

Business Insurance – Office Protection Pack

QBE Hongkong & Shanghai Insurance Limited

Office Protection Pack

Policy Wording



About this policy wording

Please take the time to read through this policy wording. If you have any questions or need more information please contact your broker or agent.

About QBE Hongkong & Shanghai Insurance Limited

The underwriter of this Policy is QBE Hongkong & Shanghai Insurance Limited ("The Company"). QBE Hongkong & Shanghai Insurance Limited is a member of the QBE Insurance Group and is a licensed insurer in Hong Kong. QBE Insurance Group Limited is a publicly listed company on the Australian Stock Exchange and is one of the top 25 insurers and reinsurers in the world.

Important information you should know before you purchase our policy

Duty of disclosure

Before you enter into an insurance contract with us, you must tell us anything that you know, or could reasonably be expected to know which may affect our decision to insure you and on what terms.

You have this same duty before you renew, extend, vary or reinstate your insurance contract with us.

You do not need to tell us anything that is common knowledge or we know as an insurer or if we waive your duty to tell us.

If you do not tell us something you are required to, we may cancel your insurance contract or reduce the amount we will pay you or both if you make a claim. If you tell us or fail to tell us something that is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Personal Information Collection Statement

The Company may use the personal data collected or held about you for the following purposes:

Insurance Services (mandatory)

1. processing and assessing of applications for any insurance products and daily operation of the related services;
2. administering your insurance policy and providing services in relation to your insurance policy;
3. any alterations, variations, cancellation or renewal of any insurance and related services;
4. investigating, analysing, processing and paying claims made under your insurance policy;
5. invoicing and collecting premiums and outstanding amounts from you;
6. exercising any right under the insurance policy including right of subrogation, if applicable;
7. complying with the requirements under any law and regulation, industry codes, guidelines, requests from regulators, industry bodies, government agencies and court order;
8. contacting you for any of the above purposes;
9. other ancillary purposes which are directly related to the above purposes.

The Company may transfer your personal data, including but not limited to your name and contact details, to the following parties within or outside Hong Kong for the purposes set out above:

(a) any agent, advisor, contractor or third party service provider who provides administrative, telecommunications, computer, payment, debt collection, security, data processing or storage or related services or any other company carrying on insurance or reinsurance related business, or an intermediary, or a claim or

investigation or other service provider providing services relevant to insurance business, for any of the above or related purposes;

- (b) any association, federation or similar organization of insurance companies ("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;
- (c) any members of the Federation by the Federation for any of the above or related purposes;
- (d) regulators;
- (e) lawyers;
- (f) auditors; and
- (g) other insurance companies within the QBE Group which have undertaken to keep such information confidential and solely for the purposes set out in the above paragraph.

By taking out an insurance policy with The Company, you hereby provide your express consent to the transfer of your personal data outside of Hong Kong. You also understand that your personal data may be transferred to a place that may not have data protection laws that are substantially similar to, or service the same purposes as the Personal Data (Privacy) Ordinance so as to ensure the protection of your personal information.

If you do not agree to the use of your personal data for above purposes, it would not be possible for The Company to process your application and render the services.

You have the right to ascertain The Company's practices in relation to personal data, obtain access to and to request correction of any personal information concerning yourself held by The Company subject to payment of an administrative fee. Requests for such access or correction can be made in writing to the Data Protection Officer, QBE Hongkong & Shanghai Insurance Limited, 33/F, Oxford House, 979 King's Road, Quarry Bay, Hong Kong (Telephone: 2828 1998).

If you do not want to receive any sale or marketing of any of the products or services from The Company at any time, you may also contact the company's Data Protection Officer.

Contacting us

You can contact us by:

Emailing us at: info.hk@qbe.com.hk

Visiting our website at: www.qbe.com.hk

Calling us on: 2828 1998

Writing to us at: 33/F, Oxford House, 979 King's Road, Quarry Bay, Hong Kong

Our agreement with you

Your Policy

Your Policy is an agreement between you and us, made up of this Policy Wording and the Policy Schedule we provide you. Your Policy Schedule sets out the cover you have chosen and any terms and conditions which are specific to you.

You are covered under this Policy during the Period of Insurance, once you've paid your premium. Your Policy is made up of a number of Sections. These are:

- Words with Special Meanings
- Section 1: Office contents
- Section 2: Business interruption
- Section 3: Money
- Section 4: Malicious attack
- Section 5: Public Liability
- Section 6: Employees' Compensation

Each Section sets out coverage including any Additional Benefits together with any Exclusions and Conditions which apply to that Section as a whole or to specific covers in that Section.

Your Policy Wording also sets out the following Sections:

- General conditions, which set out your responsibilities under this Policy;
- General exclusions, which apply to any claim you make under this Policy; and
- Claims conditions, which set out our rights and your responsibilities when you make a claim.

Paying your premium

Your premium amount and the date it must be paid are shown on your Policy Schedule.

If your premium is not paid by the due date or if your payment is dishonoured, this Policy will not operate and you will not be covered.

Paying your excesses

You must pay any excesses which apply to your claim. The excesses which you have to pay are set out in your Policy Schedule.

How much we will pay you

The most we will pay you for a claim is the sum insured which applies to the cover or section you are claiming under less any Excess.

