

## School Protection Insurance Policy

This is a School Protection Insurance Policy (hereinafter called the "Policy").

Whereas the Insured whose name is shown in the Schedule by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein, has applied to Bolttech Insurance (Hong Kong) Company Limited (hereinafter also called "the Company") for the insurance hereinafter contained and has paid or agreed to pay the premium as consideration of such insurance.

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

Each Section of cover under this Policy is optional and is only operative if so stated in the Schedule.

## 1 Property All Risks

### 1.1 Definitions (For The Purpose of This Section)

#### 1.1.1 The Property Insured

Property as described whilst in the Premises stated in the Schedule.

#### 1.1.2 Damage

Accidental loss of or damage to the Property Insured.

#### 1.1.3 Buildings

The structure of the buildings located at the Situation shown in the Schedule being, unless otherwise specified in the Schedule, built mainly of brick, stone, concrete, or other non-combustible materials and including landlord's fixtures and fittings, walls, gates and fences.

#### 1.1.4 Contents

All contents belonging to the Insured or held by him in trust for which he is responsible including:

1. landlord's fixtures and fittings;
2. tenants' improvements and interior decorations;
3. directors, partners and employees' personal effects;
4. sanitaryware, fixed glass and mirrors;

excluding Money, securities or other negotiable documents, jewellery, watches, furs, precious metals, precious stones or articles composed of any of them or property more specifically insured.

#### 1.1.5 Premises

The Buildings located at the Situation shown, unless otherwise specified in the Schedule.

#### 1.1.6 Money

Money means cash, bank and currency notes, cheques, postal and money orders, crossed bankers' drafts, current postage stamps, unexpired units in franking machines, credit sales vouchers all belonging to the Insured or for which he is responsible.

#### 1.1.7 Money in Transit

Money being conveyed by any employee of the Insured to or from any of the Premises within Hong Kong.

#### 1.1.8 Business

The business or profession as stated in the Schedule conducted solely from the Premises.

#### 1.1.9 Business Hours

The period during which the Insured, his partners, directors or employees are on the Premises for the purposes of the Business.

### 1.2 The Cover

**1.2.1** If during the Period of Insurance the Property Insured or any part thereof shall be accidentally lost, destroyed or damaged, the Company will by payment, replacement, repair or reinstatement indemnify the Insured for the amount of such Damage.

Deductions for wear, tear and depreciation shall not be made provided that costs incurred for reinstatement or replacement are to a condition similar but not better than new and the Sum Insured must be adequate to pay for the replacement of all the Property Insured when being totally damaged.

#### 1.2.2 Limit of Liability

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

1. the estimated cost of repair if the property damaged can be repaired but it is not so repaired;
2. the market value of the Property Insured at the time of the Damage if such Property is not so replaced;
3. in the whole the Total Sum Insured or in respect of any Item its Sum Insured or any other Limit of Liability stated in the Schedule or in the Policy at the time of the Damage;
4. the Sum Insured remaining after deduction for any other Damage occurring during the same Period of Insurance, unless the Company has agreed to reinstate any such Sum Insured.
5. HK\$3,000 per person in respect of directors, partners and employees' personal effects.

### 1.3 Extensions to Section 1

#### (Coverage for These Extensions are Provided if so Stated in The Schedule)

The Sum Insured is inclusive of the limit of liability under the following extensions except 1.3.1 and 1.3.2 which is payable in addition to the Sum Insured under this Section.

#### 1.3.1 Money

In respect of loss of or damage to Money in Transit within Hong Kong; or on the Premises provided that it being kept in locked drawer, safe or strongroom after Business Hours, the Company will indemnify the Insured against such loss or damage subject to the limit of HK\$20,000.

#### 1.3.2 Additional Expenditure

In the event of Damage to the Contents or Buildings occurring on the Premises for which the Company is liable, the Company will indemnify the Insured for the additional expenditure necessarily and reasonably incurred for an amount not exceeding HK\$500,000 in order to minimise any interruption or interference with the Business during the indemnity period. For the purposes of this Extension, "indemnity period" means the period of beginning with the occurrence of such Damage and ending not later than twelve (12) months thereafter during which the results of the Business are affected in consequence of such Damage.

Additional expenditure shall include cost of moving to and from and the additional rent of temporary premises, any compensation or premium necessary to obtain use of same, additional expenses incurred in installing and/or hiring such furniture, fixtures, suitable for occupation as schools; additional cost in respect of lighting, heating and water, additional cost in respect of telephone, stationery, advertising, printing and travelling expenses; additional cost in respect of additional staff and overtime and allowances for meals to existing staff; additional cost of obtaining, owing to such Damage, the necessary information for the replacement of all deeds, documents, plans, drawings, specifications, valuations, card indices and books of account.

#### 1.3.3 Underground Services

The insurance by this Section extends to include the cost of repairing accidentally damaged underground water, gas, oil, sewer and drain, pipes, underground electricity, telephone and telephone cables for which the Insured is responsible excluding clearance of blockage unless caused by an event insured by this Section. The Company's maximum liability under this extension shall not exceed 5% of the Sum Insured on Buildings.

#### 1.3.4 Locks and Keys

In the event of theft or attempted theft by force and violence, this Extension will cover the cost of replacing locks or lock mechanisms and keys necessary to maintain the security of the Premises for an amount not exceeding HK\$5,000 any one occurrence of theft provided that the keys of any safe or strongroom are removed from the Premises when they are closed for business.

