



Contractors' All Risks Policy

Please read this Policy carefully upon receipt and promptly request for any necessary amendments. If you would like a copy of this Policy in large print, please contact our Customer Care Centre at +852 2968 2288.

Whereas the Contractor has by proposal and declaration which shall be the basis of this insurance contract and be held as incorporated herein applied to **Zurich Insurance Company Ltd** (hereinafter called "the Insurers") for the insurance hereinafter contained.

1. Now this Policy witnesseth that in consideration of the Insured having paid or agreed to pay to the Insurers the premium stated in the said Schedule:

1.1 The Insurers hereby agree subject to the terms exceptions and conditions contained herein or attached hereto or endorsed hereon that if during the Period of Insurance stated in the said Schedule or during any further period in respect of which the Insured shall have paid and the Insurers shall have accepted premium the Insured shall sustain loss or damage or shall incur liability in the circumstances provided for by this Policy and defined herein the Insurers shall indemnify the Insured in the manner hereinafter described.

2. General exceptions

2.1 The Insurers shall not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of:

- 2.1.1 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, military or usurped power or persons acting on behalf of or in connection with any political organization with activities directed towards the overthrow or influencing of a government, de jure or de facto, by force, confiscation, nationalization, commandeering, requisition or destruction or damage by order of any government de jure or de facto, or by any public authority;
- 2.1.2 strike, riot, lock out, civil commotion or persons taking part in labour disturbances;
- 2.1.3 acts of terrorism committed by a person or persons 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 the use of violence for the purpose of putting the public or any section of the public in fear;
- 2.1.4 nuclear weapons, material, ionizing radiations 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 exception combustion shall include any self-sustaining process of nuclear fission.

2.2 In any action suit or other proceeding where the Insurers allege that by reason of the provisions of exceptions 2.1.1, 2.1.2 and 2.1.3 above any loss, damage or liability is not covered by this insurance the burden of proving that such loss, damage or liability is covered shall be upon the Insured.

2.3(A) Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (i) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretations or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programme or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (ii) However, in the event that a peril listed below results from any of the matters described in paragraph (i) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils: Fire
Explosion

2.3(B) Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to replace, repair or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any

ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed HKD1,000,000 any one occurrence, incurred by the Insured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

2.4 Terrorism

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

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 organization(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 any act of terrorism.

If the Insurers allege 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.

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

3. Section I - material damage

3.1 The Insurers shall indemnify the Insured in respect of loss of or damage to the Insured Property described in the Schedule whilst at the Site during the Period of Insurance arising from any cause whatsoever not hereinafter excluded.

3.2 The Insurers shall not indemnify the Insured in respect of that part of the Works:

- 3.2.1 which has been taken into use or occupation by the Employer from the time of such taking into use or occupation or
- 3.2.2 for which a certificate of completion has been issued from the expiry of 28 days from the date of completion certified therein;
- 3.2.3 whichever of 3.2.1 or 3.2.2 is the earlier unless such loss or damage be occasioned during the Maintenance Period stated in the Schedule and
 - was caused by an occurrence during the Construction Period stated in the Schedule; or
 - was caused by an insured Contractor in the course of complying with his obligations under the maintenance and defects liability clauses of the Contract.

3.3 Provided that the total liability of the Insurers under this Section shall not exceed the Sum Insured shown in the Schedule for each item of the Insured Property.

