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Tel: 2521 1881 Fax: 2521 1919 Email: vip@sunflowergroup.com.hk www.sunflowerVIP.com
Thank you for considering Sun Flower to be one of your selected intermediaries.
We are pleased to get in touch should you have any enquiry regarding the captioned insurance.



TOKIO MARINE

東京海上火災保險(香港)有限公司
The Tokio Marine and Fire Insurance Co.(HK) Ltd.
27A, United Centre, 95 Queensway, Hong Kong
Tel. (852) 2529 4401 Fax. (852) 2529 2509
<http://www.tokiomarine.com.hk>

INTERIOR DECORATION PACKAGE

IMPORTANT NOTICE

This Policy is an important document. You are requested to examine it carefully, with particular attention to the detailed terms, exclusions and conditions. If anything is unclear, incorrect or it is not in accordance with your intentions, please contact us or your Insurance Broker/Agent immediately.

PERSONAL INFORMATION COLLECTION STATEMENT

The information you provided to The Tokio Marine and Fire Insurance Co. (HK) Ltd. ("the Company") is collected to enable the Company to carry on insurance business and may be used for the purpose of:

- any insurance or financial related product or service or any alterations, variations, cancellation or renewal of such product or service;
- any claim or investigation or analysis of such claim; and
- exercising any right of subrogation

and may be transferred to

- any related company or any other company carrying on insurance or reinsurance related business or an intermediary of a claim or investigation; or other service provider providing services relevant to insurance business for any of the above or related purposes;
- any association, federation or similar organization of insurance companies ("the Federation") that exists or is formed from time to time for any of the above or related purposes or to enable the Federation to carry out its regulatory functions or such other functions that may be assigned to the Federation from time to time and are reasonably required in the interest of the insurance industry or any member(s) of the Federation;
- any members of the Federation by the Federation for any of the above or related purposes; and
- government agencies and authorities as required or permitted by law

Moreover, the Company is hereby authorized to obtain access to and/or to verify any of your data with the information collected by the Federation from the insurance industry.

You have the right to obtain, to access to and to request correction of any personal information concerning yourself held by the Company. Requests for such access can be made in writing to our Compliance Officer, 27A, United Centre, 95 Queensway, Hong Kong.



1. MATERIAL DAMAGE & THIRD PARTY LIABILITY SECTIONS I & II

(operative only if indicated in the Schedule)

1.1 NOW THESE SECTIONS WITNESSETH that in consideration of the Insured having paid or agreed to pay to The Tokio Marine and Fire Insurance Co. (HK) Ltd. (hereinafter referred to as "the Company") the premium stated in the said Schedule.

1.2 THE COMPANY 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 Company shall have accepted premium the Insured shall sustain loss or damage or shall incur liability in the circumstances provided for by these Sections and defined herein the Company shall indemnify the Insured in the manner hereinafter described.

2. GENERAL EXCEPTIONS (Applicable to Sections I & II)

2.1 The Company 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 organisation with activities directed towards the overthrow or influencing of a government, de jure or de facto, by force, confiscation, nationalisation, 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 organisation. 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, ionising 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 Company 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 these Sections I & II or any endorsement thereto, it is understood and agreed as follows:

(i) These Sections I & II do 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, these Sections I & II, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by the 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 Sections I & II or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by these Sections I & II suffer physical loss or damage insured by these Sections I & II, 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 HK\$1,000,000 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 these Sections I & II 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 these Sections I & II 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 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.

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

2.5 Terrorism Exclusion Clause for Contamination and Explosives

It is agreed that, regardless of any contributory causes, this insurance 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 exclusion 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 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.

2.6 Products and Completed Operations Exclusion

Notwithstanding anything to the contrary contained in these Sections I & II, these Sections I & II excludes liability arising out of your Products or the Completed Operations Hazard.

"Completed Operations Hazard" includes bodily injury or death and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or death and property damages occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named insured.

"Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:-

1. When all operations to be performed by or on behalf of the named insured under the contract have been completed,
2. When all operations to be performed by or on behalf of the named insured at the site of the operations have been completed, or
3. When the portion of the work out of which the injury or death or damage arises has been put to its intended use by any person or organization other than another contractor or sub-contractor engaged in performing operations for an employer as a part of the same project.

Operations which may require further service or maintenance work, or connection, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

2.7 IT Clarification Clause

Property damage covered under this insurance 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 following are excluded from this insurance:

- 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.

2.8 These Sections I & II do not indemnify the Insured in respect of any claim arising in connection with any erection and demolition of scaffolding works.

2.9 These Sections 1 & II do not indemnify the Insured in respect of any claim arising in connection with work on construction site for the purpose of these Sections I & II. The construction site is deemed to mean any site in the course of construction and/or prior to the issue of the necessary occupation permit from the local authorities concerned for the building thereon.

2.10 Cyber Exclusion

This Policy does not apply to and specifically excludes losses of any kind directly or indirectly caused by, arising from, or consisting of, in whole or in part:

- (A) The use or misuse of the internet or similar facility
- (B) Any electronic transmission of data or other information
- (C) Any computer virus or similar problem
- (D) The use or misuse of any internet address; web site or similar facility
- (E) Any data or other information posted on a web site or similar facility
- (F) Any loss of data or damage to any computer system, including but not limited to hardware or software (unless such loss or damage is caused by an earthquake, a fire, a flood, or a storm);
- (G) The functioning or malfunctioning of the internet or similar facility, or of any internet address, web site or similar facility (unless such malfunctioning is caused by an earthquake, a fire, a flood, a storm); or
- (H) Any infringement, whether intentional or unintentional, or intellectual property rights (including but not limited to trademark, copyright or patent).



3. SECTION I - MATERIAL DAMAGE

- 3.1 The Company 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 Company 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 Company 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 Company 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.
- 3.4.12 loss or damage which is not unforeseen or non-accidental or non-physical in nature.

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 is found that the Sums Insured are less than the amounts required to be insured the amount recoverable under this Section 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 Section 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 HK\$100,000, 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 Section.
- 3.9 Removal of Debris
The insurance under Section I extends to cover cost and expenses necessarily incurred by the Insured with the consent of the Company in :
- (a) removing debris,
 - (b) dismantling and/or demolishing,
 - (c) shoring up or propping of the portion or portions of the Property Insured of this Section destroyed or damaged by fire or by any other peril hereby insured against subject to a maximum limit 5% of total contract sum.

4. SECTION II - LIABILITY TO THIRD PARTY

- 4.1 The Company 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 Company 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 the Policy the Company 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 Company 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 Section 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 Company 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 Section shall not respond in respect of claims arising out of death of or 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 anyone occurrence or series of occurrences as stated in the Schedule.
- 4.5 Provided always that the aggregate liability of the Company shall not be increased beyond the limit of indemnity specified in the Schedule.

EXCEPTIONS TO SECTION II

- 4.6 The Company 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 Section;
- 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.
- 4.6.11 liability in respect of claims arising out of any structural alterations without granting permission from relevant authorities.
- 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 (Applicable to Sections I & II)