Words which have special meanings

Those words and terms set out below and used throughout this Policy have special meanings. Where certain words and terms are only used in one section of the Policy, we will describe their special meaning in that section.

| When we say | We mean |
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| Additional Benefit | an extension of the general cover under a Section which is subject to the specific sub limited Sum Insured amount in respect of that extension |
| Authority | A competent government, public or statutory authority |
| Aggregate, in Aggregate | The maximum amount we will pay during the Period of Insurance for all covered losses |

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| Benefits Table | the sum shown in the Policy Schedule for a Section being the maximum amount payable by us under that Section or for cover under part of a Section |
| Business | Your business as described in the Policy Schedule |
| Business Premises | The premises specified in the Policy Schedule and used by you to carry on the Business |
| Conditions | the conditions set out in each Section, the General Conditions, the Claim Section or in the Policy Schedule |
| Claim | A claim under this Policy |
| Director | If you a company, any of your directors |
| General Conditions | The conditions set out in the General Conditions Section |
| ECO | The Employees' Compensation Ordinance, Chapter 282 of the Laws of Hong Kong |
| Employee | Any person who is your employee, as defined in the ECO |
| Employment | An Employee's employment by you |
| Endorsement | Any endorsement we may make to your Policy which is on your Policy Schedule |
| Excess | The amount you have to contribute towards the cost of certain loss or damage covered under this Policy and which is set out in the Policy Schedule |
| Exclusion | Something we do not insure you against or for which we will not pay you |
| Hong Kong | the Hong Kong Special Administrative Region of the People's Republic of China |
| Indemnity Basis | the reasonable and necessary cost of rebuilding, replacing or repairing property with new materials less an allowance for depreciation and wear and tear based on the age and condition of the property at the time of loss or damage |
| Insured | The person(s) names as the Insured in the Policy Schedule |
| Limit of Indemnity | the maximum amount payable by us as set out in the Policy Schedule |
| Macau | the Macau Administrative Region of the People's Republic of China |
| Money | cash, currency notes, bank notes, negotiable instruments, postage stamps not forming part of a stamp collection, cheques, or other money orders and Octopus cards |
| Partner | if you are a partnership, any of your partners |
| Period of Insurance | the period for which this Policy operates, as shown in your Policy Schedule or such shorter time for which this Policy operates if it ends earlier in accordance with its terms or law |
| Personal Effects | articles of personal use designed to be worn or carried but excluding Money, spectacles and contact lenses. |

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| per year | the period of twelve (12) months from the date the Period of Insurance commences and, if this Policy is renewed, each subsequent consecutive period of twelve (12) months during the period for which this Policy is renewed. |
| Policy | this Policy Wording, your Policy Schedule and any documents issued to you by QBE which amend the Policy Wording or the Policy Schedule or both including any Endorsement |
| Policy Schedule | the schedule to this Policy including any endorsement to, or amendment of, that schedule, or any renewal of that schedule, by QBE |
| Premium | the amount we require you to pay us to insure you under this Policy |
| QBE, QBE Hongkong & Shanghai Insurance Limited, The Company, we, our, us | the QBE legal entity underwriting this policy and named as the Insurer on your Policy Schedule |
| Replacement Value Basis | the reasonable and necessary costs of replacing or repairing property to a condition substantially the same as but no better nor more extensive than its condition when new |
| Section | a section of this Policy Wording |
| Sum Insured | the sum insured shown in the Policy Schedule for a Section (being the maximum amount payable by us under that Section) or for cover under part of a Section or an Additional Benefit (being the maximum amount payable by us under that part of a Section or that Additional Benefit). |
| you, your | the person, company or firm and named as an Insured in the Policy Schedule. |

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| | for which you are liable under a stamped Tenancy Agreement; but not including: (c) any property more specifically insured under this Policy; (d) mechanically or electrically propelled vehicles and fitted accessories and trailers; (e) livestock, animals, plants, fish or birds; (f) Money; (g) bonds, bills of exchange, promissory notes, securities, medals or coins; (h) antiques; (i) Documents; (h) manuscripts, plans, patterns, models, moulds or designs; or (i) explosives, unless and to the extent it is expressly covered under an Additional Benefit. |
| Business Books | the books and records of the Business including computer systems records but only for their value as stationery items and the cost for clerical labour to reproduce them |
| Computer Equipment | all computers and word processing equipment forming part of the Office Contents including the central processing unit, data storage devices, control consoles, disc drives, magnetic tape transports, power pack and all input or output equipment operating under the direct control of or connected to the central processing unit but excluding Portable Computer Equipment and Software. |
| Document | A document, deed, map, plan or record |
| Maintenance Agreement | A agreement under which the Computer Equipment is maintained for your by a third party service provider |
| Portable Computer Equipment | Portable computer equipment such as laptops, notebooks and tablet computers, mobile or smart phones |
| Software | The collection of programs which cause electronic equipment to perform desired operations or a series of operations |

Section 1: Office Contents

Words with special meanings

In this Section, the words and terms set out below have a special meaning.

| When we say | We mean |
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| Office Contents | the contents of the Business Premises which are used in the Business and are owned by you or for which you are legally responsible and including: (a) stock-in-trade and trade samples; (b) trade fixtures, fittings and machinery and all other contents including: (i) telephone installation, gas and electricity meters; (ii) Business Books; (iii) non-motorised bicycles, clothing and Personal Effects; and (iv) landlord's fixtures and fitting, wallpaper, ceilings and panelling |

Cover

We will indemnify you up to the Sum Insured specific in the Policy Schedule in respect of accidental physical loss of or damage, which occurs during the Period of Insurance, to Office Contents, directly caused by an event not otherwise Excluded.

Additional Benefits

Cover under this Section includes cover under each of the following Additional Benefits subject in each case to the Sum Insured for that Additional Benefit as set out in Policy Schedule.