#### 1.3.5 Fire Extinguishers and Sprinklers

The Company will pay the reasonable costs incurred by the Insured up to the limit of HK\$5,000 in refilling fire extinguishing appliances and replacing sprinkler heads solely in consequence of Damage.

#### 1.3.6 Professional Fees

The Sum Insured under each item includes an amount not exceeding 4% of the respective Sum Insured in respect of reasonable professional fees necessarily incurred by the Insured with the written consent of the Company in the reinstatement of the Property Insured consequent upon its Damage but not for preparing any claim.

Professional fees shall include architects', surveyors' and consulting engineers' fees or other professional fees which shall not exceed that authorised under the scale authorised by their respective professional bodies.

#### 1.3.7 Removal of Debris

The Sum Insured under each item includes an amount in respect of costs and expenses necessarily incurred by the Insured with the written consent of the Company in removing debris, dismantling, demolishing, shoring up and propping of that portion or portions of the Property Insured affected by the Damage. The Company's maximum liability of this extension shall not exceed 10% of the respective Sum Insured.

### 1.3.8 Capital Additions

The insurance by this Section extends to include any newly acquired property, or any alterations, additions and improvements to the Property Insured for an amount not exceeding 10% of the Sum Insured by the Item, it being understood that the Insured will declare within 6 months the value of any such addition or alteration and pay the appropriate additional premium required from the inception of the additional cover.

### 1.3.9 Temporary Removal

Loss of or damage to Contents being temporarily removed from the Premises for cleaning, renovation, repair or other similar purposes elsewhere on the same Premises or to other Premises including whilst in transit within Hong Kong in connection with the Business. The Company's maximum liability under this extension shall not exceed 15% of the Sum Insured on Contents.

### 1.3.10 Loss of Rent

The insurance by this Section extends to cover loss of rent the Insured is liable to pay following loss or damage which renders the Premises or any part of the Premises unfit for occupation by the Insured but only in respect of the period necessary for reinstatement. The Company's maximum liability under this extension shall not exceed 25% of the Sum Insured by this Section.

### 1.3.11 Damage to the Premises

The insurance by this Section extends to cover Damage for which the Insured is responsible caused by theft to the Premises. The Company's maximum liability under this extension shall not exceed 10% of the Sum Insured on Contents.

### 1.3.12 Alterations or Repairs

Loss of or Damage to the Property Insured hereunder shall not be prejudiced by any alteration, repair, decoration or maintenance works performed on the Premises, provided that the contract value of each such works shall not exceed HK\$150,000.

## 1.4 Exclusions To Section 1

### 1.4.1 This Section does not cover:

- a) the first HK\$3,000 of each and every loss or damage but this shall not apply to loss or damage caused by fire, lightning or explosion, to theft involving forcible and violent entry into or exit from the Premises, or to loss of Money (see 1.4.1b) as below);
- b) the first HK\$500 of each and every loss of Money as described in Extension (1.3.1);
- c) loss of Money not accompanied by forcible and violent entry to or exit from the Premises;
- d) loss of Money not reported to the police;
- e) loss of Money resulting from a drawer, a safe or a strongroom being opened by a key or a combination code left on the Premises out of the Business Hours;
- f) property more specifically insured;
- g) deeds, evidence of debt, curios, watches (except stop watches), jewellery, precious stones, precious metals, bullion, furs, rare books or works of art;
- h) stamp collections (but not excluding current postage stamps), bonds, credit cards or securities of any description;
- i) medals, souvenir flags, and the like awarded to the Insured;
- j) goods held in trust or on commission, documents, manuscripts, business books, computer systems records, patterns, models, moulds, plans, design, explosives;
- k) property in transit but not excluding Contents temporarily removed as described in Extension (1.3.9) - Temporary Removal above;
- l) property or structures in course of construction or erection, construction plant and equipment, materials or supplies in connection with all such property in course of construction or erection;
- m) land, roads, pavements, piers, jetties, bridges, culverts, excavations;
- n) livestock, growing crops or trees;
- o) property being worked on or damaged as a result of its undergoing any process of manufacture, repair, alteration or servicing;

- p) Damage to property which at the time of the happening of such Damage is insured by or would but for the existence of this Section be insured by any other policy except in respect of any excess beyond the amount which would have been payable under such other policy had this Section of the Policy not been effected;
- q) Vehicles licensed for road use (including accessories thereon).

**1.4.2** This Section does not cover loss or damage caused by or arising from:

- a) frost, subsidence, ground heave, landslide, coastal erosion, settlement, wear and tear;
- b) rot, mildew, rust, corrosion, insects, woodworm, vermin, dyeing, scratching, cleaning, repair, renovation;
- c) faulty manipulation, design, plan, specification or materials;
- d) gradual deterioration, market depreciation or any depreciation in values;
- e) mechanical or electrical breakdown, failure or derangement unless accompanied by other damage for which indemnity is provided by this Section;
- f) disappearance, misfiling or misplacing of information, any shortage arising from errors or omissions, or revealed only at the time of stocktaking or making of an inventory and not identifiable with a specific occurrence insured by this Section;
- g) loss of or Damage to Property Insured from any unattended vehicle;
- h) fraud, lack of integrity, infidelity or dishonesty of any member of the Insured's household or any of his directors, partners or employees;
- i) change in temperature, colour, flavour, texture or finish;
- j) erasure or distortion of information on computer systems or other records whilst mounted in or on any machine or data processing apparatus or due to the presence of magnetic flux unless caused by damage to the machine or apparatus in which the records are mounted;
- k) consequential loss of any kind except under Extension 1.3.2 and 1.3.10 above;
- l) theft not accompanied by forcible and violent entry to or exit from the Premises.