Exceptions to section I

3.4 The Insurers shall not indemnify the Insured in respect of:

- 3.4.1 loss or damage due to any fault, defect, error or omission in or failure of any design plan or specification;
- 3.4.2 loss or damage due to defect in material or workmanship but this exception shall be limited to that part of the Insured Property directly affected and shall not exclude loss or damage to other parts of the Insured Property resulting from an accident due to such defect;
- 3.4.3 loss of or damage to any item of machinery forming part of the Works or Constructional Plant due to its own explosion, mechanical or electrical breakdown or derangement but this exclusion shall not be deemed to exclude damage to other parts of the Works or Constructional Plant arising as a consequence of such explosion, breakdown or derangement;
- 3.4.4 loss of Insured Property due to it being stolen or otherwise missing from the Site unless such loss is identifiable by the Insured with a specific occurrence;
- 3.4.5 loss of or damage to cash, bank notes, treasury notes, cheques, postal orders, money orders, stamps, deeds, bonds, bills of exchange, promissory notes and securities;
- 3.4.6 loss of use, liquidated damages, penalties, performance guarantees or other consequential losses;
- 3.4.7 loss or damage due to wear and tear, rust, mildew or other deterioration due to gradually operating causes;
- 3.4.8 the cost of maintenance;
- 3.4.9 loss of or damage to any locomotive, waterborne vessel, aircraft or vehicle other than any land vehicle which is used solely on the Site and which is not used on any public road or public highway to which any road traffic legislation applies;
- 3.4.10 damage to tyres whilst attached to a vehicle or plant unless the vehicle or plant is damaged at the same time;
- 3.4.11 loss or damage due to cessation of work whether total or partial.

Conditions to section I

3.5 The Sum Insured shall in respect of Item 4 in the Schedule represent the new replacement value inclusive of erection, freight and customs.

3.6 If in the event of loss or damage to the Insured Property under Item 4 it is found that the Sums Insured are less than the amounts required to be insured the amount recoverable under this Policy shall be reduced in such proportion as the Sums Insured bear to the amounts required to be insured.

3.7 In the event of loss or damage to the Insured Property under Item 4 indemnifiable under this Policy the basis of loss settlement shall be:

- 3.7.1 in the case of damage which can be repaired, the costs of necessary repairs without deduction for depreciation, however indemnification shall be limited to costs not exceeding the actual value of the damaged property;

- 3.7.2 in the case of a total loss, the actual value of the insured property immediately before the occurrence of the loss less salvage.
- 3.8 In the event of loss or damage to the Insured Property the insurance hereunder shall be maintained in force during the Period of Insurance for the Sum Insured the Insured undertaking to pay an additional premium at the agreed rate on the amount of any loss exceeding HKD100,000, pro rata from the date of such loss or damage to the expiry of the Period of Insurance but this additional premium shall be disregarded for the purpose of any adjustment of premium under General Condition 5.6 of this Policy.

4. Section II - liability to third parties

- 4.1 The Insurers shall indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay for:
- 4.1.1 accidental death, bodily injury, illness or disease suffered by any person arising out of the performance of the Contract described in the Schedule;
- 4.1.2 accidental loss or damage to physical property arising out of the performance of the Contract described in the Schedule.
- 4.2 The liability of the Insurers under this section of the Policy for all compensation payable to any claimant or number of claimants in respect of or arising out of all occurrences of a series consequent on or attributable to one original cause shall not exceed the limit of indemnity specified in the Schedule.
- 4.3 In respect of any claim covered by this Section of this Policy the Insurers shall in addition be liable for:
- 4.3.1 all costs and expenses of litigation recovered by any claimant against the Insured;
- 4.3.2 all costs and expenses of litigation incurred by the Insured with the written consent of the Insurers in resisting any claim.
- 4.4 Where more than one party comprises "The Insured" each of the parties comprising the Insured shall for the purpose of this Policy be considered as a separate and distinct party and the words "The Insured" shall be considered as applying to each party in the same manner as if a separate Policy had been issued to each of the parties and the Insurers hereby agree to waive all rights of subrogation against each of the aforesaid parties arising out of any occurrence in respect of which any claim is made hereunder provided nevertheless that:
- a) notwithstanding the foregoing, this Policy shall not respond in respect of claims arising out of death or of bodily injury (including illness) to any person who is, or could have been, insured under workmen's compensation insurance(s) and/or employer's liability insurance(s);
- b) nothing in this Clause shall be deemed to increase the Limit of Indemnity in respect of any one occurrence or series of occurrences as stated in the Schedule.
- 4.5 Provided always that the aggregate liability of the Insurers shall not be increased beyond the limit of indemnity specified in the Schedule.