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| 1.1 | Accidental breakage of glass | We will pay for the cost of repairing accidental breakage of fixed glass panes at the Business Premises and for the reasonable cost of any temporary boarding-up required as a result of that |
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| | | breakage but not for the cost of lettering or decoration on that glass. |
| 1.2 | Temporary removals | We will indemnify you for accidental physical loss of or damage to Office Contents while they are temporarily removed from the Business Premises within Hong Kong for cleaning, repair, renovation or similar reason. |
| 1.3 | Loss of or damage to Documents in transit | We will pay for the cost of reinstating any Document which is lost or damaged in transit anywhere within Hong Kong, Macau and Guangdong but not for its intrinsic value. |
| 1.4 | Damage to Business Premises | We will pay for the cost of repairing physical damage caused to Business Premises as a result of theft or attempted theft of Office Contents involving forcible or violent means of entry into or exit from the Business Premises and for which damage you are responsible. |
| 1.5 | Removal of debris | We will pay for the cost of removing the debris of Office Contents following their damage insured under this Section provided we agree to such costs before they are incurred. |
| 1.6 | Personal Effects | We will indemnify you for accidental physical damage to your Personal Effects and the Personal Effects of your Employees. |
| 1.7 | Loss of or damage to Portable Office Equipment (excluding mobile phones) | We will indemnify you for loss of or damage to portable office equipment occurring outside the Business Premises and within Hong Kong. |
| 1.8 | Building professional fees | We will pay for professional fees you are charged by an architect, surveyor or consultant engineer in connection with the reinstatement of the Business Premises following other loss or damage insured by this Section. |
| 1.9 | Business sign board | We will pay for the cost of repairing or replacing the sign board for the Business installed in the lobby of the building containing the Business Premises and for which cost you are responsible following their damage. |
| 1.10 | Roller shutters and gates | We will pay for the cost of repairing or replacing the roller shutters and the gate belonging to you at the Business Premises caused by burglary, theft, attempted burglary or attempted theft. |
| 1.11 | Fire extinguish expenses | We will pay for the cost, reasonably and necessarily incurred, of the extinguishment of a fire following a fire or explosion occurring inside the Business Premises including the costs of replenishment of fire-fighting equipment and damage to materials (including employee clothing and personal effects). |
| 1.12 | Rental relief | We will indemnify you for loss in rental as a result of loss or damage occurred within the Business Premises that |

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| | | causes necessary and unavoidable temporary closure of the Business for more than five (5) consecutive days. |
| 1.13 | Computer Equipment | <p>If any of your Computer Equipment suffers insured damage during the Period of Insurance we will indemnify you as follows:</p> <p>(a) if an item of Computer Equipment suffers insured loss or damage we will pay the cost, up to the Sum Insured, of replacement or repairs necessary to return that insured item to its former state of operation; and</p> <p>(b) in the event of a Computer Equipment interruption we will pay you for the additional expenditure you incur, over and above the normal expenses which you would have incurred for the operation of your Computer Equipment, for the use of substitute Computer Equipment (not owned by you) to maintain your normal Business operations during the indemnity period and provided always:</p> <p>(i) the indemnity period shall commence when a substitute insured item of Computer Equipment is first used;</p> <p>(ii) the indemnity period shall not exceed 12 months;</p> <p>(iii) we are liable for additional expenditure incurred during the interruption period but not exceeding the indemnity period;</p> <p>(iv) you can establish, to our reasonable satisfaction, that the use of such substitute Computer Equipment is essential for the entire indemnity period;</p> <p>(v) we shall not be liable for any additional expenditure incurred by you during the first 48 hours of the indemnity period; and</p> <p>(vi) our maximum liability to you for Computer Equipment interruption shall not exceed the Sum Insured;</p> <p>provided always that you have a Maintenance Agreement in place and will remain in place at all times during which the Computer Equipment is covered by this Additional Benefit.</p> <p>In this Extension:</p> |

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| | | <ol style="list-style-type: none"> 1. By 'insured damage' we mean sudden and unforeseen physical loss or damage to an insured item of Computer Equipment which requires immediate repair or replacement to allow that item to continue to be used and which is caused by vibration, power surge, low voltage or mechanical, electrical or electronic breakdown as a result of a fire or explosion at the Business Premises. 2. By 'Computer Equipment interruption' we mean partial or total interruption to the operation of your Computer Equipment as a result solely of insured damage to that Computer Equipment. 3. By 'interruption period' we mean the period during which the Computer Equipment Interruption continues. 4. By 'indemnity period' we mean the period during the interruption period for which we will indemnify you under this Additional Benefit. |
| 1.14 | Alterations or repairs | Loss of or damage to Office Contents as insured shall not be prejudiced by any alteration, repair, decoration or maintenance works performed at the Business Premises provided that the contract value of such works does not exceed HK\$200,000. |

Exclusions

These Exclusions apply to Section 1 including the Additional Benefits in this Section.

We will not pay for:

1. loss or damage caused by or contributed to by:
 - (a) theft of stock, unless accompanied by violence or the threat of violence to persons or by forcible and violent entry into or exit from the Office Premises;
 - (b) loss of or damage to any electrical plant or appliance directly caused by its own spontaneous combustion or fermentation, over-running, short circuiting, excessive pressure or self-heating (provided that if a resulting fire causes loss of or damage to any other electrical plant or appliance or other property which is insured under this Policy then that loss or damage to the other electrical plant or appliance or property is not excluded);
 - (c) wear, tear, wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration;
 - (d) moths, vermin or insects;
 - (e) damp, atmospheric moisture, mildew, mould, rust, rot, corrosion, oxidation, scale formation, the action of light or atmosphere;
 - (f) electrical or mechanical breakdown, failure or derangement (save as specifically set out in an Additional Benefit);
 - (g) the carrying out of any adjustment, alteration, additions, improvements, inspection, cleaning, alteration, repair, renovation, maintenance, dyeing or change of colour;
 - (h) use contrary to manufacturer's instructions or other misuse of office appliances or equipment;

- (i) inherent defects in or faulty design of materials, plans or specifications;
 - (j) denting, chipping or scratching;
 - (k) breakage of glass or articles of a fragile nature unless caused by fire, lightning, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft or other aerial device;
 - (l) dishonesty by you or your Employees or other to whom any insured item may be delivered, entrusted, loaned or rented;
 - (m) any disappearance or shortage of stock revealed only by stocktaking or inventory and which is not identifiable as arising out of a specific event insured under this Section;
 - (n) any shortage of stock arising from your or your Employee's error or omission;
 - (o) any consequential loss or damage;
 - (p) any damage to sporting equipment whilst in use;
2. loss of Money; or
 3. loss of or damage to mobile phones.