## 1.5 Conditions to Section 1

### 1.5.1 Average (Underinsurance)

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

### 1.5.2 Pair And Set

Where any insured item consists of articles in a pair or set, this Policy is not to pay more than the value of any particular part or parts which may be lost, without reference to any special value which such articles may have as part of such pair or set; nor more than a proportionate part of the insured value of the pair or set.

## 2 Public Liability

### 2.1 Definitions (For The Purpose Of This Section)

#### 2.1.1 Business

In respect of this Section the business or profession as stated in the Schedule conducted solely from the Premises and including the ownership, maintenance and repair of the Premises; the provision and management of canteens, social, sports or welfare organizations for the benefits of Employees, and the ambulance, first aid and fire services of the Insured.

#### 2.1.2 Bodily Injury

Bodily injury, sickness or disease sustained by a person, including death resulting therefrom.

#### 2.1.3 Property Damage

Loss of or physical damage to tangible property including any resulting loss of use of that property.

#### 2.1.4 Premises

The Building located at the Situation shown in the Schedule.

## 2.2 The Cover

**2.2.1** The Company will indemnify the Insured against all sums which the Insured shall become legally liable to pay in respect of:

- a) Accidental Bodily Injury;
- b) Accidental Property Damage;

arising from or caused in connection with the Business of the Insured and occurring during the Period of Insurance within Hong Kong.

The Company will, in addition, pay all costs and expenses of litigation incurred with the written consent of the Company in respect of a claim against the Insured to which the indemnity expressed in this Section applies.

### 2.2.2 Limit of Liability

The liability of the Company under this Section for all compensation payable to any claimant or number of claimants in respect of any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause shall be limited to the amount specified in the Schedule for any one occurrence.

## 2.3 Jurisdiction Clause

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

## 2.4 Extensions to Section 2

### 2.4.1 Indemnity to Other Parties

In the event of a claim being made against any of the Insured's directors, partners, officers, employees or students in such circumstances as could constitute the basis of a claim against the Insured under this Section, the Indemnity provided under this Section shall be extended to such person(s).

The Company shall in the like manner also indemnify the officers, committee members and members of or responsible for the Insured's canteen, social, sports (including extra curricular activities organised by the Insured) and welfare organisations, first aid, fire and ambulance services of and provided by the Insured.

Provided that any of such person(s) claiming indemnity and being treated as though they were individually named as the Insured in this Policy shall observe, fulfill and be subject to the terms and conditions of this Policy insofar as they can apply and that the liability of the Company to all parties indemnified shall not exceed in total the Limit of Liability under this Section.

### 2.4.2 Personal Effects

Exclusion 2.5.5 of this Section shall not apply to personal effects belonging to any guest or visitor of the Insured provided that the liability of the Company shall not exceed HK\$5,000 in respect of any one guest or visitor, HK\$25,000 in all in respect of any one Period of Insurance.

### 2.4.3 Leased, Rented or Hired Premises

Exclusion 2.5.5 of this Section shall not apply to Premises (including their fixtures and fittings) leased, rented or hired to the Insured.

However, this Extension shall not apply to liability attaching to the Insured under the terms of any tenancy or other agreement and would not have attached in the absence of such agreement.

### 2.4.4 Overseas Visits

The indemnity provided by this Section shall extend to include the Insured's legal liability arising from occasional visits outside Hong Kong by any of the Insured's partners, directors or employees in connection with the Business of the Insured, provided that such liability occurs during the Period of Insurance and such partners, directors or employees shall observe, fulfill and be subject to the terms, exclusions, conditions and the Jurisdiction Clause of this Section.

### 2.4.5 Food and Drink

Exclusion 2.5.7 b) of this Section shall not apply to the legal liability of the Insured for Bodily Injury directly caused by or arising out of any food or drink sold, supplied by or through the Insured and consumed on the Premises or other venues where activities organised by the Insured take place.

#### 2.4.6 Alterations or Repair

The indemnity provided by this Section shall extend to include the Insured's legal liability arising from alteration, repair, decoration or maintenance works performed on the Premises provided that the contract value of each such works shall not exceed HK\$ 150,000. And the Company shall not be liable under this extension for any claim recoverable from any valid Third Party Liability Insurance or Third Party Section of Contractors' All Risk Insurance held by the Insured or under which the Insured is entitled to recover upon.

