

Fire Insurance Policy



IN CONSIDERATION of the Insured named in the Schedule herein paying to FWD General Insurance Company Limited (hereinafter called "the Company") the Premium mentioned in the said Schedule.

THE COMPANY AGREES (subject to the terms exceptions and conditions contained herein or endorsed or otherwise expressed hereon which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the rights of the Insured to recover hereunder) that if the Property Insured at the Situation described in the Schedule or any part thereof shall suffer any loss destruction or damage (hereinafter referred to as 'Damage') caused by fire, or by lightning, or by explosion of boilers or gas used for domestic purposes only, or by any Extra Perils specified in the Schedule, at any time during the Period of Insurance or of any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the Premium required for the renewal of this Policy, the Company will pay to the Insured the value of the Property Insured at the time of the happening of its loss or destruction or the amount of such damage or at the Company's option reinstate or replace such Property or any part thereof.

PROVIDED THAT the liability of the Company shall in no case exceed :

- (a) in the whole the Total Sum Insured or in respect of any item its Sum Insured at the time of the Damage, or
- (b) if any other Damage shall have occurred during the same period of insurance, the Sum Insured remaining after payment of such Damage unless the Company shall have agreed to reinstate any such Sum Insured.

IMPORTANT

1. 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.
2. Pursuant to the Cancellation Condition of this Policy, the Company will charge a minimum premium of HK\$400 if the Policy is terminated at the request of the Insured.

注意

1. 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。
2. 根據取消保險單條款，若投保人終止保單，本公司將收取不少於港幣四百元正保費。

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. EXCEPTIONS

Unless otherwise expressly stated in the Policy, this insurance does not cover:

- 1.1 Damage occasioned by or through or in consequence of, directly or indirectly, any of the following:
 - (a) fire or explosion resulting from earthquake, volcanic eruption or other convulsion of nature;
 - (b) the Property Insured's own spontaneous fermentation or heating;
 - (c) the Property Insured undergoing any process involving the application of heat;
 - (d) burning whether accidental or otherwise of forests, bush, prairie, pampas or jungle, and the clearing of lands by fire;
 - (e) the burning of property by order of any public authority;
 - (f) riot, civil commotion, strikers or locked-out workers;
 - (g) 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;
 - (h) any nuclear weapons material;
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, solely for the purpose of this exception combustion shall include any self-sustaining process of nuclear fission;
 - (j) pollution or contamination not resulting from an insured peril;
 - (k) theft during or after the occurrence of a fire;
 - (l) explosion other than of boilers or gas used for domestic purposes only.
 - 1.2 Damage to any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by its own over-running, excessive pressure, short circuiting, self heating, arcing or leakage of electricity arising from whatever cause (lightning included);
 - 1.3 Damage to property which at the time of the happening of such Damage is insured by, or would but for the existence of this Policy, be insured by any marine policy or policies, except in respect of any excess beyond the amount which would have been payable under such marine policy or policies had this Policy not been effected;
 - 1.4 Goods held in trust or on commission, bullion, unset precious stones, works of art, manuscripts, plans, drawings or designs, patterns, models, moulds, securities, obligations, documents, stamps, coined or paper money, cheques, books of accounts, business books, computer systems records, explosives;
 - 1.5 Consequential loss or damage of any kind or description.
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2. CONDITIONS

- 2.1 **Identification**

This Policy and the Schedule (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they shall appear.
- 2.2 **Misrepresentation**

If there be any material misdescription of any of the Property Insured, or of any building or place in which such property is contained, or any misrepresentation as to any material fact to be known for estimating the risk, or any omission to state such fact, the Company shall not be liable under this Policy so far as it relates to the property affected by any such misdescription, misrepresentation or omission.
- 2.3 **Reasonable Precautions**

The Insured shall maintain the Property in a proper state of repair and take all reasonable precautions to prevent Damage thereto.
- 2.4 **Alterations and Removals**