Special Exclusions (applicable to Additional Benefit 1.13 only)

Extension 1.13 does not cover:

1. Loss or damage for which a manufacturer, supplier, contractor or repairer is legally responsible, whether contractually or otherwise.
2. Loss or damage due to faults or defects known to you or any of your Employees and which you did not disclose to us before we agreed to insure you under this Policy.
3. Loss or damage to parts of the Computer Equipment which are, by their very nature or as a result of use, subject to a high rate of wear and tear or depreciation.
4. Repair or replacement necessitated by wear and tear, corrosion, erosion or as a direct consequence of progressive or continuous influences from working, or atmospheric or chemical action, rust or scratching of painted or polished surfaces.
5. Damage due to imposition of abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments.
6. Derangement or malfunction of the Computer Equipment not accompanied by loss of or damage to the Computer Equipment.
7. Any loss, damage or costs arising from false programming, punching, labelling or inserting, inadvertent cancellation of information or discarding of data carrying media or from loss of information caused by magnetic fields.
8. Loss of use or consequential loss.
9. Cost of reinstatement of data.
10. Loss, damage or expenses recoverable under the Maintenance Agreement or which would be recoverable under the Maintenance Agreement but for a breach of that agreement.
11. Extra charges incurred for overtime or night work, for working on public, general or statutory holidays or for express freight or air freight.
12. The cost of any alteration, addition, improvement or overhaul undertaken at the same time as the repair of loss or damage insured under Additional Benefit 1.13
13. The cost of any temporary repairs or the consequences of such temporary repairs.

Conditions

The following conditions apply to this Section 1 including the Additional Benefits in this Section.

1. What we will pay

Under this Section, we will pay on an Indemnity basis save for:

- (a) Office Contents (excluding stock and customers' goods) for which will pay on a Replacement Value Basis at the time of their loss or damage; and

- (b) Stock and customers' goods for which we will pay the market value of at the time of their loss or damage.

2. Reinstatement

After we have admitted liability for loss under this Section we will, subject to your paying additional Premium calculated pro-rata from the date of that loss to the expiry of the Period of Insurance, reinstate the Sum Insured to the amount shown in the Policy Schedule at the time of loss or damage.

3. Subject to Average

Your Policy includes a provision making it subject to average. This provision only applies if the property insured under your Policy is underinsured at the time of loss.

If property insured under your Policy is underinsured at the time of loss, the following rules apply:

- (a) If you suffer a total loss of that property, the provision will have no effect;
- (b) If you suffer a partial loss of that property, the maximum amount that you may recover from us will bear the same proportion to your actual loss as the amount for which that property is insured bears to the full value of that property ; and
- (c) Whatever your loss, in no circumstances will you be entitled to recover more than the amount for which that property is insured.

4. Articles in Pairs or Sets

Where an insured item consists of articles in a pair or set, we will not pay more than the value of any particular part or parts which are damaged or lost, without reference to any additional value which such article or articles may have as part of such pair or set, nor more than the proportionate part of the value of the item relative to the value of that pair or set as a whole.

Section 2: Business interruption

Words with special meanings

In this Section, the words and terms set out below have a special meaning.

| When we say | We mean |
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| Damage | <ul style="list-style-type: none"> (a) loss of or damage to Office Contents insured under Section 1; or (b) access to the Business Premises or to property forming part of or contained in a complex of which the Business Premises forms part of being prohibited or hindered by an Authority or the manager of the building in which the Business Premises are situated because of damage to a neighbouring property or the failure of a public utility or supply; or (c) both (a) and (b). |
| Increase in Cost of Working | the additional expenditure necessarily and reasonably incurred by you to minimise the effect of the Damage to your Business with the aim of maintaining the turnover of the Business during the Indemnity Period to the |

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| | turnover of the Business during the corresponding period in the twelve (12) months before that Damage occurred. |
| Indemnity Period | the period beginning when the Damage first occurs and ending: <ul style="list-style-type: none"> (a) on the expiry of the period listed in the Policy Schedule; or (b) when the Business ceases to be affected as a result of such Damage, whichever occurs first. |
| MPF Contributions | the mandatory contributions you are obliged to make under s.7 of the MPF Ordinance to your Employee's provident fund scheme. |
| MPF Ordinance | the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the Laws of Hong Kong. |

Cover

We will pay the Increase in Cost of Working during the Indemnity Period which results directly from the effect on your Business of Damage. We will not pay more than the Sum Insured for the Increase in Cost of Working.

Additional Benefits

Cover under this Section includes cover under each of the following Additional Benefits subject in each case to the Sum Insured for that Additional Benefit as set out in Policy Schedule.

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| 2.1 | Claims preparation costs | We will pay for the cost of repairing accidental breakage of fixed glass panes at the Business Premises and for the reasonable cost of any temporary boarding-up required as a result of that breakage but not for the cost of lettering or decoration on that glass. |
| 2.2 | MPF Contributions | If your Business is interrupted as a result of loss of or damage to Office Contents insured under Section 1 and which loss or damage is caused by a fire or explosion and that interruption continues for a period of more than seven (7) consecutive days, we will pay your MPF Contributions. We will pay your MPF Contributions during the period your Business is interrupted but subject to a maximum of three (3) months during the Period of Insurance. |

Section 3: Money

Words with special meanings

In this Section, the words and terms set out below have a special meaning.

| When we say | We mean |
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| Authorised Person | you; or <ul style="list-style-type: none"> (a) an Employee; or (b) a Director; or |

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| | (c) a Partner, to whom you normally entrust Money. |
| Business Hours | the usual hours during which you transact your Business at the Business Premises and during which you or an Authorised Person is physically present in the Business Premises |
| Crossed Instrument | a crossed cheque, crossed money order or crossed banker's draft. |
| Safe | a container or structure which: <ul style="list-style-type: none"> (a) has been specifically designed for the safe storage of valuables or Money; (b) is designed complaint with Hong Kong standards to protect its contents against fire; and (c) is designed to resist unauthorised opening by hand held or power operated tools. |

Cover

We will pay you up to the Limit of Indemnity for loss of or damage to Money in Hong Kong, Macau or Guangdong during the Period of Insurance directly caused by an event not otherwise Excluded.

