

Business Pack Insurance Policy



This is a Business Pack Insurance Policy (hereinafter called the “Policy”).

WHEREAS the Insured, by a proposal and Declaration which shall be the basis of the contract and is deemed to be incorporated herein, has applied to FWD General Insurance Company Limited (hereinafter called “the Company”) for the insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such insurance.

The Company agrees to provide insurance to the extent of and subject to the terms and conditions contained in or endorsed on this Policy during any Period of Insurance. This Policy and Schedule shall be read together as one contract and unless specially stated to the contrary any word or expression to which a specific meaning has been given shall have such specific meaning wherever it may appear.

Section A must be taken and the coverage under Section B, C & D is provided at no extra premium. Section E & F is optional on payment of extra premium and is only operative if so stated in the Schedule.

IMPORTANT

Please examine this Policy carefully. If there are any errors or if it does not meet your requirements, please contact the Company or your Insurance Broker/Agent immediately.

注意

請貴保戶詳細查閱此保單之內容，如有任何疑問，請從速與本公司或閣下之保險經紀/代理人聯絡。



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ONLINE SECURITY

FWD is always concerned about security. It is important that you should be alert to any emails asking for your personal information; here we provide some information to help you to protect yourself:-

“Phishing attack” is an online fraud technique which involves sending official-looking email messages with return addresses, links and branding that all appear to come from legitimate banks, insurance companies, retailers, credit card companies, etc. Such emails typically contain a hyperlink to a spoof website and mislead account holders to enter customer names and security details on the pretence that security details must be updated or changed. Once you give them your information it can be used on legitimate sites to take your personal information.

To protect yourself, you should be aware of the following:

- FWD will not send you emails asking you to update, verify or confirm your personal security details e.g. PIN, bank account number, ID Card number and passport number.
- You should pay close attention to the URL (website address) of the site you are visiting to make sure it is actually the site you believe it to be.

Should you have further enquiries, or you would like to report on suspected phishing cases relating to FWD, please refer to FWD website www.fwd.com.hk or call our Customer Service Hotline at (852) 3123 3123.



1. GENERAL DEFINITIONS

In this Policy, unless otherwise specified,

- 1.1 "Business" means the usual work and activities carried out by the Insured as specified in the Schedule and no others.
- 1.2 "Company" means FWD General Insurance Company Limited
- 1.3 "Contents" means
1. All Office contents belonging to the Insured or for which he is responsible.
 2. Landlords Fixtures & Fittings for which the Insured is responsible including tenants improvements.
 3. Personal effects of the Insured's employees or director or partner of the Insured.
 4. All fixed glass in windows, doors, fanlights, partitions and fixed sinks, wash basins lavatory pans and cisterns belonging to the Insured or for which he is responsible.
 5. Stock and Trade Samples used for Business purpose.
- 1.4 "Hong Kong" means The Hong Kong Special Administrative Region.
- 1.5 "Insured" means the policyholder whose name is shown in the Schedule.
- 1.6 "Money" means Cash, Bank and Currency Notes, Cheques, Money Orders, Postal Orders, Current Postage Stamps and Insurance Stamps all belonging to the Insured or for which the Insured has accepted responsibility.
- 1.7 "Period of Insurance" means the period as shown in the Schedule during which this Policy is in force.
- 1.8 "Premises" means the address occupied by the Insured at the situation shown in the Schedule at which the Business of the Insured as specified in the Schedule is transacted.
- 1.9 "Schedule" means the document, attaching to and forming part of the Policy, which describes the Insured, Cover, Limits and any other relevant specified details.

2. SECTION A - CONTENTS

2.1 COVER

In the event of accidental loss of damage to the Contents (other than stock and trade samples) in the Premises the Company will pay to the Insured the value of the Contents at the time of the loss or the amount of such damage or at its option replace or reinstate such Contents. Deductions for wear, tear and depreciation shall not be made provided that:

- (a) The costs have been incurred for replacement or reinstatement to a condition similar to but not better than new; and
- (b) Payment shall not exceed such proportion of the loss or damage as the sum insured bears to the value of all the Contents as new at the time of replacement or reinstatement.

In the event of accidental loss or damage to stock and trade samples the Company will pay to the Insured the value of such property at the time of the loss or the amount of damage, or at its option reinstate or replace such property or any part thereof. The amount payable shall not exceed the actual cost of its replacement.