### 2.5 Exclusions to Section 2

This Section does not cover:

- 2.5.1 the first HK\$1,000 of each and every Property Damage claim against the Insured;
- 2.5.2 any liability in respect of fines, penalties, liquidated damages, punitive or exemplary aggravated damages;
- 2.5.3 any liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- 2.5.4 liability in respect of Bodily Injury or Property Damage which results from a deliberate act of the Insured or which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act;
- 2.5.5 liability in respect of loss of or damage to any property belonging to or in the charge or the control of the Insured or any of the Insured's partners, directors and employees;
- 2.5.6 liability in respect of:
  - a) loss of or damage to any goods or other property sold, supplied, delivered, installed or erected by the Insured;
  - b) all costs of or arising from the need for making good, removal, repair, rectification, replacement of any such goods or other property, or any defective work executed by the Insured;
- 2.5.7 liability in respect of Bodily Injury or Property Damage directly or indirectly caused by or arising from:
  - a) bursting of boilers or pressure vessels, fumes, atmospheric or water pollution;
  - b) goods sold, supplied, repaired, serviced, tested or processed by or through the Insured or any person acting on his behalf;
  - c) error or omission in any advice or specification given or treatment rendered by or through the Insured or any person acting on his behalf;
- 2.5.8 any liability arising out of the ownership, possession or used by the Insured or on his behalf of:
  - a) any mechanically propelled vehicle or trailer attached thereto
    - i) licensed for road use or is required by any traffic legislation to be the subject of compulsory insurance or other security;
    - ii) the act of loading and unloading;
  - b) any craft designed to travel in, on or through water, air or space (other than hand-propelled watercraft);
- 2.5.9 liability in respect of Bodily Injury in respect of which statutory compensation is payable by the Insured in his capacity as employer or principal under the Employees' Compensation Ordinance of Hong Kong;
- 2.5.10 liability directly or indirectly occasioned by or through or in consequence of pollution or contamination;
- 2.5.11 any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.
- 2.5.12 liability which is insured by or would but for the existence of this Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy or would have been payable under such other policy had this Section of the Policy not been effected.

## 2.6 Condition to Section 2

### 2.6.1 Discharge Of Liability

The Company may absolve itself from any further liability in connection with any occurrence or all of occurrences which can be attributed to one source or original cause by either:

1. payment of the specified Limit of Liability (after deducting any amounts already paid); or
2. payment of any balance of any maximum Limit of Liability for any one Period of Insurance; whichever is the lesser, together with the amount of any costs and expenses paid to date.

## 3 Employees' Compensation

### 3.1 Definitions (for the purpose of this Section)

#### 3.1.1 The Ordinance

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

#### 3.1.2 Employee

Employee has the same meaning as assigned to that expression in the Ordinance.

#### 3.1.3 Business

The usual work and activities carried on by the Insured pertaining to his business as specified in the Schedule and no others.

#### 3.1.4 Accident

An accident or a series of accidents arising out of one event.

#### 3.1.5 Disease

A disease contracted by an Employee of the Insured as result of his exposure to the nature of his employment with the Insured. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance under this Policy.

#### 3.1.6 Pneumoconiosis and Mesothelioma

They have the same meaning as assigned to those expressions in the Pneumoconiosis & Mesothelioma (Compensation) Ordinance (Chapter 360 of the laws of Hong Kong).

#### 3.1.7 Noise-Induced Deafness

It has the same meaning as assigned to that expression in the Occupational Deafness (Compensation) Ordinance (Chapter 469 of the laws of Hong Kong).

#### 3.1.8 Earnings

All gross wages, salaries, remunerations, commissions, bonuses, overtime, termination payments, allowances and the like, directors' fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in any kind by the Insured to his Employees.

#### 3.1.9 The Company's Indemnity

The indemnity provided under this Section including costs and expenses incurred by or on behalf of the Insured with the Company's written consent.

#### 3.1.10 Geographical Area

Hong Kong Special Administrative Region

### 3.2 The Cover

- 3.2.1** If any Employee in the Insured's immediate employ shall sustain bodily injury or death by Accident occurring or Disease contracted during the Period of Insurance within the Geographical Area and arising out of and in the course of his employment by the Insured in the Business, the Company will subject to the Limit of Liability under this Section and to the terms, exclusions and conditions contained in or endorsed on this Policy (all of which are hereinafter collectively referred to as "the Terms of this Policy") indemnify the Insured against his legal liability in respect of such bodily injury or death under the Ordinance, and independently of the Ordinance to pay compensation and damages and claimant's 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.

It is further provided that:

1. the due observance and fulfilment of the Terms of this Policy in so far as they relate to anything to be done or not to be done or to be complied with by the Insured; and
2. the truth of the statements and answers in the Proposal and Declaration and the Estimated Earnings Declaration and the Actual Earnings Declaration;

shall be conditions precedent to any liability of the Company to make payment or to provide indemnity under this Policy.

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

### **3.2.2 Limit of Liability**

1. In respect of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Section, the Company's Indemnity to the Insured shall in the aggregate be limited to the amount specified in the Schedule as "Limit of Liability" under this Section, irrespective of the number of Employees who may sustain bodily injury or death consequent on or attributable to the same occurrence of Accident or Disease.
2. In relation to any liability of the Insured in respect of a Disease contracted by an Employee due to the nature of his employment with the Insured during a period that extends over more than one policy Period of Insurance:
  - a) the aggregate of the Company's Indemnity to the Insured under all insurance policies shall not exceed the Limit of Liability of the insurance policy that was in force at the time the nature of the Employee's employment to which such Disease was due first affected the Employee; and
  - b) subject to the limitation of paragraph (2)(a) hereof, 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.
3. 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 (1) and (2) hereof shall apply to the aggregate of indemnity to all Insureds.
4. 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 Insured the full amount of the Company's liability specified in paragraph (1) or (2) 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.
5. If there should be any shortfall in the actual Earnings declared in accordance with paragraph (b) of 3.7.1 Insurance Premium of this Policy from the respective actual Earnings, the extent of the Company's Indemnity shall be reduced proportionately by the extent of under-insurance; and the balance shall be borne by the Insured himself. If no declaration of the actual Earnings by the Insured is received by the Company as prescribed, for the purpose of this clause the Earnings estimated by the Insured as at the commencement of the Period of Insurance shall be used in lieu of the actual Earnings that should have been declared to determine the extent of the under-insurance if any.