- 5.1 These Sections I & II shall be construed according to the laws of Hong Kong.
- 5.2 The Sections I & II 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 these Sections I & II 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 Company 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", "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.
- 5.5 If any change shall occur materially varying any of the facts upon which these Sections I & II are based the Insured shall immediately give notice in writing to the Company 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 Company 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 these Sections I & II the Insured shall:
- 5.8.1 notify the Company 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 Company take such immediate action as is necessary to minimise the loss provided that such expense shall not increase the Company ultimate loss;
 - 5.8.3 keep parts affected and make them available for inspection by a representative or surveyor of the Company for a reasonable period of time but the Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not;
 - 5.8.4 submit a formal claim and furnish all such information and documentary evidence as the Company may require within six months of the occurrence or such further time as the Company 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 Company upon receipt any writ summons or other proceedings which may be commenced against the Insured;
 - 5.8.7 give to the Company all information and assistance to enable the Company to settle or resist any claim or institute proceedings.
- 5.9 In the event of a claim or claims arising for which the Company could be liable under these Sections I & II the Company 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 these Sections I & II;
 - 5.9.3 to pay to the Insured in respect of any claim or claims the maximum liability of the Company 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 Company 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 Company may be liable hereunder.
- 5.10 The Insured shall not negotiate, pay, settle, admit or repudiate any claim under these Sections I & II without the written consent of the Company.
- 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 All differences arising out of these Sections I & II shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties or in case the Arbitrators do not agree of an Umpire appointed by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an award shall be a condition precedent to any right of action against the Company. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve 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.
- 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 these Sections I & II 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.

6. MEMORANDUM

- 6.1 Temporary Removal (Applicable to Section I)
It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon this insurance shall be extended to cover loss of or damage to Insured Employer's furniture, home appliances &/or personal clothing occurring while in the course of removal by professional removers from temporary resident to the premises after completion of decoration and / or renovation, subject to a limit of HK\$10,000 in aggregate and excess of HK\$2,000 for each and every loss.
- 6.2 A7 Extension of Cover for Employer's Property (Applicable to Section II)
- 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, Section II of this insurance shall be extended to indemnify the Insured for:-
 - A7.1.1 liability in respect of loss 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 Company shall not be liable for the first HK\$15,000.00 or 15% of adjusted loss whichever is the greater.
 - A7.3 The liability of Company in respect of loss of or damage to the Employer's property held in care, custody or control shall during the period of insurance not exceed HK\$2,000,000.00 in aggregate.



- 6.3 A1 Extension of Cover for Vibration or Removal or Weakening of Support (Applicable to Section II)
- A1.1 It is agreed and understood that notwithstanding Exception 4.6.5 under Exceptions to Section II 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 have 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 the 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 Company 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 Company shall not be liable for the first HK\$15,000.00 or 15% of adjusted loss whichever is the greater.
- A1.3 The liability of Company in respect of damage caused by vibration or removal or weakening of support shall during the Period of Insurance not exceed HK\$2,000,000.00 in aggregate.
- 6.4 Sanction Limitation and Exclusion Clause (Applicable to all Section)
The Company shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that the Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- 6.5 Contracts (Rights of Third Parties) (Applicable to all Section)
Any person or entity who is not a party to this Policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) to enforce any terms of this Policy.

7.

EMPLOYEES' COMPENSATION SECTION III

(operative only if indicated in the Schedule)

7.1 INSURING CLAUSE

NOW THIS SECTION WITNESSETH that if any Employee in the Insured's immediate employ as specified in the Schedule and defined below shall sustain bodily injury or death by Accident occurring or Disease contracted during the Period of Insurance within the Geographical Area and arising out of and in the course of his employment by the Insured in the Business

THE COMPANY WILL subject to this Section Limit of Indemnity and to the Schedule and to the terms exceptions and conditions contained in or endorsed on this Section (all of which are hereinafter collectively referred to as "the Terms of this Section") indemnify the Insured against his legal liability in respect of such bodily injury or death under the Ordinance and independently of the Ordinance to pay compensation and damages and claimant's costs and expenses and also indemnify the Insured against costs and expenses incurred by or on behalf of the Insured with the Company's written consent in connection therewith

PROVIDED THAT in the event of any change to the Ordinance during or subsequent to the Period of Insurance altering the legal liability of the Insured under the Ordinance the liability of the Company under this Section shall be limited to such sums as the Company would have been liable to pay if the Ordinance had remained unaltered

FURTHER PROVIDED THAT:

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

THE COMPANY WILL ALSO in the event of the death of the Insured indemnify the Insured's legal personal representatives in the Terms of this Section in respect of liability incurred by the Insured provided that such legal personal representatives shall as though they were the Insured observe fulfill and be subject to the Terms of this Section in as far as they can apply.