Unless the Insured has obtained the consent of the Company in writing before the occurrence of any Damage, the insurance ceases to attach regarding the Property affected under any of the following circumstances:

 - (a) if the trade or manufacture carried on by the Insured be altered, or if any circumstances affecting the Situation insured be changed in such a way as to increase the risk of Damage by any of the Insured Perils;
 - (b) if the Situation insured becomes unoccupied and so remains for a period of more than 90 days;
 - (c) if the Property Insured is removed from the Situation insured;
 - (d) if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law.
- 2.5 **Cancellation**

This Policy may be cancelled at any time:

 - by the Insured on notice to that effect being given in writing to the Company, in which case the Company will retain the short period rate as per table specified below for the time the Policy has been in force subject to a minimum premium of HK\$400 to be retained by the Company.

<u>Period of Insurance already cover</u>	<u>Refund Premium</u>
Not exceeding 1 month	90% of Premium Paid
2 months	80% of Premium Paid
3 months	70% of Premium Paid
4 months	60% of Premium Paid
5 months	50% of Premium Paid
6 months	40% of Premium Paid
7 months	30% of Premium Paid
8 months	20% of Premium Paid
9 months	10% of Premium Paid
Over 9 months	No refund

- (a) by the Company on 7 days' advance notice to that effect being given in writing to the Insured's last known address, in which case the Company shall be liable to repay on demand a ratable proportion of the premium for the unexpired term from the date of the cancellation.

2.6 Warranties

Every warranty to which the Property Insured or any item thereof is or may be made subject shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Policy, and non-compliance with any such warranty shall be a bar to any claim in respect of such Property or item, provided that whenever this Policy is renewed a claim in respect of Damage occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before commencement of such period.

2.7 Claims (Action by the Insured)

If any event giving rise to or likely to give rise to a claim under this Policy comes to his knowledge the Insured shall:

- (a) Immediately
- (i) take steps to minimise the Damage and recover any missing property
 - (ii) give notice in writing to the Company
 - (iii) give notice to the Police if the event of deliberate or malicious damage
- (b) within 30 days or such further time as the Company may in writing allow deliver to the Company
- (i) a claim in writing for the Damage containing as particular an account as may be reasonably practical of all the several articles or items of property Damage and the amount thereto respectively, having regard to their value at the time of the Damage
 - (ii) particulars of all other insurances if any;
- (c) at all times at his own expense provide to the Company all such information and available documents or proofs regarding
- (i) the origin and cause of the Damage and the circumstances under which the Damage occurred
 - (ii) any matter touching the liability or the amount of liability of the Company

as may be reasonably required by the Company together with a declaration on oath or in other legal form of the truth of the claim and any matter connected therewith.

2.8 Forfeiture of Benefits

All benefit under this Policy shall be forfeited:

- (a) if any claim made be in any respect fraudulent;
- (b) if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy;
- (c) if any Damage is caused by the wilful act or with the connivance of the Insured;
- (d) if the Insured or any person acting on his behalf shall hinder or obstruct the Company in the exercise of its rights;
- (e) in respect of any claim made and rejected if an action or suit be not commenced within twelve months after such rejection;
- (f) in respect of any claim where arbitration takes place pursuant to Condition 14 of this Policy and an action or suit be not commenced within twelve months after the making of an arbitration award;
- (g) in respect of any claim after the expiration of twelve months from the happening of the Damage, unless such claim is the subject of pending legal action or arbitration.

2.9 Possession Rights

On the happening of Damage in respect of which a claim is made:

- (a) the Company and any person authorised by the Company may without hereby incurring any liability or diminishing any of the Company's rights under this Policy:
- (i) enter take and keep possession of the premises where such Damage has occurred;
 - (ii) take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner;
- (b) no Property may be abandoned to the Company whether taken possession of by the Company or not.

2.10 Option to Reinstate

The Company may at its option, repair or replace the Property Damaged, or any part thereof, instead of paying the amount of the Damage, or may join with any other persons companies or insurers in so doing, but the Company shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner,

and in no case shall the Company be bound to expend more in repair than it would have cost to repair such property as it was at the time of the occurrence of such Damage, nor more than the Sum Insured thereon.