Exceptions to section II

- 4.6 The Insurers shall not indemnify the Insured in respect of:
- 4.6.1 liability for death, bodily injury, illness or disease arising out of or in the course of undertaking any activity in connection with an insured Contract in respect of:
- a) any person employed directly or independently by the Employer or any contractor and/or sub-contractor of any tier; and
- b) any person to whom any part of the Insured Contract has been sub-contracted, including but not limited to self-employed person(s) and/or sole proprietor.
- 4.6.2 liability in respect of compensation claimed from the Insured by an injured person or dependent under any Employees Compensation Legislation;
- 4.6.3 liability resulting from or attributable to or caused by the ownership or possession or use by or on behalf of the Insured of any locomotive, waterborne vessel, aircraft or vehicle other than any land vehicle which is used solely on the contract Site and which is not used on any public road or public highway to which any Road Traffic Legislation applies;
- 4.6.4 liability compulsorily insurable under any legislation governing the use of motor vehicles;
- 4.6.5 liability in respect of loss or damage to any building, property or structure caused by or resulting from vibration or by the removal or weakening of support;
- 4.6.6 liability in respect of loss of or damage to property belonging to or in the care, custody or control of the insured;
- 4.6.7 liability in respect of loss or damage to permanent or temporary Works or materials forming part of the Contract or contracts insured under this Policy;
- 4.6.8 liability consequent upon any agreement by the Insured to pay any sum by way of indemnity or otherwise or predetermined penalties or liquidated damages imposed under any contract entered into by the Insured unless such liability would have attached also in the absence of such agreement, contractual penalty or liquidated damages;
- 4.6.9 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, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity;
- 4.6.10 liability in respect of claims arising out of
- a) the rendering of or failure to render professional advice or service or any error or omission connected therewith; or
- b) any error in advice design formula or Specification; or
- c) a breach of the duty owed in a professional capacity by the Insured.
- 4.7 This insurance does not cover any liability for:
- (1) Personal injury or bodily injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (1) shall not apply to liability for personal injury or bodily injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such

seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the Period of Insurance.

- (2) The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the Period of Insurance.
- (3) Fines, penalties, punitive or exemplary damages.
- This clause shall not extend this insurance to cover any liability which would not have been covered under this insurance had this clause not been attached.