7.2 DEFINITIONS

For the purposes of this Section:

- (a) "Accident" means an accident or a series of accidents arising out of one event.
- (b) "The Business" means the usual work and activities carried on by the Insured pertaining to his business as specified in the Schedule and no others.
- (c) "The Company" means The Tokio Marine and Fire Insurance Co. (HK) Ltd.
- (d) "The Company's Indemnity" means indemnity provided under this Section including costs and expenses incurred by or on behalf of the Insured with the Company's written consent.
- (e) "Disease" means a disease contracted by an Employee of the Insured as a result of his exposure to the nature of his employment with the Insured. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance under this Section.
- (f) "Earnings" means all gross wages salaries remunerations commissions bonuses overtime termination payments allowances and the like directors' fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in kind by the Insured to his Employees.



- (g) "Employee" has the same meaning as assigned to that expression in the Ordinance.
- (h) "The Insured" means only the person or persons specified as such in the Schedule and no others.
- (i) "Noise-Induced Deafness" has the same meaning as assigned to that expression in the Occupational Deafness (Compensation) Ordinance (Chapter 469 of the laws of Hong Kong).
- (j) "The Ordinance" means the Employees' Compensation Ordinance (Chapter 282 of the laws of Hong Kong).
- (k) "Pneumoconiosis" and "Mesothelioma" have the same meaning as assigned to those expressions in the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Chapter 360 of the laws of Hong Kong).
- (l) "This Section" means this Employees' Compensation Insurance Section the Schedule and any memoranda and endorsements contained herein or endorsed hereon which shall be read together as one document and any word or expression to which a specific meaning has been assigned shall bear such meaning throughout.
- (m) "The Proposal and Declaration" means any signed proposal form and declaration and any information supplied by or on behalf of the Insured in addition thereto or in substitution therefor.
- (n) Unless the context otherwise requires, words and expressions importing the masculine gender also include the feminine and neuter genders and words and expressions in the singular include the plural and words and expressions in the plural include the singular.

7.3 LIMIT OF INDEMNITY

- (a) In respect of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Section the Company's indemnity to the Insured shall in the aggregate be limited to the amount specified in the Schedule as "Policy Limit of Indemnity" irrespective of the number of Employees who may sustain bodily injury or death consequent on or attributable to the same occurrence of Accident or Disease.
- (b) In relation to any liability of the Insured in respect of a Disease contracted by an Employee due to the nature of his employment with the Insured which nature of employment applies during a period that extends over more than one policy period of insurance:
 - (i) the aggregate of the Company's Indemnity to the Insured under all insurance policies shall not exceed the limit of indemnity of the insurance policy that was in force at the time the nature of the Employee's employment to which such Disease was due first affected the Employee; and
 - (ii) subject to the limitation of paragraph (b)(i) hereof, the Company's Indemnity to the Insured under this Section shall be limited to such proportion of the Insured's liability in respect of such Disease as that part of the Employee's period of employment falling within the Period of Insurance of this Policy bears to the total period of his employment to the nature of which such Disease was due.
- (c) If the occurrence of any Accident or Disease results in indemnity hereunder to more than one Insured, the limitations of the Company's liability specified in paragraphs (a) and (b) hereof shall apply to the aggregate of indemnity to all Insureds.
- (d) At any time after the occurrence of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Section the Company may pay to the Insured the full amount of the Company's liability specified in paragraph (a) or (b) hereof (after the deduction of any sums already paid) or any lesser amount for which such claim or claims can be settled and shall relinquish the conduct of any defence settlement or proceedings relating to such claim or claims and shall not thereafter be responsible for any compensation damages or costs in respect thereof or for any costs or expenses whatsoever incurred by the Insured after the Company shall have relinquished such conduct or for any loss damage or expenses caused to the Insured in consequence of any act or omission of the Company in connection therewith or of the Company relinquishing such conduct.
- (e) If there should be any shortfall in the actual Earnings declared in accordance with paragraph (b) of INSURANCE PREMIUM of this Section from the respective actual Earnings, the extent of the Company's Indemnity shall be reduced proportionately by the extent of under-insurance; and the balance shall be borne by the Insured himself. If no declaration of the actual Earnings by the Insured is received by the Company as prescribed, for the purpose of this clause the Earnings estimated by the Insured as at the commencement of the Period of Insurance shall be used in lieu of the actual earnings that should have been declared to determine the extent of the under-insurance, if any.