The sum insured shown in the Schedule is the maximum amount for which the Company may be liable under this Section. Payment shall not exceed such proportion of the loss or damage as the sum insured bears to the value of all the Contents at the time of the loss or damage. Each item as shown in the Schedule is separately subject to this provision.

2.2 EXTENSIONS

This Section extends to include:

- A. Temporary Removals
 - (i) loss of or damage to Contents other than deeds, other negotiable documents, personal effects, fixed glass and sanitary ware in transit whilst temporarily removed from the Premises within Hong Kong
 - (ii) loss of or damage to deeds & other non-negotiable documents in transit by post or in the personal custody of the Insured or any partner director or employee of the Insured until delivered at the consignee's address within Hong Kong
- B. Repair or replacement costs for damage to the Premises consequent upon theft of the Contents involving forcible and violent entry into or out of the Premises or any attempt thereat.

2.3 LIMIT OF LIABILITY

The liability of the Company under this Section shall not exceed in respect of:

1. Any one item of equipment (unless specifically mentioned) HK\$75,000
2. Any one deed document, card, tape, film or transparency HK\$2,500
3. Work of arts or curios HK\$10,000 any one item and HK\$100,000 or 10% of the Total Sum Insured in total whichever is the less
4. Stock used for Business Purpose HK\$50,000
5. Personal Effects of the Insured or any partner director or employee of the Insured HK\$1,000 per employee



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| 6. | Property temporarily removed or in transit | HK\$2,000 |
| | (i) Surveying or photographic equipment (in total) | HK\$5,000 or 5% of the Total Sum Insured which-ever is the greater for any one event, provided that the amount payable is further subject to the limits as in (1) and (2) above where applicable. |
| | (ii) Under EXTENSIONS A(i) & A(ii) above | |
| 7. | The cost of repair replacement of the safe or strongroom directly associated with any theft or attempted theft therefrom (under EXTENSIONS (B) above). | HK\$5,000 |
| 8. | All loss or damage during any one Period of Insurance | The sum insured stated in the Schedule. |

2.4 EXCLUSIONS (Applicable to Section A)

This Section does not cover:

1. Money, gold, coins, debentures, share certificates, stamps, securities, negotiable documents, travel tickets, jewellery, watches, furs, precious stones or articles composed of any of them, computer systems records or property more specifically insured.
2. Loss or damage in respect of wear, tear, depreciation, mould, vermin, scratching of glass or any process of cleaning repairing restoring renovation.
3. Breakage of china porcelain or other brittle articles (other than Contents described in (4) in the GENERAL DEFINITIONS) unless due to fire or thieves.
4. Consequential loss of any kind.
5. Loss or damage caused by delay confiscation or detention by customs or other officials or Authorities.
6. Loss or damage consequent upon dishonesty, wilful neglect or wilful act, fraudulent action by any employee of the Insured.
7. Loss or damage by mechanical or electrical breakdown.
8. Theft of Stock unless accompanied by forcible and violent entry into or exit from the Premises.
9. Loss or damage caused by malfunctioning of tools, instruments, equipment and apparatuses unless caused by a peril insured against under this Section.
10. Mysterious disappearance.
11. The first HK\$500 of each and every loss unless due to theft, fire, lightning or explosion.
12. Any loss arising from pollution or contamination except destruction of or damage to property insured caused by pollution or contamination which results from a peril not excluded in the Policy.

3. SECTION B - BUSINESS INTERRUPTION

(Coverage for this Section is provided on condition that insurance for Section A is taken)

3.1 COVER

In the event of the Business at the Premises being interrupted or interfered with as a result of loss or damage to the Contents or buildings for which the Company are liable under Section A (such loss or damage so caused being termed Damage in this Section) the Company will indemnify the Insured in respect of:

INCREASE IN COST OF WORKING - The additional expenditure necessarily and reasonably incurred by the Insured during the Indemnity Period with the purpose of maintaining during such period a turnover not exceeding that of the corresponding period in the twelve (12) months immediately preceding the Damage. "Indemnity Period" means the period beginning with the occurrence of the Damage and ending not later than twelve (12) months thereafter during which the results of the Business shall be affected in consequence of the Damage.

3.2 EXTENSIONS

This Section is extended to include:

A. Professional Fees

The reasonable charges payable by the Insured to their professional accountants for producing any particulars or details contained in the Insured's books of account or other business books or documents or any other proofs information or evidence as may be required by the Company under the terms of Claims Condition 1(f) of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this extension and the amount otherwise payable under this Section shall in no case exceed the Company limit of liability detailed above.