Exclusions

These Exclusions apply to Section 3.

We will not pay for loss of or damage to Money:

1. as a result of:
 - a. theft, dishonesty or fraud:
 - i. in which you or any member of your family is involved as a principal or accessory;
 - ii. by any of your Employees, Directors or Partners; or
 - b. is stolen from any unattended article (including any bag, box or cabinet) or vehicle;
2. which is stolen from any Safe, cash register or drawer which has been opened by:
 - a. a key; or
 - b. the use of a combination, the details of which have been left in the Business Premises outside Business Hours;
3. as a result of clerical or accounting error or omission;
4. suffered as a result of a business transaction;
5. occurring anywhere other than Hong Kong, Macau or Guangdong;
6. entrusted to any person other than yourself or an Employee;
7. occurring as a result of mechanical, electrical or electronic failure or breakdown;
8. which is not discovered within seven (7) working days after such loss or damage occurred;
9. which occurs while the Money is being carried by a carrier, whether professional or otherwise; or
10. which is not owned by you for the purposes of the Business.

Section 4: Malicious attack

Words with special meanings

In this Section, the words and terms set out below have a special meaning.

| When we say | We mean |
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| Benefit Table | the table of benefits set out in the Policy Schedule |
| Bodily Injury | an identifiable physical bodily injury resulting solely and directly from a Malicious Attack but does not include mental injury, mental anguish, nervous shock or emotional distress |
| Doctor | a registered medical practitioner as defined in the ECO |
| Insured Loss | death, Loss of Limb, Loss of Sight, Permanent Occupational Disability or Temporary Occupational Disability |
| Loss of Limb | total loss by physical separation at or above the wrist or ankle or permanent total loss of use of an entire hand, arm, foot or leg |
| Loss of Sight | total irrecoverable loss of sight or one or both eyes |
| Malicious Attack | a malicious and violent attack or violence committed by any person stealing or attempting to steal Money or Office Contents |
| Permanent Occupational Disability | permanent total inability to attend to the Business or to any occupation that the person is suited to via education, training or experience |
| Temporary Occupational Disability | temporary inability to attend to the Business or to any occupation that the person is suited to via education, training or experience and while under the care of a Doctor |

Cover

If you or any Employee suffer Bodily Injury during the Period of Insurance while engaged in the Business at the Business Premises and that Bodily Injury is the sole and direct cause of an Insured Loss we will pay you the sum set out in the Benefit Table for that Insured Loss.

Section 5: Public Liability

Words with special meanings

In this Section, the words and terms set out below have a special meaning.

| When we say | We mean |
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| Aircraft | any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space. |
| Bodily Injury | bodily injury, sickness or disease sustained by a person during the Period of Insurance and including their resulting death. |
| Employed Person | any person engaged under a contract of service or a contract for services or apprenticeship with you including part-time and temporary staff. |
| Internet Operations | (a) transfer of computer data or programs by use of electronic mail systems by you or any Relevant Person whether or not such data or programs contain any |

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| | <p>malicious or damaging code, including a computer virus;</p> <p>(b) access through your network to the world wide web or a public internet site by you or any Relevant Person;</p> <p>(c) access to your Intranet (meaning your internal information and computing resources) which is made available through the world wide web for your customers or others outside your organisation; and</p> <p>(d) the operation and maintenance of your website.</p> |
| Limit of Liability | our limit of liability as set out in the Policy Schedule. |
| Medical Person | a legally qualified medical practitioner, legally qualified nurse, dentist, first aid attendant or other registered medical service professional. |
| Occurrence | an event, including continuous or repeated exposure to substantially the same general conditions, which you did not expect or intend and which results in Bodily Injury or Property Damage or both. |
| Pollutants | any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, fumes, acids, alkalis chemicals and waste (and waste includes material to be recycled, reconditioned or reclaimed). |
| Property Damage | <p>(a) physical damage to, loss or destruction of tangible property including any resulting loss of use of that property; or</p> <p>(b) loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an Occurrence.</p> |
| Relevant Person | any Employed Person, Director, Partner, servant, agent or sub-contractor or other person within your organisation. |
| Territorial Limits | Hong Kong (unless stated otherwise in the Policy Schedule). |
| Vehicle | any type of machine on wheels or self-laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine. |
| Watercraft | any vessel, craft or thing made or intended to float on or in or travel through water. |
| Your Products | any goods, product or property (after they have ceased to be in your possession or under your control), which are or is deemed to have been manufactured, grown, extracted, produced, processed, constructed, assembled, erected, installed, repaired, serviced, treated, sold, supplied or distributed by you (including any container thereof other than a Vehicle). |

Cover

1. Liability

We will pay:

- (a) all sums which you become legally liable to pay by way of compensation; and

(b) all costs awarded against you; in respect of Bodily Injury or Property Damage happening during the Period of Insurance and caused by an Occurrence within the Territorial Limits in connection with your Business.

2. Defence of claims

With respect to the indemnity provided by this Section we will:

- (a) defend in your name and on your behalf any claim or legal action against you seeking damages on account of Bodily Injury or Property Damage even if such claim or action is groundless, false or fraudulent, and we will investigate, negotiate and settle any claim or action as we see fit;
- (b) pay all legal costs and expenses incurred by us and all interest accruing after entry of judgment until we have paid, tendered or deposited in court such part of the judgment as does not exceed the Limit of Liability; and
- (c) reimburse you for all reasonable expenses, other than loss of earnings incurred in connection with the defence of a claim or legal action with our consent.

provided that:

- (d) we will not be obliged to pay any claim or judgment or to defend any claim or legal action after the Limit of Liability has been exhausted by payment of judgments or settlements; and
- (e) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, our liability to pay any costs, expenses and interest under this defence of claims section will be limited to that proportion of those costs, expenses and interest as the Limit of Liability bears to the amount paid to dispose of that claim.

The amounts thus incurred, except payments in settlement of claims, legal actions and all costs awarded against you, are payable by us in addition to the Limit of Liability.

