
 - c) any property, land or building caused by vibration or removal or weakening of support of such land property or buildings;
 - d) property caused by explosion due to force of internal steam pressure of any boiler, vessel or apparatus designed to operate under steam pressure only;
 - e) ship, craft, aircraft or motor vehicle.
4. Injury, loss or damage caused by:
 - a) the ownership, possession or use of ships, craft, aircraft, railway, rolling stock, lifts, cranes, escalators or power hoisting machines;
 - b) the ownership, possession or use of mechanically propelled road vehicles except the loading or unloading of such vehicle or the bringing to or the taking away of a load from such vehicle;
 - c) the discharge of smoke, vapours, soot, fumes, acids and alkalis toxic chemicals, liquids or gas waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water;
 - d) Your sub-contractors or persons engaged in or upon the service of such sub-contractors;
 - e) goods (which term shall be deemed to include containers) sold or supplied other than goods in Your custody or control;
 - (f) Your breach of the duty owed in a professional capacity by You and claims arising out of service, advice, treatment, design, formula or specification provided for a fee and the dispensing of any medicine.

ASBESTOS EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within this Section or any endorsement thereto it is agreed that this Section does not cover any liability for injury arising, directly or indirectly, out of the inhalation of, or fears of the consequences of exposure to, or inhalation of, asbestos, asbestos fibres or any derivatives of asbestos.

This Section does not cover that part of any loss, cost or expense for the cost of cleaning up, or removal of, or damage to, or loss of use of, property arising out of any asbestos, asbestos fibres or any derivatives of asbestos.

SECTION V EMPLOYEES' COMPENSATION

DEFINITIONS

Disease

A disease contracted by any of Your Employees as a result of his/her exposure to the nature of his/her employment with You. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance under this Policy.

Earnings

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 You to Your Employees.

Extraordinary Weather Conditions

The weather whilst typhoon signal no. 8 or above or a rainstorm warning (Red or Black signal) is hoisted.

Noise-Induced Deafness

As assigned to that expression in the Occupational Deafness (Compensation) Ordinance (Chapter 469 of the laws of Hong Kong).

Pneumoconiosis and Mesothelioma

As assigned to that expression in the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Chapter 360 of the laws of Hong Kong).

The Ordinance

The Employees' Compensation Ordinance (Chapter 282 of the laws of Hong Kong).

THE COVER

In the event of any Employee in Your immediate employ shall sustain bodily injury or death by Accident occurring or Disease contracted during the Period of Insurance and arising out of and in the course of his/her employment by You in the Business.

WE SHALL

subject to Limit of Indemnity and to the terms, exceptions and conditions contained in or endorsed on this Policy (all of which are collectively referred to as the Terms of this Policy, indemnify You against Your legal liability in respect of such bodily injury or death under the Ordinance and independently of the Ordinance to pay compensation and damages and claimant's costs and expenses and also indemnify You against costs and expenses incurred by or on behalf of You with Our written consent in connection therewith;

PROVIDED THAT

in the event of any change to the Ordinance during or subsequent to the Period of Insurance altering Your legal liability under the Ordinance, Our liability under this Section shall be limited to such sums as We would have been liable to pay if the Ordinance had remained unaltered;

FURTHER PROVIDED THAT

- a) the due observance and fulfilment of the Terms of this Section in so far as they relate to anything to be done or not to be done or to be complied with by You; and
- b) the truth of the statements and answers in the Proposal and Declaration and the Estimated Earnings Declaration and the Actual Earnings Declaration shall be conditions precedent to any of Our liability to make payment or to provide indemnity under this Section.

WE SHALL ALSO

in the event of Your death indemnify Your legal personal representatives in the Terms of this Policy in respect of liability incurred by You provided that such legal personal representatives shall, as though they were You, observe, fulfil and be subject to the Terms of this Policy in as far as they can apply.

LIMIT OF INDEMNITY

1. In respect of any Accident or Disease giving rise to a claim or claims against You for which indemnity is provided under this Section, Our indemnity to You including costs and expenses incurred by You or on Your behalf with Our written consent, shall in the aggregate be limited to the amount specified in the Schedule as "Limit of Indemnity" irrespective of the number of Employees who may sustain bodily injury or death consequent on or attributable to the same occurrence of Accident or Disease.
2. In relation to any of Your liability in respect of a Disease contracted by an Employee due to the nature of his/her employment with You which nature of employment applies during a period that extends over more than one Policy period of insurance:
 - (a) the aggregate of Our indemnity to You under all Insurance Policies including

costs and expenses incurred by You or on Your behalf 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