B. Denial of Access

Loss as insured by this Policy resulting from the interruption of or interference with the Business in consequence of Damage to property in the vicinity of the Premises which shall prevent or hinder the use thereof or access thereto whether the Premises or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

3.3 LIMIT OF LIABILITY

The Company maximum liability under this Section shall be HK\$500,000 for the Period of Insurance.



3.4 SPECIAL CONDITION

This Section shall be void if the Business is wound up or carried on by a liquidator or receiver or permanently discontinued at any time after the commencement of this insurance unless its continuance is admitted by memorandum signed by or on behalf of the Company.

4. SECTION C - LOSS OF MONEY

(Coverage for this Section is provided on condition that insurance for Section A is taken)

4.1 DEFINITIONS

"Business Hours" means the period during which the Premises are actually occupied for business purposes and during which the Insured or his employees entrusted with Money are in the Premises.

4.2 COVER

The Company shall indemnify the Insured in respect of loss of Money by any cause whatsoever occurring in the Premises during the Period of Insurance provided that out of Business Hours the safe or strongroom whilst containing the Money or any part thereof shall be kept locked and the keys thereof shall at all times be kept in the personal custody of the Insured or a responsible official or employee of the Insured.

4.3 LIMIT OF LIABILITY

In any one single loss the Company's liability in respect of any item shall not exceed the Limit of Liability shown below:

Item	Limit of Liability
A. Money other than Crossed Cheques, Crossed Money Orders and Crossed Postal Orders	
(i) whilst in transit anywhere within Hong Kong	HK\$ 25,000
(ii) whilst in the Premises during Business Hours	HK\$ 25,000
(iii) whilst secured in the locked safe or strongroom in the Premises out of Business Hours	HK\$ 25,000
(iv) whilst secured in bank night safes and thereafter within the bank's premises until at bank's risks	HK\$ 5,000
(v) whilst secured in the Premises out of Business Hours under lock and key other than in the safe or strongroom and being money other than for the payment of wages salaries and other earnings.	
B. Money consisting of Crossed Cheques, Crossed Money Orders and Crossed Postal Orders	
(i) whilst in transit within Hong Kong	HK\$200,000
(ii) whilst in Premises	HK\$ 25,000
C. Loss of Money following violence or threat of violence to an employee, partner or director of the Insured forcing them to sign a cash cheque.	HK\$ 25,000

4.4 EXTENSIONS

PERSONAL ASSAULT - Should any employee of the Insured aged between 16 and 70 (hereinafter called "Insured Person") sustain any bodily injury by violent external and visible means as a result of theft, attempted theft, robbery or attempted robbery in the course of his duties in the Insured Premises, the Company will pay to the Insured Person (or his legal personal representative) an amount of HK\$50,000 should such injury solely and directly within twelve (12) months from the occurrence thereof:

- (i) cause the death of the Insured Person or
- (ii) cause or necessarily result in the loss to the Insured Person by physical separation at or above the wrist or ankle of one or more hands or feet or
- (iii) cause or necessarily result in the complete and irrecoverable loss to the Insured Person of all sight in one or both eyes.

Provided that:

- (a) the Insured Person shall not be entitled to claim under more than one of the items (i) or (ii) or (iii) above in respect of injuries to the same Insured Person arising out of the same event.
- (b) the Insured Person shall act upon medical or surgical advice as soon as practicable and produce all certificates information and evidence required by the Company at the expense of the Insured Person and in such form and of such nature as the Company may prescribe.
- (c) the maximum liability of the Company for any one event is HK\$200,000 (if due to the operation of this limit that the amount payable for an event is limited to HK\$200,000, such sum shall be divided equally among the injured Insured Person who are entitled to the Personal Assault benefit payable under this Extension).

4.5 EXCLUSIONS (APPLICABLE TO SECTION C)

The indemnity provided under this Section shall not apply to nor include:

1. any loss arising from fraud or dishonesty of the employees of the Insured not discovered and reported within three working days after the occurrence
2. shortages due to error or omission
3. losses which are or could be covered by a policy of fidelity guarantee insurance
4. loss from an unattended vehicle
5. mysterious disappearance



5. SECTION D - PUBLIC LIABILITY

(Coverage for this Section is provided on condition that insurance for Section A is taken)

5.1 DEFINITIONS

For the purpose of this Section,

1. "Insured" shall also include:
 - (a) in the event of the death of the Insured any personal representative of the Insured in respect of liability incurred by the Insured;
 - (b) if the Insured so requests any director, partner or employee of the Insured in his respective capacity as such.
2. "Business" shall also include the maintenance of the Premises.
3. "Geographical Area" means Hong Kong Special Administrative Region.