5. General conditions

- 5.1 This Policy shall be construed according to the laws of Hong Kong.
- 5.2 This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
- 5.3 All the terms, exceptions and conditions contained herein or endorsed hereon are incorporated in and form part of this contract of insurance and are deemed to be conditions precedent to any liability on the part of the Insurers so far as they relate to anything to be done by the Insured.
- 5.4 The expressions "Constructional Plant", "Certificate of Completion", "Contract", "Contractor", "Contract Sum", "Final Contract Sum", "Hong Kong", "Maintenance Period", "Site", "Specification" and "Works" shall bear the meaning ascribed to them in the Government of the Hong Kong Special Administrative Region General Conditions of Contract for Civil Engineering Works/Building Works (1999 Edition), as amended by any Special Conditions of Contract.
- 5.5 If any change shall occur materially varying any of the facts upon which this Policy is based the Insured shall immediately give notice in writing to the Insurers and the premium shall be adjusted in accordance with any agreed rate.
- 5.6 The Insured shall within three months of the expiration of the Period of Insurance furnish to the Insurers a declaration of the Final Contract Sum and if such sum shall differ from the Contract Sum the premium shall be adjusted accordingly subject to any minimum retained premium previously agreed.
- 5.7 The Insured shall also take and cause to be taken all reasonable precautions to prevent loss damage or accident and shall comply with the "Construction Sites (Safety) Regulations" and any ordinance or regulation which might apply in respect of the insured Contract.
- 5.8 In the event of any occurrence which might give rise to a claim under this Policy the Insured shall:
- 5.8.1 notify the Insurers as soon as possible and in writing give an indication as to the nature and extent of the damage;
- 5.8.2 at the expense of the Insurers take such immediate action as is necessary to minimize the loss, provided that such expense shall not increase the Insurers ultimate loss;
- 5.8.3 keep parts affected and make them available for inspection by a representative or surveyor of the Insurers for a reasonable period of time but the Insured shall not in any case be entitled to abandon any property to the Insurers whether taken possession of by the Insurers or not;
- 5.8.4 submit a formal claim and furnish all such information and documentary evidence as the Insurers may require within six months of the occurrence or such further time as the Insurers may in writing agree, such agreement not to be unreasonably withheld;
- 5.8.5 inform and assist the police authorities in case of loss or damage due to theft or burglary or malicious action;
- 5.8.6 immediately send to the Insurers upon receipt any writ summons or other proceedings which may be commenced against the Insured;
- 5.8.7 give to the Insurers all information and assistance to enable the Insurers to settle or resist any claim or institute proceedings.
- 5.9 In the event of a claim or claims arising for which the Insurers could be liable under this Policy the Insurers shall be entitled:
- 5.9.1 to undertake in the name and on behalf of the Insured the absolute conduct and control of any proceedings and the settlement of the same;
- 5.9.2 to take proceedings at their own expense and for their own benefit but in the name of the Insured to recover compensation or secure an indemnity from any third party in respect of anything covered by this Policy;
- 5.9.3 to pay to the Insured in respect of any claim or claims the maximum liability of the Insurers under Section II of this Policy as stated in the Schedule or such lesser sum for which the said claim or claims can be settled (subject to deduction in either case of any sum or sums already paid on account for such claim or claims) and thereafter the Insurers shall be under no further liability in respect of said claim or claims except for payment of costs and expenses incurred prior to the date of such payment and for which the Insurers may be liable hereunder.
- 5.10 The Insured shall not negotiate, pay, settle, admit or repudiate any claim under the Policy without the written consent of the Insurers.
- 5.11 This insurance is not to be called upon in contribution and is only to pay any loss hereon if and so far as not recoverable under any other insurance.
- 5.12 In the event of a dispute arising out of this Policy, the parties may settle the dispute through mediation in good faith in accordance with the relevant Practice Direction on civil mediation issued by the Judiciary of Hong Kong and applicable at the time of dispute. All unresolved disputes shall be determined by arbitration in accordance with the Arbitration Ordinance (Chapter 609), Laws of Hong Kong as amended from time to time. The arbitration shall be conducted in Hong Kong by a sole arbitrator to be agreed by the parties. It is expressly stated that the obtaining of an arbitral award is a condition precedent to any right of legal action arising out of this Policy. Irrespective of the status or outcome of any form of alternative dispute resolution, if the Insurer deny or reject liability for any claim under this Policy and the insured person does not commence arbitration in the aforesaid manner within twelve (12) calendar months from the date of our disclaimer, the insured person's claim shall then for all purposes be deemed to have been withdrawn or abandoned and shall not thereafter be recoverable under this Policy.

5.13 Any unintentional or inadvertent error or omission, misrepresentation, misdescription or non-disclosure of any material facts in name or description or amount or reporting or notification in respect of this Policy by one of the Insured shall not operate to the prejudice of any of the other Insured's, providing the error or omission is corrected when discovered by the Insured.

Endorsements

The following standardized endorsements are optional and supplementary and only apply to this Policy when specifically mentioned in the Schedule.