### 3.3 Extension To Section 3

#### 3.3.1 Business Trips Overseas

The insurance under this Section extends to cover the injury sustained by the non-manual employees on business trips temporarily outside Hong Kong provided that the employees are not domiciled outside Hong Kong.

### 3.4 Jurisdiction Clause

**3.4.1** 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 in Hong Kong Special Administrative Region.

### 3.5 Avoidance of Certain Terms and Right to Recovery

**3.5.1** 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 the amount to the Company.

### 3.6 Exclusion to Section 3

The Company shall not be liable in respect of:

- 3.6.1** the Insured's liability to employees of contractors to the Insured;
- 3.6.2** any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- 3.6.3** any sum which the Insured would have been entitled to recover from any party but for any agreement between the Insured and such party;
- 3.6.4** any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
- 3.6.5** the Insured's liability to any person who is not an employee of the Insured within the meaning of the Ordinance;
- 3.6.6** any late payment, surcharge, fines, penalties or punitive aggravated or exemplary damages for which the Insured may become liable under the Ordinance or independently of the Ordinance;
- 3.6.7** any injury by Accident or Disease attributable to war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, rebellion, revolution, insurrection or military or usurped power;
- 3.6.8** 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
- 3.6.9** any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.

### 3.7 Conditions to Section 3

#### 3.7.1 Insurance Premium

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

### 3.7.2 Claims Settlement

- a) 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) 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 or proceedings against the Insured. In the event:
  - i) the Insured shall provide all such information and assistance 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) 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) If at the time a claim is made by the Insured under this Section there is any other insurance covering the same liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any such claim and costs and expenses in connection therewith.
- e) 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.

### 3.7.3 Precautions

The Insured shall take all reasonable precautions to prevent Accidents and Disease; and shall comply with all relevant statutory requirements and obligations including but not limited to the provisions of the Factories and Industrial Undertakings Ordinance (Chapter 59 of the laws of Hong Kong) and any Regulations, Rules or Notices issued made or promulgated thereunder.

### 3.7.4 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 Period of Insurance including but not limited to:

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

### 3.7.5 Terrorism Endorsement

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

- a) the Limit of Liability shall be such amount which the Company actually receives from the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the Government") pursuant to an Agreement for Provision of Facility dated 11th January 2002 between the Government and the Company under which the Government agreed to make available to the Company and other direct insurance companies authorized to underwrite employees' compensation insurance business in Hong Kong a facility to enable them to meet claims under employees' compensation insurance policies in respect of death and injury arising out of an event of terrorism ("the Facility Agreement");
- b) the Company will only be required to make payment after it has received from the Government (i) an approval letter confirming that the Company should settle the claim and (ii) payment under the Facility Agreement; and
- c) for the avoidance of doubt, the Company shall have no obligation to make payment if for whatever reason it does not receive payment from the Government under the Facility Agreement, whether or not due to the Government's contention that the Loss does not fall within the scope of the Facility Agreement or the Company's breach of the Facility Agreement.

For the purpose of the above an act of terrorism means the use of force or violence or other means or the threat thereof, of any person or persons, whether acting alone or on behalf of or in connection with any organization or government, for political, religious, or ideological purposes with an intention to influence any government and/or to put the public, or any section of the public, in fear.

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

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

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

## 4 Fidelity Guarantee

**(Coverage for this section is provided on condition that insurance for section 3 is taken and so specified in the schedule)**

### 4.1 Definitions (for the purpose of this Section)

#### 4.1.1 Employee

Any person who has entered into or works under a contract of service or apprenticeship with the Insured and within the meaning of "employee" under the Employees' Compensation Ordinance.

### 4.2 The Cover

**4.2.1** The Company will indemnify the Insured for any pecuniary loss sustained in connection with the Business arising from an act or series of acts of fraud or dishonesty committed by an Employee during the Period of Insurance and discovered during the same Period of Insurance; or within 6 months of:

1. the expiry of the same Period of Insurance;
  2. the termination of the contract of employment between the Insured and his employee;
- whichever shall first occur.

#### 4.2.2 Limit of Liability

The liability of the Company for any one act or series of acts of fraud or dishonesty committed during the currency of this Section shall not exceed an amount of HK\$5,000.

### 4.3 Exclusion to Section 4

This Section does not cover:

- 4.3.1 any loss not reported to the Company within 6 months of the act of fraud or dishonesty;
- 4.3.2 loss of interest or consequential loss of any kind.