5.2 COVER

The Company will indemnify the Insured against:

1. all sums which the Insured shall become legally liable to pay for compensation in respect of
 - (a) bodily injury to or illness of any person;
 - (b) loss of or damage to property;arising from the Business and occurring during the Period of Insurance and happening or caused within Geographical Area.
2. all costs and expenses of litigation
 - (a) recovered by any claimant against the Insured and
 - (b) incurred with the written consent of the Companyin respect of a claim against the Insured for compensation to which the indemnity expressed in this Section applies.

5.3 LIMIT OF LIABILITY

The liability of the Company under this section for all compensation payable to any claimant or any number of claimants in respect of or arising out of any one accident or series of accidents arising out of one event shall not exceed HK\$5,000,000.

5.4 EXTENSION

This Section is extended to cover:

TENANTS LIABILITY - Exclusion (3) (b) shall not apply in the event of loss or damage to Premises (or fixtures or fittings thereof) hired or rented to the Insured provided that this extension shall not apply to liability in respect of:

- (a) such loss or damage if the liability is assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement;
- (b) the first HK\$500 of such loss or damage caused otherwise than by fire.

5.5 EXCLUSIONS (Applicable to Section D)

The indemnity expressed in this Policy shall not apply to:

1. liability assumed by the Insured by agreement and which would not have attached in the absence of such agreement
2. liability in respect of
 - (a) injury to or illness of any person under a contract of service or apprenticeship with the Insured if such liability is in respect of injury or illness arising out of and in the course of the employment of such person by the Insured;
 - (b) any sums payable by the Insured under legislation relating to occupational injury or illness.
3. liability in respect of loss of or damage to property
 - (a) belonging to the Insured;
 - (b) in the charge or under the control of the Insured or an servant or agent of the Insured;
 - (c) being that part of any property on which the Insured or any servant or agent of the Insured is or has been working if that loss or damage results directly from such work.
4. liability in respect of
 - (a) loss of or damage to any property or land or building caused by vibration or by the removal or weakening of support;
 - (b) injury to or illness of any person or loss of or damage to property occasioned by or resulting from any such loss or damage aforesaid;
 - (c) expenditure incurred in doing or re-doing or making good any work which the Insured has contracted to do.
5. liability in respect of injury illness loss or damage caused in connection with or arising from
 - (a) any vehicle (shall include any type of machine on wheels or on caterpillar tracks or trailer attached thereto) or animal or vessel or craft owned possessed or used by or on behalf of the Insured or the loading or unloading thereof;
 - (b) any lift elevator escalator hoist or crane owned or used by the Insured or for the maintenance of which the Insured is responsible;
 - (c) defective sanitary arrangements or poisoning of any kind or foreign or deleterious matter in food or drink;
 - (d) any commodity article or thing supplied repaired altered or treated by or to the order of the Insured;
 - (e) subsidence landslip or subterranean damage (other than to pipes cables and the like);
 - (f) sub-contractors to the Insured or persons engaged in or upon the service of such subcontractors;
 - (g) strike and riot.
6. liability directly or indirectly occasioned by or through or in consequence of pollution or contamination.
7. liability in respect of
 - (a) any breach of professional duty or service whether of omission or commission;
 - (b) any advice or act whether of commission or omission given or performed in a professional capacity.
8. any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.



5.6 JURISDICTION CLAUSE

The Company shall not be liable under this Section in respect of judgements against the Insured which are not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong.

6. SECTION E - EMPLOYEES' COMPENSATION

6.1 DEFINITIONS

For the purposes of this Section:

1. "Accident" means an accident or a series of accidents arising out of one event.
2. "Geographical Area" means Hong Kong Special Administrative Region.
3. "Disease" means a disease contracted by an employee of the Insured as a result of his exposure to the nature of his employment with the Insured. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance under this Policy.
4. "Earnings" means all gross wages, salaries, remunerations, commissions, bonuses, overtime, termination payments allowances and the like directors' fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in kind by the Insured to his employees.
5. "Noise-Induced Deafness" has the same meaning as assigned to that expression in the Occupational Deafness (Compensation) Ordinance (Chapter 469 of the Laws of Hong Kong).
6. "The Ordinance" means the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong).
7. "Pneumoconiosis" & "Mesothelioma" have the same meaning as assigned to those expressions in the Pneumoconiosis & Mesothelioma (Compensation) Ordinance (Chapter 360 of the laws of Hong Kong).