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

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

2.11 Average (Underinsurance)

If at the time of Damage, the Property Insured be collectively of greater value than the Sum Insured thereon, the Insured shall bear a share of the Damage corresponding directly to the proportion of underinsurance. Every item, if more than one, of the Property Insured shall be separately subject to this Condition.

2.12 Contribution

If at the time of Damage, there be any other insurance effected by or on behalf of the Insured covering any of the Property Damaged, the liability of the Company hereunder shall be limited to its ratable proportion of such Damage.

If any such other insurance is expressed to cover any of the Property Insured, but is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing ratably to the Damage, the liability of the Company hereunder shall be limited to such proportion of the Damage as the sum hereby insured bears to the value of the Property.

2.13 Subrogation

The Insured shall at the request and at the expense of the Company, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties, to which the Company shall be or would become entitled or subrogated upon its paying or making good any Damage under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.

2.14 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.

3. CLAUSES AND WARRANTIES
THE FOLLOWING CLAUSES APPLY WHEN SPECIFIED IN THE SCHEDULE

3.1 A7 Foundation Exclusion

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

3.2 A11 Lien Clause

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

3.3 A12 Mortgagee/Non-Occupying Landlord Clauses

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

3.4 A13 Mortgagee Clause

Loss, if any, under this policy shall be payable to the Mortgagee(s)/Assignee(s) of mortgagee interest named in the Schedule to the extent of their interest.

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

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

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

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

3.5 A18 Temporary Removal

Subject to the following provisions, the property insured by this policy (other than stock in trade or merchandise if insured hereby) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes elsewhere on the same or to any other premises and in transit thereto and therefrom by road, rail or public ferry, all in Hong Kong and Macau.

The amount recoverable under this extension in respect of each item of the policy shall not exceed the amount which would have been recoverable had the loss occurred in the part of the premises from which the property is temporarily removed, nor, in respect of any loss occurring elsewhere than at the said premises, ten per cent of the sum insured by the item after deducting therefrom the value of any building (exclusive of fixtures and fittings) stock in trade or merchandise insured thereby.

This extension does not apply to property if and so far as it is otherwise insured, nor, as regards losses occurring elsewhere than at the premises from which the property is temporarily removed to

- (a) Motor Vehicles and Motor Chassis licensed for normal road use,
- (b) Property held by the Insured in trust, other than machinery and plant.

3.6 A19 Reinstatement Value Insurance

In the event of the property insured (other than stock, work in progress, documents or manuscripts, business books and electronic data processing media, pedal cycles and other personal effects) being destroyed or damaged the basis upon which the amount payable is to be calculated shall be the reinstatement of the property destroyed or damaged, subject to the following special provisions and subject also to the terms and conditions of the policy except in so far as the same may be varied hereby.

For the purposes of the insurance under this memorandum 'reinstatement' shall mean:

The carrying out of the aftermentioned work, namely:

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

SPECIAL PROVISIONS

1. The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch; otherwise no payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made.
2. When any property insured under this memorandum is damaged or destroyed in part only the liability of the Company shall not exceed the sum representing the cost which the Company could have been called upon to pay for reinstatement if such property had been wholly destroyed.
3. No payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
4. Each item incurred under this memorandum is declared to be separately subject to the following Condition of Average, namely:
If at the time of reinstatement the sum representing the cost which would have been incurred in reinstatement if the whole of the property covered by such Item had been destroyed exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril hereby insured against then the Insured shall be considered as being his own insurer for the excess and shall bear a ratable proportion of the loss accordingly.
5. No payment beyond the amount which would have been payable under the policy if this memorandum had not been incorporated therein shall be made if at the time of any destruction or damage to any property insured hereunder such property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth herein.