- (b) subject to the limitation of paragraph 2 (a) hereof, Our indemnity to You under this Section including costs and expenses incurred by You or on Your behalf shall be limited to such proportion of Your 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/her employment to the nature of which such Disease was due.
3. If the occurrence of any Accident or Disease results in indemnity to more than one Insured, the limitations of Our liability specified in paragraphs 1 and 2 shall apply to the aggregate of indemnity to all the Insureds.
4. At any time after the occurrence of any Accident or Disease giving rise to a claim or claims against You for which indemnity is provided under this Section, We may pay You the full amount of Our liability specified in paragraph 1 or 2 (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 be responsible for any compensation, damages or costs in respect thereof or for any costs or expenses whatsoever incurred by You after We shall have relinquished such conduct or for any loss damage or expenses caused to You in consequence of any of Our act or omission in connection therewith or relinquishing such conduct.
5. If there should be any shortfall in the actual Earnings declared in accordance with paragraph 2 of INSURANCE PREMIUM of this Policy from the respective actual Earnings, the extent of Our Indemnity shall be reduced proportionately by the extent of under-insurance; and the balance shall be borne by You. If no declaration of the actual Earnings by You is received by Us as prescribed, for the purpose of this clause the Earnings estimated by You 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.

EXTENSIONS APPLICABLE TO SECTION V**1. Worldwide Cover for Commercial Visits**

Notwithstanding Exceptions 7 of this Section, the cover hereunder shall apply worldwide if any directors, partners and Your Employees who are normally engaged in Your immediate service in Hong Kong sustains bodily injury arising out of and in the course of such service involving a commercial visit other than manual working assignments outside Hong Kong.

2. Emergency Transportation

We shall indemnify You against any emergency transportation cost required to convey the injured Employee to any registered clinic or hospital immediately after an Accident subject to a limit of HK\$10,000 any one Period of Insurance.

3. Extraordinary Weather

In the event of any Your Employee whose attendance at his place of employment is required by You during Extraordinary Weather Conditions being injured or killed whilst proceeding directly to his/her place of employment or returning therefrom directly to his/her home, or injury or death shall be deemed to have arisen-out of and in the course of the Employee's employment for the purpose of this Policy.

EXCEPTIONS

We shall not be liable under this Section in respect of:

1. Your liability to Employees of Your contractors;
2. any of Your liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
3. any sum which You would have been entitled to recover from any party but for an

- agreement between You and such party;
4. any liability arising from Pneumoconiosis or Noise-Induced Deafness;
 5. Your liability to any person who is not Your Employee within the meaning of the Ordinance;
 6. any late payment, surcharge, fines, penalties or punitive, aggravated or exemplary damages for which You may become liable under the Ordinance or independently of the Ordinance;
 7. any injury by Accident or Disease sustained in the USA or Canada;
 8. any injury by Accident or Disease where We have not been given sufficient notice of the institution of proceedings in a court or tribunal to enable Us to be added as a party to the proceedings.

AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

If We are obliged by the Ordinance to pay an amount for which We would not otherwise be liable under this Section, You shall forthwith repay such amount to Us.

TERRORISM ENDORSEMENT

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto it is hereby agreed that in respect of any injury or death arising as a result of an event of terrorism that would otherwise be covered by the Policy ("the Loss"):

- (a) Our liability under the Policy in respect of the Loss shall be limited to such amount which We actually receive from the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the Government") in respect of the Loss pursuant to an Agreement for Provision of Facility dated 27th July 2007 between the Government and Us under which the Government agreed to make available to Us 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");
- (b) We shall only be required to make payment in respect of the Loss after We have received from the Government (i) an approval letter confirming that should settle the claim and (ii) payment under the Facility Agreement in respect of the Loss; and
- (c) for the avoidance of doubt, We shall have no obligation to make payment in respect of the Loss if for whatever reason We do 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 Our breach of the Facility Agreement.

For the purpose of the above an act of terrorism means the use of force or violence or other means or the threat thereof, of any person or persons, whether acting alone or on behalf of or in connection with any 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 We allege that the Loss falls within the scope of this Endorsement, the burden of proving the contrary shall be upon You.

General

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

INSURANCE PREMIUM

1. Prior to the commencement of the Period of Insurance, You shall supply Us with a declaration estimating the Earnings of the Employees employed in Your 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 Us.

2. You shall within ninety (90) days after the expiry of the Period of Insurance or upon cancellation of the Policy supply Us with a further declaration stating the actual Earnings of Employees during the Period of Insurance (which declaration is referred to herein as "The Actual Earnings Declaration"). If the actual Earnings shall differ from the estimated Earnings, the difference in premium shall be met by a further proportionate adjustment premium to be paid to Us or by a premium refund to You as the case may be.
3. It is hereby declared that the Premium payable by You in consideration of the indemnity provided under this Section is the sum of the deposit premium and the adjustment premium calculated pursuant to paragraphs 1 and 2 hereof.
4. The name, Hong Kong Identity Card number, class of employment and Earnings of every of Your Employee employed in Your Business from time to time during the Period of Insurance, shall be properly recorded by You and retained in a safe place so that a record exists of all persons who are Your Employees for the purposes of this Section and You shall at all reasonable times allow Us to inspect and obtain copies of such records.
5. If You fail to cooperate with Us in submitting the completed Premium Adjustment and Declaration of Earnings Form, without prejudice to any other rights of Us, We shall retain the discretion not to renew this insurance upon expiry of the Policy.