6.2 COVER

If any employee in the Insured's immediate employ shall sustain bodily injury or death by Accident occurring or Disease contracted during the Period of Insurance within the Geographical Area and arising out of and in the course of his employment by the Insured in the Business, the Company will subject to the Limit of Indemnity and to the terms exclusions and conditions contained in or endorsed on this Policy (all of which are hereinafter collectively referred to as "the Terms of this Policy") indemnify the Insured against his 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 cost and expenses and also indemnify the Insured against costs and expenses incurred by or on behalf of the Insured with the Company's 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 the legal liability of the Insured under the Ordinance the liability of the Company under this Policy shall be limited to such sums as the Company 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 Policy in so far as they relate to anything to be done or not to be done or to be complied with by the Insured; and
- (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 liability of the Company to make payment or to provide indemnity under this Policy.

The Company will also in the event of the death of the Insured indemnify the Insured's legal personal representatives in the Terms of this Policy in respect of liability incurred by the Insured provided that such legal personal representatives shall as though they were the Insured observe fulfill and be subject to the Terms of this Policy in as far as they can apply.

6.3 LIMIT OF INDEMNITY

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



- (e) If there should be any shortfall in the actual Earnings declared in accordance with paragraph (b) of INSURANCE PREMIUM of this Policy from the respective actual Earnings, the extent of the Company's Indemnity shall be reduced proportionately by the extent of under-insurance; and the balance shall be borne by the Insured himself. If no declaration of the actual Earnings by the Insured is received by the Company as prescribed, for the purpose of this clause the Earnings estimated by the Insured as at the commencement of the Period of Insurance shall be used in lieu of the actual Earnings that should have been declared to determine the extent of the under-insurance if any.

6.4 JURISDICTION CLAUSE

The Company shall not be liable under this Section in respect of judgements against the Insured which are not in the first instance delivered by or obtained from a court of competent jurisdiction of the Hong Kong.

6.5 EXCLUSIONS (Applicable to Section E)

The Company shall not be liable under this Section in respect of:

1. the Insured's liability to employees of contractors to the Insured;
2. any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
3. any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party;
4. any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
5. the Insured's liability to any person who is not an employee of the Insured within the meaning of the Ordinance;
6. any late payment surcharge fines penalties or punitive aggravated or exemplary damages for which the Insured may become liable under the Ordinance or independently of the Ordinance;
7. any injury by Accident or Disease attributable to war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war mutiny rebellion revolution insurrection or military or usurped power;
8. any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:-
 - (a) nuclear weapons material;
 - (b) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purposes of this Exclusion combustion shall include any self-sustaining process of nuclear fission;
9. any injury by Accident or Disease where the Company has not been given sufficient notice of the institution of proceedings in a court or tribunal to enable the Company to be added as a party to the proceedings.
10. any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.

6.6 AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

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

6.7 INSURANCE PREMIUM

- (a) Prior to the commencement of the Period of Insurance, the Insured shall supply the Company with a declaration estimating the Earnings of the employees employed in the Business during the Period of Insurance (which declaration is referred to herein as "the Estimated Earnings Declaration") on the basis of which a deposit premium becomes payable to the Company.
- (b) The Insured shall within ninety (90) days after the expiry of the Period of Insurance or upon cancellation of the Policy supply the Company with a completed Premium Adjustment and Declaration of Earnings Form stating the actual Earnings of Employees and provide the relevant supporting documents during the Period of Insurance (which declaration is referred to herein as "the Actual Earnings Declaration"). If the actual Earnings shall differ from the estimated Earnings the difference in premium shall be met by a further proportionate adjustment premium to be paid to the Company or by a premium refund to the Insured as the case may be.
- (c) It is hereby declared that the Premium payable by the Insured in consideration of the indemnity provided under this Policy is the sum of the deposit premium and the adjustment premium calculated pursuant to paragraphs (a) and (b) hereof.
- (d) The name Hong Kong Identity Card number class of employment and Earnings of every employee of the Insured employed in the Business from time to time during the Period of Insurance shall be properly recorded by the Insured and retained in a safe place so that a record exists of all persons who are Employees of the Insured for the purposes of this Policy and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records.
- (e) If the Insured fails to cooperate with the Company in submitting the completed Premium Adjustment and Declaration of Earnings Form, without prejudice to any other rights of the Company, the Company shall retain the discretion not to renew this insurance upon expiry of the Policy.