6. Where by reason of any of the above special provisions no payment is to be made beyond the amount which have been payable under the policy if this memorandum had not been incorporated therein the rights and liabilities of the Company and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of the policy, including any Condition of Average therein, as if this memorandum had not been incorporated therein.

3.7 A20 Public Authorities

The Insurance by this Policy extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Ordinance, Law, Statute or with Bye-Laws of any Municipal or Local Authority provided that:

1. The amount recoverable under this Extension shall not include:-
 - (a) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws
 - (i) in respect of destruction or damage occurring prior to the granting of this extension;
 - (ii) in respect of destruction or damage not insured by the Policy;
 - (iii) under which notice has been served upon the Insured prior to the happening of the destruction or damage;
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Policy) of that portion of the property destroyed or damaged,
 - (b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen,
 - (c) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owners thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
2. The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Company may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye Laws so necessitate) subject to the liability of the Company under this Extension not being thereby increased.
3. If the liability of the Company under (any item of) the Policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this Extension (in respect of any such item) shall be reduced in like proportion.
4. The total amount recoverable under any item of the Policy shall not exceed the Sum Insured thereby.
5. All the conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they have been incorporated herein.

3.8 A22 Rent Clause

The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage and then the amount payable shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of Rent Insured.

3.9 A33 Legal Requirements Warranty

Warranted that the Insured shall duly comply with and observe all provisions, requirements and regulations of

- (i) Fire Services Department, and/or
- (ii) Labour Department, and/or
- (iii) Dangerous Goods Ordinance, and/or
- (iv) Factories and Industrial Undertakings Ordinance, and/or
- (v) Any other Statutory Obligation

including any notice given and requirements made pursuant to same the breach and disregard of which may affect or increase the risk hereby insured except only that this Warranty shall not apply in respect of any Ordinance, Regulation Notice or Requirement expressly waived by the Company by Endorsement on this Policy.

3.10 A34 Storage Warranty

Warranted no waste materials or goods of any description whatsoever whether belonging to the Insured or not shall be stored temporarily or otherwise on any staircase or landing or in any passageway within or in common use with the premises described in the Policy.

Provided that the Company shall be deemed to have waived any breach of this Warranty not occasioned by or contributed to by the Insured of which the Company shall have received written notice from the Insured prior to the occurrence of loss destruction or damage.

Warranted also that all waste materials will be kept in receptacles and removed from the building daily.

3.11 A37 Non-Invalidation Clause

This insurance shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased, unknown to or beyond the control of the Insured, providing that the Insured, immediately upon becoming aware thereof shall give notice to the Company and pay an additional premium if required.

3.12 B24 Occupancy Warranty A

Warranted no goods or merchandise, other than samples, stored in the within described premises

3.13 B25 Occupancy Warranty B

Warranted no trade processing or manufacturing carried on at the within described premises.

3.14 B31 Petrol Warranty

Warranted no petrol or other liquid fuel, other than in the fuel tanks of vehicles and a quantity not exceeding 4 gallons (18 litres) in metal cans fitted with lids, kept in the within described premises.

3.15 B54 Storage Warranty (Shops)

(a) Warranted no trade processing or manufacturing carried on in the premises which involves the use of:

- (i) machinery with a motive power in excess of 5 H.P. in the aggregate
- (ii) heating or boiling apparatus other than of the small domestic type

(b) Warranted no storage or deposit for sale of:

1. Acids
2. Alcohols
3. Ammunition, Explosives, Fireworks and Fire crackers
4. Bamboo, Cane, Willow, Rattan and articles made therefrom
5. Benzene and Benzine
6. Calcium Carbide
7. Candles and Wax
8. Chlorates, Perchlorates and chlorites
9. Compressed Gases
10. Cotton, Hemp, Jute and Kapok (except in fully, machine pressed and metal bound bales)
11. Cotton quilts
12. Films (nitrocellulose base)
13. Firewood, Charcoal and Coal
14. Flammable substances having a flash point below 150°F
15. Insecticides having a flash point below 150°F
16. Joss sticks and paper
17. Kerosene
18. Liquified petroleum gases
19. Matches, other than in tin-lined cases
20. Matting and Mat bags* (other than Seagrass matting)
21. Naphtha
22. Nitrates and Nitrites
23. Oils having a flash point below 150°F
24. Oily and greasy rags and waste
25. Paints, Enamels and Lacquers having a flash point below 150°F
26. Paper flowers, Lanterns and the like and Paper shavings
27. Peroxides
28. Petrol and Petroleum spirits
29. Phosphorus
30. Potable spirits in containers other than bottles and jars
31. Printing inks having a flash point below 150°F
32. Resins having a flash point below 150°F
33. Sodium hydroxide (Caustic soda)
34. Wood wool and shavings

* Matting and Mat bags are permitted if used solely for packing or covering other goods on the premises.

3.16 F3 Automatic Reinstatement Of Sum Insured Clause

In consideration of the Insurance by this Policy not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof until the expiry of the period of insurance.

3.17 F4 Automatic Cover Clause

The indemnity provided by this policy shall apply automatically and shall include all new or additional property as described in the Schedule from the time that construction or commissioning of such property is completed or that title to such property is transferred to the Insured or the Insured becomes responsible for such property (unless more specifically insured). It is understood that the Insured shall advise the Company of all such new or additional property as soon as is practicable and a pro rata additional premium will be chargeable. The maximum liability of the Company in respect of such new or additional property is limited to 10% of the Sum Insured.

3.18 F5 No Control Clause

This policy shall not be affected by the failure of the Insured to comply with any of the warranties or conditions endorsed hereon in any portion of the premises over which the insured has no control.

3.19 F6 Extra Charges Clause

In the event of any part of the Insured Property sustaining damage for which the Company is liable the indemnity provided by this Policy is extended to include

1. costs necessarily incurred for delivery of any part or parts by express or special delivery;

2. in the execution of authorized repairs for labour overtime costs necessary to expedite repairs including Sunday, Holiday and Nightwork.
Provided that the additional liability of the Company shall not exceed 25% of the amount of the loss.

3.20 F7 Capital Additions Clause

The insurance of this policy extends to include additions and extensions to property insured (other than stock in trade), but not appreciation in value, made after the commencement of each annual period of insurance for an amount not exceeding 10% of the sum insured on similar property, it being understood that the Insured will declare the value of any such additions and extensions and will pay the appropriate additional premium required from inception of the additional cover.

Amounts so declared shall be added to the sum insured by endorsement whereupon the provisions of the clause shall be fully reinstated.

3.21 F8 Removal Of Debris Clause

The Sum insured under each item includes an amount in respect of costs and expenses necessarily incurred by the Insured with the consent of the Company in:

- (a) removing debris,
- (b) dismantling and/or demolishing (applying to building and machinery),
- (c) shoring up or propping (applying to building and machinery)

of the portion or portions of the property insured under this policy destroyed or damaged by fire or by any other peril hereby insured against. The maximum liability of this extension shall not exceed 5% of the respective sum insured.

3.22 F9 Professional Fees Clause

The sum insured under item(s) covering building and the machinery therein of this policy includes an amount not exceeding 5% of the respective sum insured in respect of Architects', Surveyors' and Consulting Engineers' fees necessarily incurred in the reinstatement of the property specified consequent upon its destruction or damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorized under the Scale of Professional Charges of The Royal Institute of British Architects and/or of the Schedule of Professional Charges of The Royal Institute of Chartered Surveyors and/or of the Association of Consulting Engineers as the case may be, or of the respective equivalent local body.