3. Limit of Liability

Our maximum liability in respect of any claim or series of claims for Bodily Injury or Property Damage, or both caused by or arising out of one (1) Occurrence shall not exceed the Limit of Liability.

Additional Benefits

Cover under this Section includes cover under each of the following Additional Benefits subject in each case to the Limit of Liability for that Additional Benefit as set out in Policy Schedule.

| | | |
|-----|----------------------------|---|
| 5.1 | Overseas Commercial Visits | We will reimburse you for legal liability incurred by yourself or a Director, Partner or Employee for Bodily Injury or Property Damage arising during an occasional visit outside Hong Kong in connection with the Business provided such person is normally resident in Hong Kong and are not a manual worker or supervisor of work. |
| 5.2 | Food and Drink Poisoning | We will reimburse you for legal liability for Bodily Injury caused directly by food or drink poisoning or the presence of deleterious matter in food or drink or caused by the defective container of food or drink provided that such food or drink is supplied free of charge to any person in the Business Premises. |
| 5.3 | First Aid | We will pay for the reasonable expenses incurred by you (unless you are a medical organisation) for you or your Employees providing first aid to others including customers of your Business at the time of Bodily Injury caused by an Occurrence |

| | | |
|-----|---------------------------------|--|
| | | (but not for any treatment rendered by a Medical Person). |
| 5.4 | Contractor's Liability | We will reimburse you for legal liability incurred by you for Bodily Injury or Property Damage to third parties (being anyone other than the Insured, Employee, Director or Partner) arising out of decorations, alterations or repairs carried out inside the Business Premises by an independent contractor engaged by you to carry out those works provided that: <ul style="list-style-type: none"> (a) none of those works involving external walls or the use of scaffolding; (b) the cost of those works does not exceed HK\$200,000; and (c) such works are completed within 60 consecutive days of their first being started. |
| 5.5 | Tenant's Liability | We will reimburse you for legal liability arising from loss or damage to your rented or leased Business Premises (including fixtures and fittings) [other than any liability assumed by you under a tenancy or other agreement with the landlord of those Business Premises except to the extent that that liability would have been implied by law. |
| 5.6 | Welfare, Social and Sports Club | If you have agreed to the formation of any welfare, social or sporting club for the benefit of your Employees we will reimburse you for any legal liability that you, that club or any office bearer or member of that club incurs for claims for Bodily Injury or Property Damage occurring as a result of an accident which happens during the activities of such club provided that: <ul style="list-style-type: none"> (a) you, that club or office bearer or member, as the case may be, is not entitled to an indemnity under any other insurance (otherwise the indemnity under this Additional Benefit will only apply in respect of the amount in excess of the amount of the cover provided under that other insurance); and (b) such club and office bearers and members shall observe, fulfil and be subject to the terms and conditions of this Policy as if they were you. |

(b) any person in respect of whom a claim is brought against you under the ECO or any other employee's compensation legislation.

2. Property Damage

Property Damage to:

- (a) property belonging to you or held in trust by you or in your custody or control; or
- (b) property held in trust by or in the custody or control of an Employed Person.

3. Faulty workmanship

The cost of performing, completing, correcting or improving any work undertaken by you.

4. Contractual liability

Any obligation assumed by you under any agreement or contract except to the extent that liability would have been implied by law.

5. Structural damage

Property Damage caused by vibration, removal or weakening of, or interference with support to, land, buildings or any other property.

6. Vehicles, Aircraft and Watercraft

Bodily Injury or Property Damage caused by or arising out of the ownership, possession, operation, maintenance or use by you or on your behalf of any Vehicle (unless such Vehicle is specified as Plant in the Policy Schedule), Aircraft or Watercraft other than Bodily Injury or Property Damage caused by or in connection with the loading or unloading of a Vehicle (except in so far as such loading or unloading is covered by a policy of motor insurance).

7. Other Bodily Injury or Property Damage

Bodily Injury or Property Damage caused by:

- (a) any manually-operated lifting tackle with a lifting capacity exceeding ten hundred weight or any power-operated lift, elevator, crane, hoist or other lifting tackle (unless such lifting tackle is specified as Plant in the Policy Schedule) ; or
- (b) flood, fumes, atmospheric or water pollution, subsidence, landslip or subterranean damage (other than to pipes, cables and the like);
- (c) the nature or condition of any goods or the containers for goods you sell or supply;
- (d) or resulting from the explosion or collapse of:
 - (i) any economiser owned or used by you working in conjunction with a steam boiler; or
 - (ii) any boiler vessel or other apparatus owned or used by you which is intended to operate under internal pressure due to steam.

8. Professional liability

The rendering of or failure to render professional advice or service by you or any related error or omission (other than the rendering of or the failure to render first aid services on the Business Premises by your Employees who are not qualified Medical Person.

9. Sub-contractors

Your sub-contractors or persons employed or engaged by any of your sub-contractors.

10. Pollution

- (a) Bodily Injury or Property Damage caused by or arising out of the discharge, dispersal, release or escape of a Pollutant into or upon the land, the atmosphere or any water course or body of water but this Exclusion does not apply if the discharge, dispersal, release or

Exclusions

These Exclusions apply to Section 5 including the Additional Benefits in this Section.

We will not cover liability for loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to, resulting from, arising out of 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:

1. Bodily Injury

Bodily Injury to:

- (a) an Employed Person; or

escape is sudden, identifiable, unexpected and unintended and takes place entirely at a specific time and place.

- (b) Any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this Exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected and unintended happening taking place entirely at a specific time and place which results in Bodily Injury or Property Damage.

Our liability for any one (1) discharge, dispersal, release, escape and for all discharges, dispersals, releases and escapes of Pollutant during any one (1) Period of Insurance shall not exceed the Sum Insured

11. Asbestos

Any actual or alleged liability for any claim in respect of any loss directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

12. Punitive damages

Punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

13. Fines, penalties

Fines, penalties or liquidated damages.

14. Offshore platforms

Work performed on offshore oil or gas platforms.

15. Territorial limits

Claims made or actions instituted outside Hong Kong.