IMPORTANT NOTICE

The Employees' Compensation Ordinance requires an employer to take out an insurance Policy covering all Employees engaged in his Business with a Minimum amount of insurance coverage. You should ensure that this Section 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, You should consult Us immediately.

SECTION VI DIRECTOR AND EMPLOYMENT PRACTICES LIABILITY

Notice: Except as may otherwise be provided in this policy, the coverage afforded by this Section applies only to Director Claims or Employment Practices Claims first made during the Period of Insurance and reported in writing to Us pursuant to the terms of the policy during the Period of Insurance.

Where any of the terms and conditions of this section of the Policy conflict with the General Exceptions and Conditions of this Policy, the terms and conditions of this section of the Policy will prevail.

DEFINITIONS

Circumstance means an incident, fact, act or omission that is reasonably likely to give rise to a Director Claim or Employment Practices Claim.

Defence Costs means legal costs and expenses incurred reasonably and necessarily with Our prior written consent to investigate, defend, settle or appeal a Director Claim or Employment Practices Claim.

Director Claim means:

- a) a written demand for monetary compensation or non-monetary relief;
 - b) commencement of civil proceedings;
 - c) formal notice of civil arbitration proceedings; or
 - d) notice of charge or similar notification of the commencement of formal civil administrative or formal regulatory proceedings,
- first given to, or issued or commenced against a Director during the Period of Insurance alleging a Wrongful Act.

Director means a natural person who during the Period of Insurance is or becomes:

- a) a director (including a shadow director or a de facto director) or officer, of the Insured; or
- b) a natural person who becomes an employee of the Insured acting in a managerial or supervisory capacity.

Director Claim Limit means the amount specified in the Schedule as 'Limit of Liability' under Section VI Director and Employment Practices Liability for any one Director Claim and all Director Claims in the aggregate any one Period of Insurance, inclusive of Defence Costs.

Employment Practices Claim means:

- a) a written demand for monetary compensation or non-monetary relief;
- b) commencement of civil proceedings;
- c) formal notice of civil arbitration proceedings; or
- d) notice of charge or similar notification of the commencement of formal civil administrative or formal regulatory proceedings, first given to, or issued or commenced against a Director of the Insured, who is or was under a contract of employment with the Insured, alleging an Employment Practices Wrongful Act during the Period of Insurance.

Employment Practices Claim Limit means HK\$200,000 any one Employment Practices Claim and in the aggregate for all Employment Practices Claims any one Period of Insurance, inclusive of Defence Costs. The Employment Practices Claim Limit shall be part of and not in addition to the Limit of Liability as specified in the Schedule under Section VI Director and Employment Practices Liability.

Employment Practices Wrongful Act means :

- (a) wrongful or unreasonable dismissal or termination of employment;
- (b) breach of employment contract;
- (c) employment-related misrepresentation;
- (d) discrimination or victimization;
- (e) harassment;
- (f) wrongful failure to employ or promote;
- (g) wrongful deprivation of employment opportunities;
- (h) wrongful disciplinary action;
- (i) failure to grant tenure;
- (j) negligent appraisal or evaluation;
- (k) failure to provide a reference or breach of duty in respect of a reference;
- (l) invasion of privacy;
- (m) breach of duty, whether arising under statute, common law or otherwise, by or on behalf of a Director acting in their capacity as such;
- (n) slander or libel by or on behalf of a Director acting in their capacity as such;
- (o) any actual, alleged or attempted breach of trust, error, misstatement, misleading representation, defamation, neglect or breach of duty or omission of, or by, a Director whilst acting solely in their capacity as a Director on behalf of the Insured in response to the disclosure or threat of disclosure by an employee of the Insured to a superior or to any governmental agency or regulatory authority of any unlawful act of any Director or Employee;
- (p) any actual, alleged or attempted breach of trust, error, misstatement, misleading representation, defamation, neglect or breach of duty or omission of, or by, a Director whilst acting solely in their capacity as a Director on behalf of the Insured in response to the actual or attempted exercise by an employee of the Insured of their legal rights; or
- (q) any actual, alleged or attempted breach of trust, error, misstatement, misleading representation, defamation, neglect or breach of duty or omission of, or by, a Director whilst acting solely in their capacity as a Director on behalf of the Insured in response to an employee of the Insured's strike, work to rule or other similar action.

Employee Benefits means any benefits (whether monetary or not) which the Insured are obliged to provide pursuant to any statute, regulation, award, contract

or employment and/or industrial or workplace agreement or arrangement, including but not limited to:

- a) travel allowance, telecommunications, medical or life insurance expenses, education and training allowances;
- b) stock, shares, stock options, share options or any entitlement or right under any equity plan of any description;
- c) participation in any stock, share, stock option or share option plan, or any equity plan of any description;
- d) severance or redundancy benefit, payment or entitlement of any kind;
- e) bonus or incentive plans, including but not limited to deferred compensation or any payment, entitlement of right under any commission scheme;
- f) payment or contribution in respect of any provident, benefit, superannuation, pension or retirement fund.