3.23 F10 All Other Contents Clause

It is agreed that the term "All Other Contents" shall mean

- (a) deeds, documents, manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to the insured of the information contained therein or for an amount not exceeding HK\$1,000 in respect of any one deed, document, manuscript or business book
- (b) computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Insured of the information contained therein for an amount not exceeding HK\$1,000
- (c) patterns, models, moulds, plans and designs for an amount not exceeding HK\$1,000 in respect of any one pattern, model, mould, plan or design
And so far as they are not otherwise insured
- (d) employees pedal cycles, clothing, tools and other personal effects for an amount not exceeding of HK\$1,000 in respect of any one Employee
- (e) money and stamps for an amount not exceeding HK\$1,000.

3.24 F11 Stock Declaration Condition

In consideration of the premiums by the Stock Items of this Policy being provisionally calculated on 75% of the sum insured thereby the Insured shall declare the value of such property on the last day of each month in writing to the Company within thirty days thereafter and if a declaration be not so given the Insured shall be deemed to have declared the maximum sum insured as the value.

If the property described in the Stock Items of the Policy is also insured under any other Policy the value declared shall be that proportion of the total of the property which the sum insured on such property under this Policy bears to the total of the sum insured under all Policies on such property.

The value declared shall be the value at risk on the last day of each month of the period between each declaration.

On the expiry of each period of insurance the actual premium for the Stock Items shall be calculated at the agreed rate on the average amount declared i.e. the total of the sums declared divided by the number of declarations. If the actual premium be greater than the provisional premium paid the Insured shall pay the difference if it be less the difference shall be repaid to the Insured but such repayment shall not exceed 50% of the provisional premium.

It is warranted that every insurance on the property be identical in wording with this insurance.

3.25 F23 Breach Of Warranty Clause

It is hereby noted and agreed that breach of the legal requirements warranty shall not affect any claim for loss of or damage to the insured property where the circumstances of the loss or damage are unconnected with the breach of the aforesaid warranty provided that the burden of proving that the loss or damage is not connected with nor arising from the breach of the aforesaid warranty shall be on the Insured.

3.26 F34 Errors & Omissions & Misdescription Clause

The Insured is not to be prejudiced by any unintentional and/or inadvertent omission error or incorrect description of the interest risk or property insured provided notice is given to the insurers as soon as practicable upon discovery of any such error omission or misdescription.

3.27 C8 Fire Extinguishing Expenses Clause

This Policy is extended to include the cost of re-filling fire extinguishers that have been used during fire fighting activities provided that the Company's maximum liability under this clause shall not exceed HK\$5,000 in all, which is part of and not in addition to the total sum insured of this policy.

3.28 EP02A Bush Fire

This Policy is extended to cover Damage occasioned by or through or in consequence of the burning of forests, bush, pirate, pampas or jungle and the clearing of lands by fire but, excluding such clearing by or on behalf of the Insured.

3.29 EP05B Vehicle Impact (By Any Vehicle)

This Policy is extended to cover Damage by fire or otherwise, caused by impact by any road vehicle, horses or cattle, but excluding the first HK\$3,000 of each and every loss as ascertained after the application of any condition of average.

3.30 EP07A Spontaneous Combustion

This Policy is extended to cover Damage by fire only of or to the property insured caused by its own spontaneous fermentation, heating or combustion.

3.31 EP09C Typhoon, Windstorm & Flood

This Policy is extended to cover Damage by fire or otherwise, directly caused by typhoon, windstorm or flood but excluding

- (i) in respect of damage caused other than by fire
 - (a) the first HK\$3,000.00 of each and every loss as ascertained after the application of any condition of average and occurring within each and every separate period of 72 consecutive hours during the currency of this Policy
 - (b) metal smoke stacks, awnings, blinds, signs or other outdoor fixtures and fittings unless specifically insured
 - (c) premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against typhoon or windstorm unless specifically insured
- (ii) Damage caused by
 - (a) subsidence or landslip
 - (b) hail, whether wind driven or not
 - (c) rain entering the building other than through openings made in its fabric by the direct force of the typhoon or windstorm
- (iii) Damage caused by accumulation of water resulting from circumstances where the Insured could, but has failed to, take reasonable steps to prevent such accumulation.