6.8 SPECIAL CONDITIONS TO SECTION E

1. Claims Payments by the Insured
Where the Insured pays all or any part of a claim for which he is liable and for which indemnity is provided by this Section the Insured shall obtain duly witnessed signed receipts for such payments and shall retain in a safe place all such signed receipts and records and documents relating to such payments and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records and documents.
2. Precautions
The Insured shall take all reasonable precautions to prevent Accidents and Diseases and shall comply with all relevant statutory requirements and obligations including but not limited to the provisions of the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) and any Regulations Rules or Notices issued made or



promulgated thereunder.

3. Changes in Risk

The Insured shall immediately notify the Company in writing of any material change in the risk insured hereunder made by the Insured or any other person during the Period of Insurance including but not limited to:

- (a) any merger with or acquisition of another company or business;
- (b) the Insured or any subsidiary or holding company of the Insured being placed in voluntary liquidation receivership or liquidation or entering into a composition with its creditors or being unable to pay its debts from its own resources; or
- (c) any material change in the nature of the Business or in the number of the Insured's employees.

4. Waiver of Claims

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

7. SECTION F - HOSPITALISATION EXPENSES

7.1 DEFINITIONS

1. "Disability" means sickness, disease, illness or an accidental injury.
2. "Hospital" means an establishment duly constituted and registered as a hospital for the care and treatment of sick and injured persons and which
 - (a) has organized facilities for diagnosis, treatment and major surgery;
 - (b) provides twenty-four hours a day nursing services by registered graduate nurses;
 - (c) is under the supervision of a physician; and
 - (d) is not primarily a clinic, a place for custodial care, alcoholics or drug addicts, a nursing, rest or convalescent home or home for the aged or similar establishment.
3. "Insured Person" means all employees of the Insured.

7.2 COVER

In the event the Insured Person while as a patient is confined in a Hospital for surgery or treatment resulting from Disability, the Company will, subject to the Limit of Liability, reimburse the Insured Person the actual, necessary and reasonable expenses incurred during the Period of Insurance.

7.3 LIMIT OF LIABILITY

The maximum liability of the Company for each Insured Person is

1. HK\$10,000 for the Period of Insurance subject to the *Per Disability Provision* below.
2. *Per Disability Provision* - the maximum liability of the Company for each Insured Person over different periods of insurance for each and every Disability is HK\$15,000 in aggregate. No payment shall be made by the Company for any Disability for which the Company has already paid the Insured Person HK\$15,000 in aggregate regardless the time of payment. If claims payment of less than HK\$15,000 in aggregate has been made by the Company in any of the previous periods of insurance ("Claims Already Paid") for a particular Disability, the maximum liability of the Company for the particular Disability for the Period of Insurance shall be the difference between HK\$15,000 and the Claims Already Paid or HK\$10,000, whichever is the lesser. Nothing contained herein shall mean the maximum liability of the Company for each Insured Person for the Period of Insurance can exceed HK\$10,000.

7.4 EXCLUSIONS (Applicable to Section F)

The Company shall not be liable to pay for Hospitalization Expenses incurred by Insured Person directly or indirectly caused by:

1. nervous or mental disease or disorder, venereal disease, congenital anomalies and deformities, infertility, sterilization;
2. cosmetic or plastic surgery unless to correct an injury which is covered under this Section;
3. vaccinations, immunization injections or preventive medication;
4. rest cure or physical check-ups;
5. intentional self-inflicted injury or suicide (whether felonious or not) or any attempt thereat while sane or insane;
6. childbirth, pregnancy, miscarriage, abortion and all related complications even if such event may have been accelerated or induced by accident;
7. intoxication by alcohol, narcotics or drugs not prescribed by a legally qualified and registered medical practitioner and treatment in connection with addiction to drugs or alcohol;
8. Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or infection by Human Immunodeficiency Virus (HIV);
9. costs and expenses for medical treatment for Disability which was sustained or developed prior to commencement of this insurance and medical treatment had been received for such Disability within twelve consecutive months immediately before commencement of this insurance. (If no medical treatment is received for such Disability within three consecutive months immediately after commencement of this insurance, this particular limitation will not apply to such Disability from the fourth month).