7.4 JURISDICTION CLAUSE

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

7.5 EXCEPTIONS

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

- (a) the Insured's liability to employees of contractors to the Insured;
- (b) any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- (c) any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party;
- (d) any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
- (e) the Insured's liability to any person who is not an employee of the Insured within the meaning of the Ordinance;
- (f) any late payment surcharge fines penalties or punitive aggravated or exemplary damages for which the Insured may become liable under the Ordinance or independently of the Ordinance;
- (g) any injury by Accident or Disease attributable to war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war mutiny rebellion revolution insurrection or military or usurped power;
- (h) any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (i) nuclear weapons material;
 - (ii) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purposes of this Exception combustion shall include any self-sustaining process of nuclear fission;
- (i) any injury by Accident or Disease where the Company has not been given sufficient notice of the institution of proceedings in a court or tribunal to enable the Company to be added as a party to the proceedings.
- (j) any liability arising directly or indirectly out of, caused by or in connection with the existence, handling, processing, manufacturing, mining, sale, transportation, distribution, storage, use, removal, remediation, treatment, disposal or escape of (1) asbestos or silica dust and (2) asbestos, asbestos products or any product containing asbestos.



- (k) the Insured's liability to any self-employed Persons or Sole-Proprietors or employees of nominated contractors &/or separate specialist contractors who directly contracted with the Employer &/or their respective sub-contractors of any tier engaged in the Business/Insured Project of the Insured
- (l) the Insured's liability to employees in respect of any claim arising in connection with any erection and demolition of scaffolding works.
- (m) the Insured's liability to employees in respect of any claim arising in connection with work on construction site for the purpose of this Section. The construction site is deemed to mean any site in the course of construction and/or prior to the issue of the necessary occupation permit from the local authorities concerned for the building thereon.
- (n) the Insured in respect of any claim arising in connection with work at a height exceeding 9 metres above ground or floor level.
- (o) Employees of any Parties other than Contractors Exclusion Clause
Notwithstanding anything contained therein to the contrary and the provisions of Endorsement No. W348, this Policy does not cover the liability of any of the parties jointly described as the Insured to any person in the immediate service or under the employment of the Employer(s) &/or Property Management Company(ies) &/or Landlord(s) arising out of any disease, death or bodily injury of such person.
Subject to otherwise to the terms of this section.
- (p) the Insured's liability to any Employee who has not been specified in the Schedule.

7.6 AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

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

7.7 INSURANCE PREMIUM

- (a) Prior to the commencement of the Period of Insurance, the Insured shall supply the Company with a declaration estimating the Earnings of the Employees to be covered by this Section (whose particulars have now been specified in the Schedule) during the Period of Insurance (which declaration is referred to herein as "the Estimated Earnings Declaration") on the basis of which a deposit premium becomes payable to the Company.
- (b) The Insured shall within ninety (90) days after the expiry of the Period of Insurance or upon cancellation of this Section supply the Company with a completed Premium Adjustment and Declaration of Earnings Form stating the actual Earnings of Employees covered by this Section (whose particulars have now been specified in the Schedule) and provide the relevant supporting documents during the Period of Insurance (which declaration is referred to herein as "the Actual Earnings Declaration"). If the actual Earnings shall differ from the estimated Earnings the difference in premium shall be met by a further proportionate adjustment premium to be paid to the Company or by a premium refund to the Insured as the case may be. Employees who do not fall within the occupations, description set out in the Schedule of this Section are not Employees covered by the Policy and would not be taken into account for premium adjustment purpose
- (c) It is hereby declared that the Premium payable by the Insured in consideration of the indemnity provided under this Section is the sum of the deposit premium and the adjustment premium calculated pursuant to paragraphs (a) and (b) hereof.
- (d) The name Hong Kong Identity Card number class of employment and Earnings of every Employee of the Insured covered by this Section (whose particulars are specified in the Schedule) shall be properly recorded by the Insured and retained in a safe place so that a record exists of all Employees covered by this Section (whose particulars are specified in the Schedule) for the purposes of this Section and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records.