### 4.4 Conditions of Section 4

- 4.4.1 If at the time of any loss the Insured holds any other security guarantee or insurance covering the same loss, this Section shall not contribute to such loss except in excess of any amount insured thereunder.
- 4.4.2 Any sum of money which but for fraud or dishonesty of an Employee would become payable to that Employee shall be deducted from the amount of the loss before a claim is made under this Section. Any subsequent recovery in respect of fraud or dishonesty for which a claim has been paid under this Section shall be used first to reimburse the Company.
- 4.4.3 It is a condition precedent to the liability of the Company that the Insured shall not continue to trust any Employee with money or goods after the Insured has knowledge of any material fact bearing on the honesty of the Employee unless the Company is advised and its written approval obtained.
- 4.4.4 If required by the Company, the Insured shall provide all information and evidence to the criminal authorities in respect of any fraud or dishonesty committed by an Employee in consequence of a claim under this Section and the Insured shall also prosecute such Employee subject to the payment of the Company for the conviction of all reasonable expenses necessarily incurred.

## 5 Group Personal Accident

### 5.1 Definitions (for the purpose of this Section)

#### 5.1.1 Insured Member

In respect of this Section, Insured Member(s) means the person or group of persons named in the Schedule.

#### 5.1.2 Accident

Accident means death, bodily injury caused by accidental, violent, external and visible means, or exposure consequent on a mishap to the Insured Member.

#### 5.1.3 Death

Death within one year of Accident.

#### 5.1.4 Injury

Bodily injury caused solely by an accident and not by sickness, disease or gradual physical or mental wear or tear.

#### 5.1.5 Loss of Sight

Total loss of sight of an eye which has lasted 3 months of the Insured Member's lifetime and is at the end of that period beyond hope of improvement.

#### 5.1.6 Loss of Hearing

Total loss of hearing which has lasted 3 months of the Insured Member's lifetime and is at the end of that period beyond hope of improvement.

#### 5.1.7 Loss of Limb

Loss by physical severance or permanent and total loss of use of an entire hand or arm or an entire foot or leg.

#### 5.1.8 Permanent Total Disablement

A disablement which permanently, completely and continuously prevents the Insured Member from attending to his usual occupation or any other occupation for which he is fitted by knowledge and training, and which having lasted 1 year of the Insured Member's lifetime is at the end of that period beyond hope of improvement.

### 5.1.9 Medical Expenses

Medical expenses necessarily and reasonably incurred for medical treatment within 1 year of the happening of the Injury provided such treatment is received from a legally qualified and registered medical practitioner.

### 5.1.10 School Campus

The school located at the Situation specified in the Schedule

## 5.2 The Cover

If as a result of any one or more of the Insured Events as specified below any of the Insured Members shall sustain accidental Injury which independently of any other cause results in (1) Death, (2) Permanent Disablement or (3) Medical Expenses incurred, the Company will pay to the Insured or his legal personal representative in respect of each such Member the Amount of Compensation stated in the Schedule.

## 5.3 Insured Events

Accidental Death, Permanent Total Disablement or Medical Expenses caused by or happening during:

- 5.3.1** school-time and inside the School Campus;
- 5.3.2** participating in all schooling and/or educational activities (including training and extracurricular activities) or activities organised or arranged by the Insured
- 5.3.3** travelling by vehicles operated or arranged by the Insured provided that the vehicles are being operated by or on behalf of the Insured or some other person pursuant to arrangement made with the Insured;
- 5.3.4** food or drinks poisoning caused by consuming food or drinks provided by or arranged by the Insured ;
- 5.3.5** the effect of gas inhalation when attending school or activities as described in 5.3.1 and/or 5.3.2 above;
- 5.3.6** the course of travelling to the School Campus for the purpose of attending classes or participating in schooling and/or educational activities (including training and extracurricular activities) organised or arranged by the Insured;

all occurring within the territory of Hong Kong Special Administrative Region.

## 5.4 Compensation (Applicable to each Insured Member)

**5.4.1** Item 1 – Death **HK\$ 120,000**

**5.4.2** Item 2 – Permanent Total Disablement **HK\$ 100,000**

Compensation will be paid in accordance with the following scale subject to a maximum of 100% in respect of any one accident.

Description of Permanent Disablement	Percentage of Maximum Benefits Payable for Item 2
a) Loss of both hands	100
b) Loss of both feet	100
c) Complete and irrecoverable loss of sight in both eyes	100
d) Loss of one hand and one foot	100
e) Loss of one hand or one foot together with the complete and irrecoverable loss of sight in one eye	100
f) Complete and incurable insanity	100
g) Complete and incurable paralysis	100
h) Complete and irrecoverable loss of hearing in both ears	75
i) Loss of right arm or hand	60
j) Loss of the left arm or hand	50
k) Loss of one leg or one foot	50
l) Complete and irrecoverable loss of sight in one eye	50
m) Loss of thumb of right hand	20

n)	Loss of thumb of left hand	15
o)	Loss of index finger of right hand	15
p)	Complete and irrecoverable loss of hearing in on ear	15
q)	Loss of index finger of left hand	10
r)	Loss of any other finger of right hand	6
s)	Loss of any other finger of left hand	5
t)	Loss of big toe	5
u)	Loss of any other toe	3

**5.4.3** Item 3 – Medical Expenses **HK\$ 5,000**  
 in respect of any one accident

## 5.5 Special Provisions to Item 2

- 5.5.1** the complete and irrecoverable loss of use of any part or parts of body specified above shall be deemed to the loss of such part or parts;
- 5.5.2** in the event of partial loss of any part or parts of body specified above a proportionately lower percentage of compensation shall be payable;
- 5.5.3** in the event of Permanent Disablement by physical loss or loss of use not specified above, the percentage of compensation shall be assessed in proportion to the degree of disability as compared with the cases specified without reference to the profession or occupation of the Insured Member.
- 5.5.4** if the Insured Member is left-handed, the percentages relating to the right arm or right hand shall apply to the left arm and left hand respectively and the percentages relating to the left arm or left hand shall apply to the right arm and right hand respectively.
- 5.5.5** when more than one Permanent Disablement arises from one Accident, the percentages are added together but cannot exceed 100% of the Maximum Benefit stated in the Schedule.