7.5 INSURANCE PREMIUM

1. Prior to the commencement of the Period of Insurance, the Insured shall supply the Company with a declaration for the estimated total number of employees employed in the Business on the first day of the Period of Insurance ("Estimated



- Number”) on the basis of which a Deposit Premium, which is computed by applying the premium per employee to the Estimated Number, becomes payable to the Company.
2. The Insured shall within thirty (30) days after the expiry of the Period of Insurance or upon cancellation of the Policy supply the Company with a further declaration stating the actual total number of employees employed as at the first day of the Period of Insurance (“Commenced Number”) AND the date of expiry or cancellation, whichever is applicable (“Expired Number”). Actual Premium shall be computed by applying the premium per employee to the average of the Commenced Number and Expired Number. The difference in Actual Premium and Deposit Premium shall be met by adjustment premium to be paid to the Company or by a premium refund to the Insured as the case may be.
 3. It is hereby declared that the premium payable by the Insured in consideration of the indemnity provided under this Policy is the Actual Premium as stated in (2).
 4. The name class of employment and earnings of every employee of the Insured employed in the Business from time to time during the Period of Insurance shall be properly recorded by the Insured and retained in a safe place so that a record exists of all persons who are employees of the Insured for the purposes of this Policy and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records.

7.6 SPECIAL CONDITIONS TO SECTION F

It is a condition precedent to any liability of the Company under this Section that

1. cover under this Section must be effected for ALL employees of the Insured
2. the Insured Person shall at his own expenses furnish to the Company such certificate information and evidence as the Company may from time to time reasonably require in the form and of the nature described by the Company. The Company shall be allowed at its own expense upon reasonable notice to the Insured Person to have a medical examination of the Insured Person from time to time.

8. CLAIMS CONDITIONS

(Applicable to all Sections)

8.1 ACTION BY INSURED

The word “Insured” also includes any other persons claiming under this Policy.

The Insured shall on the happening of any event which could give rise to a claim under this Policy:

- (a) give immediate notice in writing to the Company;
- (b) in respect of loss or damage by theft or property mislaid give immediate notice to the police;
- (c) make no admission of liability or offer promise or payment without the Company written consent;
- (d) inform the Company immediately of any impending prosecution inquest or fatal accident inquiry or civil proceedings and send to the Company immediately every relevant document;
- (e) take all reasonable action to minimize or check any interruption of or interference with the Business;
- (f) produce to the Company such books of account or other business books or documents or such other proofs as may reasonably be required by the Company for investigating or verifying the claim;
- (g) in respect of loss or damage to the property insured deliver to the Company at his own expense a claim in writing with such detailed particulars and proofs as may be reasonably required and (if demanded) a statutory declaration of the truth of claim and any matters connected therewith within:
 - (i) 30 days of expiry of the Indemnity Period - Section B
 - (ii) 30 days of the event - All other Sections or such further time as the Company may in writing allow.

8.2 COMPANY’S RIGHTS

1. Control of Claims

The Company shall be entitled:

- (a) on the happening of loss or damage to the property insured to enter take and keep possession of any building where loss or damage has happened and to take and keep possession of the property insured and to deal with the salvage in a reasonable manner without thereby incurring any liability and without diminishing the right of the Company to rely on any conditions of this Policy and this Policy shall be proof of leave and licence for such purpose.
- (b) at its discretion to take over and conduct in the name of the Insured the defence or settlement of any claim 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 any event insured by this Policy and the Insured shall give all information and assistance required.
- (c) to any property for the loss of which a claim is paid hereunder and the Insured shall execute all such assignments and assurances of such property as may be reasonably required but the Insured shall not be entitled to abandon any property to the Company.
- (d) to pay to the Insured the maximum sum payable under Section D and E in respect of any occurrence or any lesser sum for which the claim or claims arising from such occurrence can be settled and the Company shall not be under any further liability in respect of that occurrence except for the payment of costs and expenses of litigation incurred prior to such payment.

2. Fraudulent Claims

If any claim upon this Policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss or damage be occasioned by the wilful act or neglect or with the connivance of the Insured all benefit under this Policy shall be forfeited.

3. Other Insurance

If at the time of any loss damage or occurrence there be any other insurance or indemnity effected by or on behalf of the Insured applicable to such event the liability of the Company shall be limited to its rateable proportion. If any other such insurance or indemnity is subject to any provision whereby it is excluded from ranking concurrently with this Policy



whether in whole or in part or from contributing rateably then the liability of the Company hereunder shall be limited in respect of any loss damage or occurrence to any excess beyond the amount which would be payable under such other insurance or indemnity had this Policy not been effected.