Loss means:

- a) the total amount which a Director incurs in respect of a Director Claim for Defence Costs, claimants legal costs and expenses, settlements, judgments and awards; and/or
- b) the total amount which a Director incurs in respect of an Employment Practices Claim for Defence Costs, claimants legal costs and expenses, settlements, judgments and awards.

For the avoidance of doubt, Loss does not include fines or penalties, aggravated, exemplary or punitive damages, interest, taxes, Employee Benefits paid or payable, any cost of complying with any injunctive or non-pecuniary relief, or matters uninsurable under law.

Period of Insurance means the period of insurance stated in the Schedule.

Wrongful Act means any actual, alleged or attempted breach of trust, error, misstatement, misleading representation, defamation, neglect or breach of duty or omission of, or by, a Director whilst acting solely in their capacity as a Director on behalf of the Insured. For the avoidance of doubt, this does not include an Employment Practices Wrongful Act.

THE COVER

1. The Insurer shall pay to or on behalf of a Director the Loss resulting from a Director Claim up to the Director Claim Limit except to the extent that the Director has been indemnified for such Loss by the organization named as the Insured in the Schedule.
2. The Insurer shall pay to or on behalf of a Director the Loss resulting from an Employment Practices Claim, except to the extent that the Director has been indemnified for such Loss by any other means. The maximum amount We shall pay in respect of all Employment Practices Claims during any one Period of Insurance is the Employment Practices Claim Limit less an Excess of HK\$50,000 each and every Employment Practices Claim.

LIMIT OF LIABILITY

Our liability under this Section of the Policy for all Director Claims and Employment Practices Claims in any one Period of Insurance shall not exceed the Limit of Liability as specified in the Schedule under Section VI Director and Employment Practices Liability.

Our liability for all Employment Practices Claims in any One Period of Insurance shall not exceed the Employment Practices Claim Limit.

Our liability for all Director Claims in any One Period of Insurance shall not exceed the Director Claim Limit.

A payment made by the Insurer under the Director Claim Limit or the Employment Practices Claim Limit shall deplete the Limit of Liability as specified in the Schedule under Section VI Director and Employment Practices Liability by the amount of that payment.

CONDITIONS APPLICABLE TO SECTION VI

1. In the event of The Insured first becoming aware of any Circumstance or Director Claim or Employment Practices Claim during the Period of Insurance, the Insured shall notify Us in writing as soon as possible.
2. A notification of a Circumstance or Director Claim or Employment Practices Claim must include the following:
 - a) when The Insured first became aware of the Circumstance or Director Claim or Employment Practices Claim;
 - b) all parties involved;
 - c) a specific description of the Wrongful Act or Employment Practices Wrongful Act or conduct and the potential or actual claimants; and
 - d) copy of the written demand or notification of proceedings.
3. If the Loss which is the subject of a Director Claim or Employment Practices Claim, is covered by any other insurance, We shall only pay excess of any amount payable under such other insurance policy.
4. We shall have the right to take over the defence and/or negotiation of settlement of any Director Claim or Employment Practices Claim and the Insured shall not admit or assume any liability for, offer to settle or settle, or incur any costs or expenses without our prior written consent.

EXCEPTIONS APPLICABLE TO SECTION VI

1. We shall not pay any Loss resulting from a Director Claim or Employment Practices Claim in respect of, resulting from, based on, attributable to or arising in connection with any actual or alleged:
 - a) profit, financial advantage or remuneration gained by a Director to which such person is not legally entitled;
 - b) a dishonest or fraudulent act or omission or any intentional violation or breach of any law, regulation or by-law or duty imposed by any such law, regulation or by-law by a Director or the Insured;
 - c) bodily injury to, or sickness, disease, death, mental illness, emotional distress or injury to feelings of, any natural person, provided that this shall not apply to actual or alleged mental illness, emotional distress or injury to feelings resulting from an Employment Practices Wrongful Act;
 - d) damage to or destruction of or loss of any property including loss of use of such property;
 - e) act or omission, including any error, misstatement, misleading representation, negligence, breach of trust or breach of duty committed, attempted or allegedly committed or attempted in the rendering of, or actual or alleged failure to render any professional advice or services to customer or client of the Insured;
 - f) threatened discharge, dispersal, pollution, seepage, migration, release or escape of any contaminant, irritant or other hazardous substance (including oil, smoke, vapor, soot, asbestos, fumes, acids, alkalis, nuclear or radioactive material, chemicals or waste) in any form, or breach of any environmental law;
 - g) insolvency of the Insured where the organization is subject to administration, receivership, liquidation, winding-up (either voluntary or compulsory), bankruptcy, dissolution, rehabilitation or any similar proceedings or whose business is taken over by a regulatory body, including any Director Claim brought, maintained, or instigated by or on behalf of any creditor or debt holder of the Insured,
 - h) Wrongful Act or Employment Practices Wrongful Act occurring before the Period of Insurance, or any known Circumstances which may give rise to a Director Claim or Employment Practices Claim which the Insured may reasonably be aware or should have been reasonably aware of or before the Period of Insurance;
 - i) criminal charges or criminal proceedings of any kind.
2. We shall not pay any Loss resulting from a Director Claim brought, maintained, or instigated, by or on behalf of:
 - a) any Director;
 - b) any shareholder who owns more than 10% financial interest in the organization named in the Schedule as the Insured;
 - c) any related party of any Director (including heir, spouse, family member or legal representative); or