## 5.6 Other Limitations

- 5.6.1** This Section shall cease to be in force immediately after the occurrence of any Accident qualifying for payment under items 1, 2a, 2b, 2c, 2d, 2e, 2f, 2g of the Benefits Insured, No premium for the unexpired period will be refund.
- 5.6.2** For all other losses paid which are less than 100% under Item 2, the Sum Insured shall be reduced by the amount paid from the date of the Accident until the expiration of the Policy.
- 5.6.3** Compensation will not be paid more than one of the Items 1 or 2 of the Benefits insured for the consequences of the same Accident.
- 5.6.4** The maximum aggregate liability of the Company in respect of all Insured Members travelling in one aircraft, vehicle or vessel shall not exceed the Aggregate Limit stated in the Schedule or the aggregate of the amount of compensation payable in respect of such Insured Member whichever shall be the less.

## 5.7 Extensions to Section 5

### 5.7.1 Bonesetter & Acupuncturist Treatment Expenses

The Company will pay the bone-setting or acupuncture treatment expenses necessarily and reasonably incurred and supported by receipts from a registered or listed Chinese medicine practitioners carrying on business in Hong Kong for an amount not exceeding HK\$1,000 any one accident for each Insured Member provided that nothing in this Extension shall increase or be deemed to increase the limit of indemnity of HK\$5,000 under Item 3 - Medical Expenses.

## 5.8 Exclusions to Section 5

This Section does not cover:

### 5.8.1 Death or Injury Directly or Indirectly Consequent Upon:

- suicide, self-destruction, self-inflicted injury or any attempt thereof whether sane or insane;
- childbirth or pregnancy notwithstanding that such Injury may have been accelerated or induced by accident;

- c) any pre-existing physical or mental defect or infirmity, intoxication, drug addiction or the influence of alcohol;
- d) HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or any mutant derivative or variations thereof however caused;
- e) engaging in aviation;
- f) engaging in motor rallies or any kind of race (other than on foot) or trial of speed or reliability;
- g) engaging in a sport in a professional capacity or where the Insured Member would or could earn income or remuneration from engaging in such sport;
- h) engaging in parachuting, hang gliding, motor cycling, steeplechasing, ski-jumping, ice hockey, pot-holing, underwater activities requiring the use of compressed air or gas, mountaineering or rock climbing requiring the use of guides or ropes;

**5.8.2** the first HK\$150 in respect of each and every claim for Medical Expenses but this shall not apply to consultation/treatment performed by public hospitals or public clinics.

## **5.9 Conditions to Section 5**

### **5.9.1 Changes**

It is a condition precedent to any liability of the Company that all changes in the employment, occupation, duties, pursuits or any other changes which may increase the possibility of a claim under this Section relating directly or indirectly to an Insured Member be immediately notified in writing to the Company and any additional premium as a result of the changes must be paid on request.

At each renewal date and before payment of any premium for any renewal of this Section, the Insured will advise the Company in writing details of any injury, disease, physical defect or infirmity which has affected an Insured Member and of which the Insured has become aware.

### **5.9.2 Notice of Claim and Treatment**

The Insured shall report in writing as soon as possible full details of any Injury which may result in a claim under this Section and immediately upon the happening of any such Injury the Insured Member shall seek medical attention with a legally qualified and registered medical practitioner shall deem necessary.

### **5.9.3 Written Evidence**

All certificates, information and evidence relating to the Injury must be produced at the expense of any claimant in the form and nature stipulated by the Company and the claimant shall agree to undergo further medical examinations at the expense of and if required by the Company.

### **5.9.4 Age Limit**

The cover by this Section shall not apply to any Insured Member who is aged under 2 or over 70 during the currency of cover.

### **5.9.5 Non Assignment**

The Company will not recognize any notice of trust, charge assignment relating to this Section, and the receipt of the Insured or his legal personal representatives shall in all cases effectively discharge any of the liability of the Company.

## **6 General Exclusions and Conditions**

### **6.1 Exclusions to All Sections**

#### **6.1.1 War and Terrorism Exclusion Endorsement**

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

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

- b) any act of terrorism.

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

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

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

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

Loss, destruction, damage or any consequential loss occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, nationalization, confiscation, requisition, seizure or destruction by the government, municipal, local or any public authority.

#### **6.1.2 Terrorism Exclusion for Contamination & Explosives**

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

- a) biological or chemical contamination
- b) missiles, bombs, grenades, explosives

due to any act of terrorism.

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

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

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

#### **6.1.3 Radioactive Exclusion**

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

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

#### **6.1.4 Government Order**

This Policy excludes any loss, damage, expenses, accident, liability or bodily injury caused directly or indirectly by confiscation, seizure, requisition or destruction by the order of the Government, any public, municipal or local authority.