4. 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 arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

9. GENERAL EXCEPTIONS

(Applicable to all Sections)

1. Radioactive Contamination

This Policy does not cover loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss; any legal liability of whatsoever nature; any bodily injury directly or indirectly caused by or contributed to by or arising from:

- (i) ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

2. Radioactive Exclusion Clause

This insurance does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with nuclear energy or radioactivity of any kind including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- 1) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 2) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 3) any weapon or other device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

3. Sanction Exclusion

Notwithstanding anything to the contrary in the Policy the following shall apply:

If, by virtue of any law or regulation which is applicable to the Company at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United States of America or The People's Republic of China/Hong Kong SAR, that the Company shall provide no coverage or benefit or have no liability whatsoever to the Insured, to the extent that it would be in breach of such law or regulation.

10. GENERAL CONDITIONS

(Applicable to all Sections)

1. Observance of Conditions

The due observance and fulfilment of the terms and conditions of this Policy shall be conditions precedent to any liability of the Company to make any payment under this Policy.

2. Policy Voidable

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

3. Reasonable Precautions

The Insured shall take all reasonable precautions to prevent loss damage or accident

4. Change of Risk or Interest

The Company shall not be liable if:

- (a) any change shall be made in the Premises or the occupancy or the duties of the person insured whereby the risk of loss damage or accident is increased or;
- (b) the Insured interest ceases (unless the cessation is brought about by will or operation of law) except where such alteration be notified to and accepted by the Company.

5. Cancellation

The Company may cancel this Policy by sending 7 days notice by registered post 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 Insured may cancel this Policy by sending written notice to the Company and in such event the Insured shall be entitled to a return of premium less the premium calculated at the Company's short period rates as per table specified below for the period the Policy has been in force.



Period of Insurance already covered

Not Exceeding	1 month
	2 months
	3 months
	4 months
	5 months
	6 months
	7 months
	8 months
	9 months
	Over 9 months

Refund Premium

90% of premium paid
80% of premium paid
70% of premium paid
60% of premium paid
50% of premium paid
40% of premium paid
30% of premium paid
20% of premium paid
10% of premium paid
No refund

11. SPECIAL CLAUSES

1. War and Terrorism Exclusion Endorsement – (Applicable to Sections A – D only)

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

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (b) any act of terrorism.

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

If the Company alleges that by reason of this exclusion, any loss, damage, 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 this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

2. Terrorism Exclusion for Contamination & Explosives – (Applicable to Sections A – D only)

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

- a) biological or chemical contamination
- b) missiles, bombs, grenades, explosives due to any act of terrorism.

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

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

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

3. Cyber Risks Exclusion – (Applicable to Sections A – D only)

Property damage covered under this policy shall mean physical damage to the substance of property.

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

Consequently the followings are excluded from this policy :

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

4. Terrorism Endorsement – (Applicable to Section E only)

Notwithstanding any provision to the contrary in this Policy or any endorsement thereto it is hereby agreed that in respect of any bodily injury or death by accident or disease ("the Loss") directly or indirectly caused by, resulting from or in connection with any act of terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the Loss :

- (a) the Policy Limit of Indemnity shall be such amount which the Company actually receives from the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the Government") pursuant to an



Agreement for Provision of Facility dated 11th January 2002 between the Government and the Company under which the Government agreed to make available to the Company and other direct insurance companies authorized to underwrite employees' compensation insurance business in Hong Kong a facility to enable them to meet claims under employees' compensation insurance policies in respect of death and injury arising out of an event of terrorism ("the Facility Agreement");

- (b) the Company will only be required to make payment after it has received from the Government (i) an approval letter confirming that the Company should settle the claim and (ii) payment under the Facility Agreement; and
- (c) for the avoidance of doubt, the Company shall have no obligation to make payment if for whatever reason it does not receive payment from the Government under the Facility Agreement, whether or not due to the Government's contention that the Loss does not fall within the scope of the Facility Agreement or the Company's breach of the Facility Agreement.

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 the Company alleges that the Loss falls within the scope of this Endorsement, the burden of proving the contrary shall be upon the Insured.

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

Words and phrases in this Endorsement shall have the same meaning as in the Policy.

5. Asbestos Exclusion Clause – (Applicable to Sections D - E only)

It is hereby understood and agreed that otherwise subject to the terms, exclusions and conditions contained in the policy or endorsed hereon, this insurance shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.

Specimen