d) any other company where the Insured owns more than 10% financial interest.

JURISDICTION CLAUSE APPLICABLE TO SECTION VI

We shall not be liable under this Section in respect of:

- a) any Director Claim or Employment Practices Claim which is not in the first instance brought or made in Hong Kong;
- b) any judgment, award or order arising from or attributable to any Director Claim or Employment Practices Claim which is not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong.

GOVERNING LAW AND DISPUTES APPLICABLE TO SECTION VI

This Section of the Policy is governed by and shall be construed in accordance with the law of Hong Kong. Any dispute, controversy or claim arising out of or relating to this Policy, including any breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules. The appointing authority shall be the Hong Kong International Arbitration Centre. There shall be one arbitrator for any such arbitration. The seat of arbitration shall be Hong Kong. The language to be used in the arbitral proceedings shall be English.

SECTION VII DATA PROTECTION

Where any of the terms and conditions of this section of the Policy conflict with the General Exceptions and Conditions of this Policy, the terms and conditions of this section of the Policy will prevail.

DEFINITIONS

Breach of Confidentiality means unintentional and non-fraudulent disclosure by the Insured of confidential documents or information in breach of an actual or alleged duty of confidentiality owed to a person or entity.

Circumstance means an incident, fact, act or omission that is reasonably likely to give rise to a Claim.

Claim means any demand by a third party upon the Insured for Compensation, however conveyed, including but not limited to a writ, statement of claim, application or other legal or arbitral process.

Compensation means monies the Insured is legally liable to pay, whether by judgement or award entered against the Insured, or by settlement entered into with Our consent, for civil liability.

Data Protection Breach means an unintentional and non-fraudulent actual or alleged act, error or omission of the Insured which results in a breach by the Insured of legislation or regulation relating to data protection in Hong Kong Special Administrative Region.

Defence Costs means reasonable and necessary costs and expenses incurred by Us, or by the Insured with Our consent, solely for the benefit of investigating, settling, defending or appealing any Claim(s). Defence Costs shall not include the Insured's salaries, wages, fees, allowances and travel and accommodation expenses.

Period of Insurance means the period of insurance stated in the Schedule

THE COVER

We will indemnify the Insured for Compensation and Defence Costs resulting from any Claim arising from:

- (a) Breach of Confidentiality in connection with the Insured; or
- (b) Data Protection Breach in connection with the Insured

provided the Claim is first made against the Insured, and notified to Us, during the Period of Insurance.

LIMIT OF LIABILITY

Our liability shall not exceed HK\$1,000,000 any one Claim and in the aggregate for all Claims in any one Period of Insurance, inclusive of Compensation and Defence Costs.

EXCEPTIONS APPLICABLE TO SECTION VII

1. The Insurer shall not be liable to make any payment under this Section of the Policy arising out of, based upon, attributable to or as a consequence of:
 - (a) any fines, penalties or regulatory sanctions or costs associated with compliance with any regulatory sanction or penalty;
 - (b) any aggravated, exemplary, multiple, punitive or other non-compensatory damages;
 - (c) the return, restitution, or offset of fees, expenses, costs or charges;
 - (d) any taxes;
 - (e) any failure, interruption or reduction in supply of third party providers of utility service or infrastructure including but not limited to electrical, gas, water, telephone, internet, cable, satellite or telecommunications.
 - (f) a dishonest or fraudulent act or omission or any intentional violation or breach of any law, legislation or regulation or duty imposed by any such law, legislation or regulation;
 - (g) any actual or alleged loss, theft, infringement, violation, misappropriation or disclosure of any intellectual property, patent or trade secret;
 - (h) any liability that the Insured has assumed under contract, unless such liability would have attached in the absence of such contract;
 - (i) any death, bodily injury, disease, sickness, mental anguish, emotional distress, pain and suffering or shock alleged to have been suffered by any person. However this exception will not apply to mental anguish, emotional distress, shock or pain and suffering resulting from a Data Protection Breach;
 - (j) any actual, alleged or threatened discharge, dispersal, pollution, seepage, migration, release or escape of any contaminant, irritant or other hazardous substance (including oil, smoke, vapor, soot, asbestos, fumes, acids, alkalis, nuclear or radioactive material, chemicals or waste) in any form, or breach of any environmental law;
 - (k) or in way connected with any:
 - i) a Claim first made against the Insured prior to the inception of the Period of Insurance;
 - ii) facts, Circumstances or situations, which prior to the inception of the Period of Insurance, the Insured knew or should reasonably have foreseen, would give rise to a claim; or
 - iii) facts, Circumstance or situations notified under any insurance that was in force prior to the inception of the Period of Insurance or notified to the Insurer in the proposal or declaration for this policy.
2. The Insurer will not be liable for any cost, expense or amount resulting from or in any way connected with:
 - (a) an internal investigation or inquiry or any formal administrative, regulatory or official investigation, examination, inquiry or hearing resulting from a Data Protection Breach in connection with Your Business; and/or
 - (b) the Insured notifying any person, entity, regulator, government body or similar of any Data Protection Breach.