3.32 EP11A Landslip And Subsidence

This Policy is extended to cover Damage caused by subsidence of the site or landslip, occurring within the period stated in the Schedule but excluding :

- (i) loss or damage occasioned by or through or in consequence directly or indirectly of any of the following occurrences :
 - (a) Coastal erosion
 - (b) Heave
 - (c) Bedding down of structures or the settlement of made up ground within 3 years of the completion of such works
- (ii) loss of or damage to paths drives fences gates boundary and retaining walls caused by subsidence and/or landslip.
- (iii) unless otherwise specifically insured, the cost of removal of subsidence and/or landslip debris or the making good of the site following subsidence and/or landslip except in so far as is necessary to repair the property insured.
- (iv) loss or damage directly occasioned by or through defective design or workmanship or the use of defective materials.
- (v) consequential loss or damage of any kind of description.
- (vi) the first HK\$10,000 or 10%(ten percent) of each and every loss, whichever is the greater, as ascertained after the application of any condition of average and occurring within each and every separate period of 72 consecutive hours during the currency of this Policy.

WARRANTED:-

- (1) The Insured shall maintain the insured property in sound repair and shall take all responsible steps to prevent damage from the perils covered hereby.
- (2) The Insured shall maintain any man-made slope and retaining wall for which they are responsible in accordance with laws, regulations, codes and guides issued by the Government of the Hong Kong Special Administrative Region including the guideline stipulated in the GEOGUIDE 5 – GUIDE TO SLOPE MAINTENANCE published by the Geotechnical Engineering Office, Civil Engineering Department, Hong Kong.
- (3) The Insured shall notify the Company immediately :
 - (i) any excavations are commenced beneath, around or in the vicinity of the insured property.

- In such event the Company shall have the right to vary or cancel the cover provided under this Policy.
- (ii) of the operation of an insured peril affecting any part of the site (whether or not the insured property is involved) or its nearby surroundings.

3.33 Extra Perils Endorsement

This Policy is extended to cover Damage caused by the Extra Perils described hereunder provided always that all the Conditions of this Policy (except insofar as they may be hereby expressly varied) shall apply as if they had been incorporated herein and for this purpose any Damage by the specified Extra Perils shall be deemed to be Damage by fire within the meaning of the Policy.

EP01A - Aircraft

Damage directly caused by aircraft and other aerial devices or articles dropped therefrom excluding Damage caused by any aircraft for which permission to land has been extended by the Insured.

EP03B - Earthquake (Fire Shock & Flood)

Damage by fire or otherwise, directly caused by earthquake or volcanic eruption including flood or overflow of the sea occasioned thereby, but excluding in respect of Damage caused other than by fire:

- (a) the first HK\$3,000 of each and every loss as ascertained after the application of any condition of average and occurring within each and every separate period of 72 consecutive hours during the currency of this Policy
- (b) metal smoke stacks, awnings, blinds, signs or other outdoor fixtures and fittings unless specifically insured.

EP04A - Explosion

Damage by fire or otherwise, directly caused by explosion, but excluding

- (i) Damage to boilers, economisers, or other vessels, machinery or apparatus in which pressure is used, or Damage to their contents resulting from their explosion
- (ii) Damage occasioned by or through or in consequence, directly or indirectly of any act of terrorism committed by any person acting on behalf of, or in connection with, any organization (for the purpose of this exclusion 'terrorism' means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear).

EP05A - Vehicle Impact (by third party vehicle)

Damage by fire or otherwise, caused by impact by any road vehicle, horses or cattle not belonging to or under the control of the Insured or any member of the Insured's household or any person employed by the Insured, but excluding the first HK\$3,000 of each and every loss as ascertained after the application of any condition of average.