16. Defamation

The publication or utterance of a defamatory matter, libel or slander.

17. Product recall

Claims arising out of or resulting from the withdrawal, inspection, repair, replacement or loss of use of Your Products or of any property of which they form part, if such products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency .

18. Information Technology Hazards, Computer Data, Program and Storage Media

Bodily Injury or Property Damage arising directly or indirectly out of or caused by, through or in connection with Internet Operations.

This Exclusion does not apply to Bodily Injury or Property Damage arising out of any material which is already in print by the manufacturer in support of its product, including product use and safety instructions or warnings and which is also reproduced on its site.

Nothing in this Exclusion shall be construed to extend coverage under this Section to any liability which would not have been covered in the absence of this Exclusion.

Conditions

The following conditions apply to this Section 5 including the Additional Benefits in this Section.

1. Joint insureds

Where you comprise more than one (1) party, each of the parties will be considered as a separate and distinct unit and the words you and yours shall be construed as applying to each party in the same manner as if a separate Policy had been issued to each of them provided that nothing in this condition will result in an increase of our Limit of Liability.

2. Reasonable care

You must:

- (a) exercise reasonable care to ensure that you only employ competent Employees and only employ or engage competent Employed Persons;
- (b) take reasonable measures to maintain all premises including Office Premises, fittings, works, plant and machinery in sound condition;
- (c) take all reasonable precautions to prevent Bodily Injury and Property Damage including making good or remedying any defect you discover and taking additional precautions with regard to any danger you identify;
- (d) comply with, and ensure your Employees and Employed Persons comply with, all statutory or other obligations and regulations imposed by any Authority including those for the safety of persons or property, for the disposal of waste products or for the handling, storage or use of flammable liquids or substances, gases or toxic chemicals; and
- (e) take reasonable care to prevent the manufacture, sale or supply of defective products.

3. Discharge of liabilities

We may at any time pay to you in respect of all claims against you arising from an Occurrence the balance of the Limit of Liability or any smaller sum for which the claim or claims can be settled and upon that payment we will relinquish control of, and be under no further liability under this Section in connection with those claims except for costs, charges and expenses:

- (a) recoverable from you for all or part of the period prior to the date of such payment;
- (b) incurred by us;
- (c) incurred by you with our written consent prior to the date of such payment.

4. Continuous or repeated exposure

Bodily Injury or Property Damage or both arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one (1) Occurrence.

Section 6: Employees' compensation

Important Notice

The ECO requires an employer to take out an insurance policy covering all its employees for at least the minimum amount specified in the ECO. It is your responsibility to ensure that your Policy satisfies the requirements of the ECO including the amount of cover required. A change in the number of your Employees may require you to take out a higher amount of cover so if this happens you should ensure your Policy remains compliant with the ECO.

Words with special meanings

In this Section, the words and terms set out below have a special meaning.

| When we say | We mean |
|---------------------------------|--|
| Actual Earning | the Earnings set out in the Actual Earnings Declaration. |
| Actual Earnings Declaration | a declaration of the Actual Earnings of the Employees employed in the Business during the Period of Insurance. |
| Defence Costs | the reasonable and properly incurred legal costs and expenses you incur for defending a claim against you for Legal Liability other than any civil proceedings brought against you outside the Territorial Limits. |
| Deposit Premium | the amount of Premium we initially require you to pay us for cover under this Section. |
| Disease | a disease contracted by an Employee as a result of their exposure to the nature of their Employment during the Period Insurance. |
| Earnings | all gross wages, salaries, remuneration, commission, bonus, overtime, termination payments, allowance and the like directors' fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in kind by you to your Employees. |
| Estimated Earnings | the Earnings set out in the Estimated Earnings Declaration. |
| Estimated Earnings Declaration | a declaration estimating the Earnings of the Employees to be employed in the Business during the Period of Insurance. |
| Event | (a) a single event; (b) a series of events attributable to the same single source or cause; or (c) continual or repeated exposure to substantially the same general conditions. |
| Legal Liability | your legal liability whether under the ECO or independently of the ECO to pay compensation and legal costs to anyone other than an insured under this Policy. |
| Noise-Induced Deafness | that term as defined in the Occupational Deafness (Compensation) Ordinance, Chapter 469 of the Laws of Hong Kong. |
| Personal Injury | physical injury (including death and Disease) which is both unintended and unforeseen by you. |
| Pneumoconiosis and Mesothelioma | those terms as defined in the Pneumoconiosis and Mesothelioma (Compensation) Ordinance, Chapter 360 of the Laws of Hong Kong. |
| Territorial Limited | Hong Kong |

Cover

We will indemnify you for your Legal Liability for Personal Injury to an Employee;

- (a) first occurring during the Period of Insurance;
- (b) caused by an Event within the Territorial Limits; and
- (c) arising out of or in the course of their Employment provided that:

- (a) you observe and fulfil your obligations under this Section insofar as they relate to anything to be done or not to be done or to be complied with by you; and
- (b) you truthfully provide statements and answers in your Estimated Earnings Declaration and Actual Earnings Declaration.

Our liability under this Section including for Defence Costs, is limited in Aggregate to the Limit of Indemnity irrespective of the number of Employees who sustain Personal Injury as a result of the same Event.

In respect of a Disease contracted by an Employee which extends over more than one Period of Insurance:

- (a) our indemnity to you shall not exceed the Limit of Indemnity for this Section that was in force at the time such Disease first affected that Employee;
- (b) subject to the limitation in paragraph (a) above, our indemnity to you under this Section shall be limited to the proportion of your liability in respect of the Employee's Employment failing within the Period of Insurance, bears to the total period of their Employment.