CONDITIONS APPLICABLE TO SECTION VII

1. The Insured shall give written notice of any Circumstance or Claim to the Insurer as soon as possible after the Insured becomes aware of the Circumstance or Claim.
2. A notification of a Circumstance or Claim must include:
 - (a) a specific description of the Circumstance or Claim, including the manner in which the Insured first became aware of the Circumstance or Claim;
 - (b) the details of any persons or entities involved;
 - (c) a copy of any written demand or assertion or any writ or notice.
3. If the Insured is or would be entitled to cover under any other insurance policy in respect of a Claim, We shall not be liable to make any payments other than in excess of any amount that is or would (but for the existence of this Policy) have been payable under any such insurance policy.

JURISDICTION CLAUSE APPLICABLE TO SECTION VII

We shall not be liable under this Section in respect of:

- a) any Claim which is not in the first instance brought or made in Hong Kong;
- b) any judgment, award or order arising from or attributable to any Claim which is not in the first instance delivered by or obtained from a court of competent jurisdiction in Hong Kong.

GOVERNING LAW AND DISPUTES APPLICABLE TO SECTION VII

This Section of the Policy is governed by and shall be construed in accordance with the law of Hong Kong. Any dispute, controversy or claim arising out of or relating to this Policy, including any breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules. The appointing authority shall be the Hong Kong International Arbitration Centre. There shall be one arbitrator for any such arbitration. The seat of arbitration shall be Hong Kong. The language to be used in the arbitral proceedings shall be English.

SECTION VIII GENERAL EXCEPTIONS AND CONDITIONS

GENERAL EXCEPTIONS

This Policy does not cover:

1. loss or damage directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
 2. any loss, Damage or injury caused directly or indirectly by any of the following occurrences, namely:
 - a) war, invasion act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war;
 - b) mutiny, civil commotion, military uprising, 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, confiscation, seizure, nationalisation, requisition or destruction of or damage to the Property by order of Government (de jure or de facto) or Local Authority or any process of law;
 - c) except in respect of Section V of this Policy, acts of terrorism committed by a person or persons acting on behalf of or in connection with any organisation using violence for political ends including any use of violence for the purpose of putting the public or any section of the public in fear.
- Should We maintain that any of these exceptions apply to any claim, You shall bear the burden of proving that such loss or damage is covered.
3. any claim arising from or contributed to by:
 - a) nuclear weapons material;
 - b) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and any self sustaining process or nuclear fission.
 4. any claim arising directly or indirectly from or attributable to HIV (Human Immunodeficiency Virus) and/or any HIV related illness including Aids (Acquired Immune Deficiency Syndrome) and/or any mutant derivative or variations thereof however caused.

GENERAL CONDITIONS

Interpretation

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 such specific meaning wherever it may appear.

Communications

Every notice or communication to be given or made under this Policy shall be delivered to Us in writing.

Misdescription

If You or anyone acting on Your behalf make any material misdescription of any of the property insured, or of any building or place in which such property is contained, or of the Business or premises to which this insurance refers, or any misrepresentation as to any fact, material to be known for estimating the risk or any omission to state such fact, We shall not be liable for the property and liability affected by such misdescription or omission.

Forfeiture

If any claim is in any respect fraudulent, or if You or anyone acting on Your behalf uses any fraudulent means or devices, to obtain any benefit under this Policy, or if any loss or damage is occasioned by Your willful act or connivance, all benefit under this Policy shall be forfeited.

Reasonable Precautions

You shall take all reasonable steps to prevent injury, loss, destruction or damage and to comply with all statutory obligations.

Alterations and Changes in Risk

Cover under this Policy shall cease in the event of any alteration which increases the risk of loss, destruction or damage or where Your interest ceases (other than by will or operation of law) except that such alteration is agreed by Us in writing or that cover is provided under Extensions applicable to Section I Item 9 - Alterations or Repairs and Extensions applicable to Section IV Item 7 Independent Contractor's Liability

Jurisdiction Clause

The indemnity by this Policy shall not apply in respect of judgments, which are not in the first instance delivered by or obtained from a Court of competent jurisdiction in Hong Kong.