7.8 CLAIMS SETTLEMENT CONDITIONS

- (a) **Claims Notification Demands etc.** In the event of any occurrence which may give rise to a claim under this Section the Insured shall immediately give notice thereof in writing to the Company with full particulars.
The Insured shall also give the Company notice in writing immediately the Insured becomes aware of any intention to prosecute the Insured any impending prosecution inquest or fatal inquiry in connection with any occurrence which may give rise to a claim under this Section. Every letter claim writ summons and process shall be forwarded to the Company immediately on receipt.
- (b) **Claims Control by the Company.** The Company shall be entitled upon notice to the Insured to take over and conduct in the Insured's name the defence or settlement of any claim demand or proceedings against the Insured. In that event:
 - (i) the Insured shall provide all such information and assistance including the latest earnings of all employees duly certified as being correct by an independent auditor and forward all such documents and other records to the Company for the conduct of such claim demand or proceedings as the Company in its discretion may from time to time require; and
 - (ii) the Insured shall not without the written consent of the Company incur any expenditure in connection with any such claim demand or proceedings or make any payment admission offer or enter into any settlement whatsoever.
- (c) **Claims Payments by the Insured.** Where the Insured pays all or any part of a claim for which he is liable and for which indemnity is provided by this Section the Insured shall obtain duly witnessed signed receipts for such payments and shall retain in a safe place all such signed receipts and records and documents relating to such payments and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records and documents.
- (d) **Other Insurance.** This Policy is not to be called upon in contribution and is only to pay any claim hereon if and so far as not recoverable under any other insurance
- (e) **Waiver of Claims.** The Insured shall not become a party to any agreement the effect of which is that the Insured waives any claim which the Insured would otherwise have against any person in respect of or arising out of any occurrence resulting in liability on the part of the Insured for which indemnity is provided by this Section or whereby any such claim is limited or qualified in any way.
- (f) **Subrogation.** The Company shall be entitled at its sole discretion to prosecute in the name of the Insured any claim for damages costs indemnity contribution or otherwise against any person who may be liable to the Insured in respect of any liability on the part of the Insured for which indemnity is provided by this Section and shall have full discretion in the conduct of any such proceedings and in the settlement of any such claim. The Insured shall give all such information and assistance as the Company may from time to time require and execute any necessary documents for the purpose of vesting such rights in the Company. Any moneys recovered pursuant to the exercise of such rights shall be applied firstly for the benefit of the Company to the extent of the amount paid by the Company in respect of any claim including any costs and expenses paid or incurred by the Company and costs and expenses incurred in prosecuting such recovery action.