#### **6.1.5 Property Cyber and Data Endorsement (LMA5400)**

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

- 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;

- 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;
- regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
  3. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
  4. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
  5. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

#### Definitions

6. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
7. Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
8. Cyber Incident means:
  - 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
9. Computer System means:
  - 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
10. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
11. Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

#### 6.1.6 Sanction Exclusion

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

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

#### 6.1.7 Communicable Disease Exclusion Endorsement (LMA 5393 rev) – (Applicable to Sections 1 & 4 only)

1. Notwithstanding any provision to the contrary within this policy, this policy does not insure any loss, damage, liability, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1. for a Communicable Disease, or
  - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

#### 6.1.8 Communicable Disease Exclusion (LMA 5396 rev) – (Applicable to Sections 2 only)

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 3.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

All other terms, conditions and exclusions of the policy remain the same.

### 6.1.9 COVID-19/Pandemic Exclusion – (Applicable to Sections 5 only)

Notwithstanding any provision to the contrary, this insurance excludes any loss, damage, liability, expense, fines, penalties or any other amount directly or indirectly caused by, in connection with, or in any way involving or arising out of any of the following – including any fear or threat thereof, whether actual or perceived :

- Coronavirus (COVID-19) including any mutation or variation thereof; or
- Pandemic or epidemic, as declared as such by the World Health Organization or any governmental authority.

## 6.2 Conditions To All Sections

### 6.2.1 Identification

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

### 6.2.2 Misrepresentation

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

### 6.2.3 Reasonable Precaution

The Insured shall keep the Property Insured secure, in a proper state of repair and take all reasonable precautions to prevent accidents, injury, loss, destruction and damage and take all reasonable steps to observe and comply with all laws, obligations and requirements.

### 6.2.4 Change Of Risk

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

- a) if the Business carried on by the Insured be altered, or if any circumstances affecting the Situation insured be changed in such a way as increase the risk of injury, loss destruction or damage;
- b) if the Situation insured becomes unoccupied and so remains for a period of more than 30 days;
- c) if the Property Insured is removed from the Situation insured;
- d) if the interest in the Property Insured passes from the Insured otherwise than by will or operation of law.

### 6.2.5 Cancellation

This Policy may be cancelled at any time:

- a) by the Insured on notice to that effect being given in writing to the Company, in which case the Company will retain in customary short period rate for the time the Policy has been in force;
- b) by the Company on 7 days' advance notice to that effect being given in writing to the Insured's last known address, in which case the Company shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

### 6.2.6 Claims (Action By The Insured)

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

- a) Immediately
  - i) take steps to minimise the Damage and recover any missing property;
  - ii) give notice in writing to the Company;
  - iii) give notice to the Police in the event of theft or attempted theft and supply them with a full list and description of missing articles;
- b) make no admission of liability or offer promise or payment without the Company's consent

- c) at all times his own expense provide to the Company all such information and available documents or proofs regarding:
  - i) the origins and cause of the Damage and the circumstances under which the Damage occurred;
  - ii) any matter touching the liability or the amount of liability of the Company;as may be reasonably required by the Company, together with a declaration on oath or in other legal form of the truth of the claim and any matters connected therewith.

#### **6.2.7 Forfeiture of Benefits**

All benefits under this Policy shall be forfeited:

- a) if any claim made be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain benefits under this Policy;
- b) if any Damage is caused by the wilful act or with the connivance of the Insured;
- c) if the Insured or any person acting on his behalf shall hinder or obstruct the Company in the exercise of its rights;
- d) in respect of any claim made and rejected if an action or suit be not commenced with twelve months after such rejection;
- e) in respect of any claim where arbitration takes place pursuant to Condition 6.2.12 of this Policy and action or suit be not commenced within twelve months after the making of an arbitration award;
- f) in respect of any claim after the expiration of twelve months from the happening of the Damage, unless such claim is the subject of pending legal action or arbitration.

#### **6.2.8 Possession Rights**

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

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

#### **6.2.9 Option To Reinstate**

The Company may at its option, repair or replace the Property Damage, or any part thereof, instead of paying the amount of the Damage, or may join with any other persons, companies or insurers in so doing, but the Company shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in repair than it would have cost repair such Property as it was at the time of the occurrence of such Damage, nor more than the Sum Insured thereon.

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

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

#### **6.2.10 Subrogation**

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

**6.2.11 Assignment**

No assignment of interest under this Policy shall bind the Company unless the written consent of the Company is first obtained and endorsed hereon.

**6.2.12 Arbitration**

If any difference shall arise as to the amount to be paid under this Policy, such difference shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is hereby expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy, that an arbitration award shall be first obtained.

**6.2.13 Governing Law**

This Policy is subject to the exclusive jurisdiction of Hong Kong Special Administrative Region and is to be construed according to the laws of Hong Kong Special Administrative Region.

**6.2.14 Contracts (Rights of Third Parties) Ordinance**

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.

**6.2.15 Renewal**

The Company will send the Insured a renewal notice with the renewal terms (the terms may be different from this Policy) if the Company desire to renew this Policy. This Policy will be renewed if the required premium and documents for renewal are received by the Company in accordance with the renewal terms. The renewal of this Policy shall not constitute any waiver of the Company's right under this clause and/or the renewed Policy.