Claims Settlement Conditions

1. In the event of any occurrence which may give rise to a claim, You shall notify Us in writing as soon as possible and notify the police in the event of theft or attempted theft. You shall also notify or send Us every letter, claim, writ, summons or other legal document in connection with such occurrence unanswered immediately upon Your receipt of them.

You shall endeavour to preserve any damaged property in connection with any claim and no alteration or repair shall be made to any premises or property which has caused injury, loss or damage until We have an opportunity of inspection or You have Our consent.

You shall give all necessary information and assistance and forward all documents to enable Us to investigate and handle any claim.

2. You or anyone on Your behalf shall not make any admission, offer, promise or payment without Our consent. In respect of any of Your liability for which indemnity is provided by this Policy We shall be entitled:

- a) to take over and conduct in Your name the defence or settlement of any claim or
- b) to prosecute in Your name any claim for damages, cost, indemnity, contribution or otherwise against any person who may be liable to You and We shall have full discretion in the conduct of any such proceedings and in the settlement of any such claim.

You shall give all such information and assistance as We may require from time to time and execute any necessary documents for the purpose of vesting such rights in Us. Any moneys recovered pursuant to the exercise of such rights shall be applied firstly for Our benefit to the extent of the amount paid by Us in respect of any claim, including any costs and expenses paid or incurred by Us and incurred in prosecuting such recovery action.

3. You shall not become a party to any agreement, the effect of which is that You waive any claim which You would otherwise have against any person in respect of or arising out of any occurrence resulting in Your liability for which indemnity is provided by this Policy or whereby any such claim is limited or qualified in any way.

Our Rights

In the event of a claim, We may enter, take and keep possession of the Premises and Property insured or require such Property to be delivered to Us for all reasonable purposes and in a reasonable manner. We are entitled to take over and conduct in Your name the defence or settlement of any claim at Our discretion.

Under Sections I, II and III, all monies will be payable to You.

Under Sections IV and V of this Policy, We may, at any time, pay the Limit of Liability (after the deduction of any sum or sums already paid) or any lesser amount for which such claim or claims can be settled and shall then relinquish the conduct or control of and be under no further liability in respect of such claim or claims, except for the payment of costs and expenses incurred prior to the date of such payment.

Other Insurance

1. This Policy does not cover property more specifically insured.
2. If the loss, damage or liability which is the subject of a claim under this Policy, is covered by any other insurance except as described in 1 above, We shall not pay more than Our rateable proportion. This Condition is not applicable to Extensions applicable to Section III Item 6 - Personal Assault.

Legal Requirements Warranty

Warranted that you 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 Undertakings Ordinance, and/or
- v. any other Statutory Obligation

including any notice given and requirements made pursuant to the same, the breach and disregard of which may affect or increase the risk insured under this Policy.

Observance of Policy Terms

The due observance and fulfilment of the terms, conditions and endorsements of this Policy so far as they relate to anything to be done or not to be done by You and the truth of the statements and answers in the Proposal or Earning Declarations shall be conditions precedent to any of Our liability to make any payment under this Policy.

Cancellation

We may cancel this Policy by sending 7 days' notice by registered letter to You at Your last known address, returning a proportion of the premium corresponding to the unexpired Period of Insurance. You may cancel this Policy by giving us 7 days' notice in writing and You may be entitled to a refund of part of Your premium provided that no claim has been made during the Period of Insurance.

Arbitration

All disputes, disagreements and differences arising out of or in connection with 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 hereby 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 We disclaim liability to You, such shall be referred to arbitration as provided herein within 12 calendar month from the date of such disclaimer thereafter the claim shall for all purposes be abandoned and not recoverable.

Responsibilities of Agents

Our Agents shall in no case be made personally responsible on account of any legal or other investigations which they may find it necessary to institute for Our satisfaction nor can their personal property be attached on account of any claim by You. If You shall commence such proceedings against the Agents, it is declared and stipulated that You shall forfeit all claims upon Us under this Policy and shall moreover be responsible for all expenses which shall accrue in consequence of such proceedings.

Sanction Clause

We shall not be deemed to provide cover nor be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction in any applicable jurisdiction.

Rights of Third Parties Clause

Save for any person or entity expressly conferred a benefit under this policy, no person or entity who is not a party to this policy has any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any obligation or to receive any benefit or remedy under this policy. The consent of any third party is not required for any variation (including any release or compromise of any liability under) or termination of this policy.