A1 Extension of cover for vibration or removal or weakening of support

A1.1 It is agreed and understood that notwithstanding Exception 4.6.5 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section II of this insurance shall be extended to indemnify the Insured for:

A1.1.1 liability in respect of the collapse of any building, property or structure or any part thereof or any damage which impairs the structural stability of any building, property or structure or which endangers its users caused by or resulting from vibration or removal or weakening of support;

A1.1.2 provided that prior to the occurrence of such collapse or damage the condition of such building, property or structure was sound and all reasonable safety precautions had been taken;

A1.1.3 provided that upon discovery of damage which does not immediately result in the collapse of any building, property or structure or any part thereof or any damage which impairs the structural stability of any building, property or structure or which endangers its users which is caused by or alleged to be caused by or resulting from vibration or removal or weakening of support arising out of any operations in connection with execution of the Insured Contract the Insured shall immediately suspend such operations or shall at their own expense take all reasonable safety precautions;

A1.1.4 provided that the Insurers shall not indemnify the Insured in respect of damage caused by or resulting from vibration or removal or weakening of support to any building, property or structure under demolition or declared by the relevant public authority to be unsafe.

A1.2 In respect of each and every occurrence of damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess shown in the Schedule.

A1.3 The liability of Insurers in respect of damage caused by vibration or removal or weakening of support shall not exceed the aggregate limit shown in the Schedule during the Period of Insurance.

A2 Extension of cover for testing and commissioning

A2.1 It is agreed and understood that notwithstanding Exception 3.4.3 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section I of this insurance shall be extended to cover:

A2.1.1 mechanical and electrical breakdown as a consequence of the testing and commissioning of machinery and installations forming part of the Insured Property described in Item I on the Schedule;

A2.1.2 a period (as specified in the Schedule) counting from the date of commencement of the testing or commissioning operations as declared in the Schedule.

A2.2 If a part of such machinery and installations or one or several machine(s) is/ are tested and/or put into operation or taken over by the Employer the cover for that particular part or machine(s) and any liability resulting therefrom ceases whereas the cover continues for the remaining parts.

A2.3 The Insurers will not indemnify the Insured in respect of loss of or damage to machinery and installations undergoing testing or commissioning due to defective material, casting or workmanship other than faults in erection.

A2.4 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess shown in the Schedule.

A3 Extension of cover for designer's risk

A3.1 It is agreed and understood that notwithstanding Exception 3.4.1 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section I of this insurance shall be extended to indemnify the Insured for:

A3.1.1 Loss or damage as a result of an accident due to any fault, defect, error or omission in or failure of any design plan or specification of the permanent Works but shall always exclude that part of the Insured Property directly affected by such fault, defect, error or omission in or failure of any design plan or specification.

A3.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess shown in the Schedule.

A4 Extension of cover for inland transit

A4.1 It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section I of this insurance shall be extended to cover:

A4.1.1 loss of or damage to Insured Property occurring during transit elsewhere within the territorial limits of Hong Kong subject to the limit shown in the Schedule for any one loss.

A4.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess shown in the Schedule.

A5 Extension of cover for storage

A5.1 It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section I of this insurance shall be extended to cover:

A5.1.1 loss of or damage to Insured Property occurring whilst in storage elsewhere within the territorial limits of Hong Kong subject to the limit shown in the Schedule for any one loss.

A5.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess shown in the Schedule.

A6 Extension of cover for the costs of extra charges for overtime, night work, work on public holidays and express freight arising from a claim indemnifiable under the policy

A6.1 It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section I of this insurance shall be extended to cover:

A6.1.1 extra charges for overtime, night work, work on public holidays and express freight (excluding air freight) arising from a claim but limited to 10% of the amount of the adjusted claim;

A6.1.2 subject to such extra charges being incurred solely and directly for the repair or replacement of Insured Property lost or damaged by an insured peril.

A7 Extension of cover for employer's property

A7.1 It is agreed and understood that notwithstanding Exception 4.6.6 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section II of this insurance shall be extended to indemnify the Insured for:

A7.1.1 liability in respect of loss of or damage to any building, structure or property belonging to the Employer in the care, custody or control of an insured Contractor in connection with the execution of the insured Contract;

A7.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Insurers shall not be liable for the amount of excess shown in the Schedule.

A7.3 The liability of Insurers in respect of loss of or damage to the Employer's property held in care, custody or control shall not exceed the aggregate limit shown in the Schedule during Period of Insurance.