7.9 GENERAL CONDITIONS

- (a) **Notices.** Every notice or communication to be given or made under this Section shall be delivered in writing to the Company and in the case of notice or communication to the Insured to his address specified in the Schedule.
- (b) **Precautions.** The Insured shall take all reasonable precautions to prevent Accidents and Diseases and shall comply with all relevant statutory requirements and obligations including but not limited to the provisions of the Factories and Industrial Undertakings Ordinance (Chapter 59 of the laws of Hong Kong) and any Regulations Rules or Notices issued made or promulgated thereunder.
- (c) **Changes in Risk.** The Insured shall immediately notify the Company in writing of any material change in the risk insured hereunder made by the Insured or any other person during the Period of Insurance including but not limited to:
- (i) any merger with or acquisition of another company or business; or
 - (ii) the Insured or any subsidiary or holding company of the Insured being placed in voluntary liquidation receivership or liquidation or entering into a composition with its creditors or being unable to pay its debts from its own resources.
- (d) **Right of Inspection.** The Company shall have the right and opportunity at all reasonable times to inspect the works machinery plant and appliances used in the Business.
- (e) **Assignment.** No assignment of interest under this Section shall bind the Company unless the written consent of the Company is first obtained and endorsed hereon.
- (f) **Cancellation.** This Section may be cancelled by the Company or the Insured by written notice of cancellation from one party to the other. Cancellation shall take effect seven (7) days after the date of posting the notice of cancellation and in such event the Premium shall be adjusted in accordance with the provisions of "INSURANCE PREMIUM".
- (g) **Arbitration.** All differences arising out of this Section shall be determined by arbitration in accordance with the Arbitration Ordinance as amended from time to time. If the parties fail to agree upon the choice of the arbitrator, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Section 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.
- (h) **Governing Law.** This Section is subject to the exclusive jurisdiction of Hong Kong and is to be construed according to the laws of Hong Kong.
- (i) **Terrorism.** Notwithstanding any provision to the contrary in this Section or any endorsement thereto it is hereby agreed that in respect of any bodily injury or death by accident or disease ("the Loss") directly or indirectly caused by, resulting from or in connection with any act of terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the Loss:
- (a) the Limit of Indemnity under this Section shall be such amount which the Company actually receives from the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the Government") pursuant to an Agreement for Provision of Facility dated 11th January 2002 between the Government and the Company under which the Government agreed to make available to the Company and other direct insurance companies authorized to underwrite employees' compensation insurance business in Hong Kong a facility to enable them to meet claims under employees' compensation insurance policies in respect of death and injury arising out of an event of terrorism ("the Facility Agreement");
 - (b) the Company will only be required to make payment after it has received from the Government (i) an approval letter confirming that the Company should settle the claim and (ii) payment under the Facility Agreement; and
 - (c) for the avoidance of doubt, the Company shall have no obligation to make payment if for whatever reason it does not receive payment from the Government under the Facility Agreement, whether or not due to the Government's contention that the Loss does not fall within the scope of the Facility Agreement or the Company's breach of the Facility Agreement, or the Loss does fall within the Exceptions or any other conditions leading to no payment for the Loss under the Facility Agreement, or the Facility Agreement ceases in the event that the remaining balance under Facility is exhausted, or the termination of the Facility Agreement by the Government.
- For the purpose of the above an act of terrorism means the use of force or violence or other means or the threat thereof, of any person or persons, whether acting alone or on behalf of or in connection with any organization or government, for political, religious, or ideological purposes with an intention to influence any government and/or to put the public, or any section of the public, in fear.
- If the Company alleges that the Loss falls within the scope of this Endorsement, the burden of proving the contrary shall be upon the Insured.
- In the event any part of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- Words and phrases in this Endorsement shall have the same meaning as in the Section.
- (j) **Endorsement No. W348.** It is hereby understood and agreed that the witnessing clause of this Section is deemed to be deleted and replaced by the following:-
"Now this Policy witnesseth that if any Employee in the immediate employ of any of the parties jointly described as the Insured shall sustain bodily injury or death by accident or disease occurring during the Period of Insurance within the Geographical Area and arising out of and in the course of his employment by the Insured in the Business".
It is further understood and agreed that Exception (a) of this Section is deleted.
Subject otherwise to the Terms of this Section.
- (k) **Endorsement No. W204.** It is hereby understood and agreed that the indemnity herein granted is extended to indemnify the Insured against liability at law (including liability under the Ordinance set out in the Schedule) to Employees in the employ of sub-contractors performing work for the Insured while engaged in the Business in respect of which this Section is granted.
It is further understood and agreed that Exception (a) of this Section is deleted.
Subject otherwise to the Terms of this Section.