Electronic Data Clarification

(Applicable to Sections I, II and IV)

Notwithstanding any provision to the contrary in this Policy or any endorsement thereto, it is understood and agreed that :

(a) The Definition of Property or property or tangible property contained in this Policy is amended to read

Property or property or tangible property shall mean material property but shall not include ELECTRONIC DATA

A new Definition is added to this Policy

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment

(b) We shall not be liable for :

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA

- (ii) error in creating, amending, entering, deleting or using ELECTRONIC DATA, or
 - (iii) total or partial inability or failure to receive, send, access or use ELECTRONIC DATA for any time or at all;
- from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

(c) We shall not be liable for Legal Liability for communication, display, distribution or publication of ELECTRONIC DATA.

(d) However, in the event that a peril listed below (being a peril insured by Property All Risk section of this Policy but for this exclusion) is caused by any of the matters described in paragraph (b) above, We, subject to all provisions, shall cover :

- (i) physical loss of or damage or destruction to Property insured directly caused by such listed peril, and/or
- (ii) consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by Property All Risks section of this Policy but for this exclusion) causes any of the matters described in paragraph (b) above.

Fire, Explosion, Lightning, Windstorm, Hail, Tornado, Cyclone, Hurricane, Earthquake, Volcano, Tsunami, Flood, Freezing, Weight of Snow, Impact by Aircraft or other aerial objects dropped therefrom, Impact by any Road Vehicle or Animal, Bursting Overflowing Discharging or Leaking of Water Tanks Apparatus or Pipes, or Theft of Electronic Data solely where such Theft is accompanied by Theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data

(e) For the purposes of the Basis of Settlement provision in this Policy, computer systems records includes ELECTRONIC DATA as defined in paragraph (a) above

Any terrorism exclusion in this Policy or any endorsement thereto prevails over this Exclusion.

Making a Claim

In the event of a mishap, the following points are important for you to observe:

1. Follow the "Claims Settlement Conditions" set out in Section VIII.
2. You or your representative contact us as soon as possible. We shall explain the claim procedure and assist you or your representative to mitigate losses earliest possible.
3. Report to the police immediately if property has been stolen, maliciously damaged or if you lose a valuable item. Remember to obtain a copy of the statement you have made to the police.
4. Arrange for emergency repairs to be carried out if it is necessary to prevent further damage to your property. Remember to retain the bills as the cost may form part of your claim.
5. Take photographs of the damaged items and obtain estimates as soon as possible for repairs or replacement. We should be given an opportunity of approving the estimates before permanent repairs are commenced. Remember to keep damaged property since we might wish to inspect it. However, anything likely to cause a health hazard, e.g. rotting food, should be disposed of immediately.
6. If someone is making a claim against you for any injury to them or damage to their property, you must send us full details, in writing, as soon as possible. Any letters or documents you would receive should be unanswered and sent to us without delay.
7. Where necessary, We shall appoint and arrange an independent loss adjuster to assist in handling your claim as soon as possible.

Note

- Please follow the above guidelines to ensure your claim can be processed smoothly.
- For faster services, please quote your Policy number and claim number (if available) in all communications.

PERSONAL INFORMATION COLLECTION STATEMENT

Purpose of Collection

Allied World Assurance Company, Ltd ("Allied World") may collect and use your personal data to enable it to carry on its insurance business and to serve the purposes of:

- Processing your insurance application;
- Arranging a contract of insurance with you and administering the policy issued;
- Claims handling, investigation and analysis;
- Designing products and/or services for customers;
- Promoting, improving and furthering the provision of products and/or services by Allied World and its group companies; and
- Complying with any legal or regulatory requirements applicable to Allied World.

In general it is voluntary for you to provide Allied World with your personal data. However, if you do not provide sufficient information, Allied World may not be able to provide insurance services to you.

Transferee

Data held by Allied World relating to you will be kept confidential but Allied World may, for the purposes set out above, transfer your personal data to:

- Allied World's group companies;
- Reinsurers;
- intermediaries including insurance brokers and insurance agents;
- claims investigators, loss adjusters and other professional advisors;
- Allied World's other appointed service providers, including for the following services: telecommunications, information technology, administration, data processing, payment processing, emergency assistance, legal, and medical;
- any insurance industry association or federation and their respective members; and
- any other person necessary to comply with applicable legal or regulatory requirements, or orders of competent authorities, in each case both within and outside of the Hong Kong Special Administrative Region.

Marketing and Promotion

Treating you as a valued customer, Allied World and its group companies may use the personal data, including name and contact details, collected from you for the purposes of direct marketing of Allied World and its group companies' general insurance products, services or offers and for sending you the promotional materials or updates of such products, services or offers when they become available.

Allied World may not use your personal data for direct marketing if you have indicated objection to such use by ticking the box next to the statement above the proposer's signature block in the proposal form. You may also, at any time, request Allied World to cease the use of your personal data for direct marketing purposes, by informing Allied World's Compliance Officer at the contacts set out below.

Access Requests and Corrections

You have the right to obtain access to and to request correction of any personal information concerning yourself held by Allied World. Requests can be made to the Compliance Officer of Allied World Assurance Company, Ltd by mail to 22/F One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong or fax to +852 2968 5111, or email to hkcompliance@awac.com.