A8 Extension of cover to employer's employees as visitors

It is agreed and understood that otherwise subject to the terms, exclusions, provision and conditions other than those which are inconsistent with this paragraph contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section II of this insurance shall be extended to indemnify the Insured for liability in respect of death, bodily injury, illness or disease suffered by any direct employee under a contract of service for the Employer. However, the coverage is restricted to those parties concerned for the purpose of visiting the Site on occasional basis.

B1 Safety precautions

B1.1 Further to General Condition 5.7 the Insured shall:

B1.1.1 take into account the prevailing weather conditions in Hong Kong; construct storage facilities for cement and other materials as water tight structures in areas not exposed to flooding and shall store cement at least 0.6 metres above ground level. The Insurers shall not indemnify the Insured in respect of loss or damage to cement due to rain, flood or other forms of ingress of water unless the cement storage structures also suffer damage by a cause indemnifiable under the Policy;

B1.1.2 take all reasonable measures to secure the Site against unauthorised entry and shall have watchman on guard 24 hours a day 7 days a week;

B1.1.3 take all reasonable precautions against fire hazards and provide and maintain fire fighting equipment.

B2 Special conditions for underground services

B2.1 The Insurers shall not indemnify the Insured in respect of liability as result of loss of or damage to existing underground services (such as water, gas and sewage pipes, electric and telephone cables) unless:

B2.1.1 prior to the commencement of excavation the Insured has inquired with the relevant authorities about the exact position of such services; and

B2.1.2 in the event of the relevant authorities indicating the presence of such services in the vicinity of the Site the Insured shall proceed to locate such services by the hand-digging of trial pits prior to any mechanical excavation; and

B2.1.3 if such services cannot be located by hand-digging the Insured shall approach each relevant authority and seek their assistance in locating its services.

B2.2 The liability of Insurers shall be restricted to the cost of repair or replacement or reinstatement of such damaged services and shall not extend to cover any consequential loss resulting from the interruption of the service.

B2.3 In respect of each and every occurrence of loss or damage indemnifiable under this clause the Insurers shall not be liable for the amount of excess shown in the Schedule.

B3 Special conditions for underground work

B3.1 The Insurers shall not indemnify the Insured in respect of :

B3.1.1 the cost of grouting of soft rock areas and/or other additional safety measures unless such costs are incurred in accordance with General Condition 5.8.2;

- B3.1.2 all costs and additional expenses resulting from the refilling of cavities caused by excavation in excess of the minimum excavation provided for in the Specifications of the insured Contract (i.e. overbreak);
- B3.1.3 expenses incurred for dewatering unless such expenses are incurred in accordance with General Condition 5.8.2;
- B3.1.4 loss or damage due to breakdown of the dewatering system if such breakdown would have been avoided by sufficient standby facilities;
- B3.1.5 expenses incurred for additional installations and facilities for the discharge of run-off and/or underground water;
- B3.1.6 all costs and expenses arising out of misalignment or abandonment of the Insured Property or any part thereof whether in connection with a claim or otherwise.

B4 Special conditions for marine work

- B4.1 The Insurers shall not indemnify the Insured for:
 - B4.1.1 loss of or damage to the Insured Property due to normal action of the sea which shall be deemed to mean the state of the sea which occurs up to No. 8 on the Beaufort Scale or which occurs in connection with any typhoon other than a typhoon necessitating hoisting of the Number Eight Signal or higher;
 - B4.1.2 the cost of dredging or redredging, overdredging or loss or damage resulting therefrom;
 - B4.1.3 the loss of fill material.

B5 Special excess clauses

- B5.1 The following clauses are supplementary and may be applied individually:
 - B5.1.1 In respect of each and every occurrence of loss or damage indemnifiable under Section I the Insurers shall not be liable for the amount of excess shown in the Schedule of such loss of or damage to the Works caused by theft burglary or robbery.
 - B5.1.2 In respect of each and every occurrence of loss or damage indemnifiable under Section I the Insurers shall not be liable for the amount of excess shown in the Schedule of such loss or damage to hydroseeding.