EP06A - Riot & Strike

Damage directly caused by

- (a) the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not)
- (b) the wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out
- (c) the action of any lawfully constituted authority in suppressing or attempting to suppress or in minimising the consequence of any act mentioned in (a) and (b) above
but excluding
 - (i) Damage occasioned through or in consequence, directly or indirectly, of
 - (a) any act of terrorism committed by any person acting on behalf of, or in connection with, any organization (for the purposes of this exclusion 'terrorism' means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear)
 - (b) civil commotion assuming the proportions of or amounting to a popular rising
 - (c) the malicious act of any person (whether or not such act is committed in the course of disturbance of the public peace) not being the wilful act of any rioter striker or locked-out worker in furtherance of a riot or strike or in resistance to a lock-out
 - (ii) Damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
 - (iii) Damage occasioned by
 - (a) permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
 - (b) permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building provided nevertheless that the Company is not relieved of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession.

EP06C - Malicious Damage

Damage directly caused by the malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace), but excluding

- (i) Damage by explosion

- (ii) Damage arising out of or in the course of theft or any attempt thereat provided that cover under Extra Peril EP06A (Riot & Strike) is in force and subject to the application of the exclusions under the Extra Peril extension wording other than (i)(c).

EP08A - Sprinkler Leakage

Damage directly caused by water discharged or leaking from the Automatic Sprinkler Installation installed in that part of the Situation insured which is occupied by the Insured but excluding Damage to the said Installation, provided that

- (i) such discharge or leakage of water shall be accidental and shall not be occasioned by or happen through
 - (a) heat caused by fire
 - (b) repairs or alterations to the buildings or premises
 - (c) repair, removal or extension of the said Installation
 - (d) the order of the Government or of any Authority
 - (e) explosion, the blowing-up of buildings or blasting
- (ii) the Insured shall at all times take all reasonable steps to prevent damage to the said Installation and, so far as his responsibility extends, to maintain the said Installation, including the automatic external alarm signal, in efficient condition, in the event of any discharge or leakage from the said Installation the Insured shall do and permit to be done all things practicable, whether by removal or otherwise, to save and protect the Property Insured
- (iii) whenever it is intended to make any changes, repairs or alterations to the said Installation, the Insured shall give written notice thereof to the Company
- (iv) the Company shall have access to the Situation insured at all reasonable times for purposes of inspection and if the Company shall notify the Insured of defects in the construction or condition of the said Installation requiring alteration or repairs the Company may also at their option by notice in writing suspend the insurance by this extension until such alteration or repairs shall be duly completed.

EP09B - Typhoon & Windstorm (including Flood)

Damage by fire or otherwise, directly caused by typhoon or windstorm but excluding

- (i) in respect of Damage caused other than by fire
 - (a) the first HK\$3,000 of each and every loss as ascertained after the application of any condition of average and occurring within each and every separate period of 72 consecutive hours during the currency of this Policy
 - (b) metal smoke stacks, awnings, blinds, signs or other outdoor fixtures and fittings unless specifically insured
 - (c) premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against typhoon or windstorm unless specifically insured
- (ii) Damage caused by
 - (a) subsidence or landslide
 - (b) hail, whether wind driven or not
 - (c) rain entering the building other than through openings made in its fabric by the direct force of the typhoon or windstorm
- (iii) Damage caused by
 - (a) the escape of water from its normal confines whether natural or artificial
 - (b) inundation from the seaunless directly resulting from typhoon or windstorm

EP10A - Water Tanks, Apparatus & Pipes

Damage directly caused by bursting or overflowing of water tanks, apparatus or pipes but excluding

- (i) the first HK\$3,000 of each and every loss as ascertained after the application of any condition of average
- (ii) Damage to water tanks, apparatus or pipes
- (iii) Damage caused by water discharged or leaking from any installation of automatic sprinklers.

4. SPECIAL CLAUSES

THE FOLLOWING CLAUSES APPLY TO THE POLICY

4.1 War and Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this policy or any endorsement thereto it is agreed that this policy excludes loss, damage, 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.

4.2 Terrorism Exclusion for Contamination & Explosives

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.

4.3 Cyber Risks Exclusion

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.

4.4 Radioactive Exclusion Clause

This Policy 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:

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

4.5 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.