Exclusions

We will not indemnify you in respect of:

- (a) your liability to Employees of contractors;
- (b) your liability under an agreement which you have specifically agreed to and for which you would not be liable if you had not entered into that agreement;
- (c) any sum which you would have been entitled to recover from a third party but for the fact you have agreed with that third party you are not entitled to that sum;
- (d) any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
- (e) your liability to any person who is not your Employee
- (f) any late payment surcharge, fines, penalties or punitive aggravated or exemplary damages for which you may be liable for under the ECO;
- (g) any Bodily Injury attributable to war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or nor), civil war, mutiny, rebellion, revolution, insurrection or military or usurped power;
- (h) any liability of any 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 waster from the combustion of nuclear fuel and for the purposes of this Exclusion, combustion shall include any self-sustaining process of nuclear fission;
- (i) any Bodily Injury we have not been given sufficient notice of the institution of proceedings in a court of tribunal to enable us to be added as a party to the proceedings.

Conditions

The following conditions apply to this Section 7.

1. More than one insured

If an Event results in indemnity under this Section to more than one insured, the limitations of our liability specified in this Section shall apply to the Aggregate of our indemnity to all insureds under this Policy.

2. Shortfall in Earnings

If there is any shortfall in the Actual Earnings declared in the Estimated Earnings Declaration or the Actual Earnings Declaration, 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. If no declaration of the Actual Earnings by the Insured is received by the Company when requested or required, for the purpose

of this clause the Earnings estimated by the Insured 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. Defence Costs

We have the right but not the obligation to conduct the defence of any claim against you for which we indemnify you under this Section.

We will indemnify you for the Defence Costs you incur, with our prior consent, in relation to claims against you for Legal Liability against which we are liable to indemnify you under this Section.

4. Relinquishing conduct of claim

At any time after an Event giving rise to a claim or claims against you for which we indemnify you under this Section we may pay you the full amount of our liability in this Section (after deduction of any amounts already paid to you) or any lesser amount for which such claim or claims can be settled. If we do, we shall relinquish the conduct of the defence or settlement of such claim or claims and shall not thereafter be responsible for any compensation, damages or costs in respect thereof or for any Defence Costs incurred by you thereafter.

5. Amendments to the ECO

If the ECO is amended during or after the Period of Insurance and that amendment affects your legal liability under the ECO, our liability under this Section shall be limited to such sums as we would have been liable to pay had the ECO not been amended.

6. Right of recovery

If we are obliged by the ECO to pay an amount for which we would not otherwise be liable under this Section, you shall forthwith repay that amount to us.

7. Premium payment and adjustment

- (a) Prior to the start of the Period of Insurance you must provide us with an Estimated Earnings Declaration which is the basis on which we will calculate the Deposit Premium.
- (b) Within thirty (30) days after the expiry of the Period of Insurance or, if earlier, the date your Policy is Cancelled you must complete and provide us with a Premium Adjustment and Declaration of Earnings form including the Actual Earnings Declaration.
- (c) If the Actual Earnings differ from the Estimated Earnings, we will adjust the amount of the Deposit Premium proportionally to that difference. If more premium for cover under this Section is then payable by you (Additional Premium) you will immediately pay that to us. If less premium for cover under this Section is then payable by you we will refund to you the amount of Deposit Premium you have overpaid (Overpayment).
- (d) The premium payable by you for the indemnity provided under this Section is the Deposit Premium as adjusted by the Additional Premium or the Overpayment as the case may be.
- (e) You must carefully record the name, Hong Kong identity card number, class of Employment and Earnings of every Employee employed in your Business during the Period of Insurance and retain this record in a safe place so that a record exists of all your Employees for the purposes of this Section. You must at all reasonable times allow us to inspect and take copies of such records.

- (f) If you fail to submit the Actual Earnings Declaration or fail to cooperate with us in that regard then without prejudice to our other rights we may not renew this Policy when it expires.

3. Claims settlement conditions

- (a) If an Event occurs which may give rise to your making a Claim under this Section (Relevant Event) you must:
 - (i) immediately give us notice in writing setting out full particulars of that Relevant Event;
 - (ii) as soon as you become aware of any intended or impending prosecution, inquest or fatal accident inquiry in connection with that Relevant Event give us written notice of this; and
 - (iii) send us all court documents including summonses and other communications you receive about the Relevant Event as soon as you receive them.
- (b) Where you pay all or part of any claim for which you are liable and against which we indemnify you under this Section you must obtain a duly signed and witnessed receipt of that payment and retain that receipt and all other documents and records relating to that payment in a safe place. You must at all reasonable times allow us to inspect and take copies of such records and documents.
- (c) If at any time you make a Claim under this Section there is any other insurance covering the same liability we will not be liable to pay or contribute more than our rateable proportion of such Claim and costs and expenses incurred in connection that that Claim.
- (d) You must not waive, limit or qualify any claim you would otherwise have to seek compensation from any person in respect of loss, damage or liability covered by your Policy.

General exclusions

General exclusions applicable to all section

These general exclusions apply to sections of this Policy.

1. War

War, invasion, acts of foreign enemies, hostilities or war-like 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.

2. Any act(s) of terrorism

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the Government of the day or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or Government(s) of the day or de facto, and which:

- involves violence against one (1) or more persons; or involves damage to property; or
- endangers life other than that of the person committing the action; or
- creates a risk to health or safety of the public or a section of the public; or
- is designed to interfere with or to disrupt an electronic system.

3. Radioactivity

Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

4. Action in response to exclusions 1,2 & 3

This Policy excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

5. Consequential loss

We will not cover any consequential loss unless provided specifically in this Policy.

6. Sanctions

You are not insured under any Section where a Claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Hong Kong, the United Kingdom, the European Union or the United States of America.

General exclusions applicable to some sections

These additional general exclusions apply to the following sections only:

- Section 1: Office Contents
- Section 2: Business Interruption
- Section 3: Money

7. Unoccupancy

Loss, damage or liability during any period in excess of sixty (60) consecutive days during which the business premises are left unoccupied, unless with our written consent.

8. Intentional damage

Damage or liability intentionally caused or incurred by:

- (a) You; or
- (b) a member of your Family; or
- (c) a person acting with your express or implied consent or that of a member of your Family.

9. loss or damage caused by atmospheric moisture, rust, corrosion, oxidation, scale formation, temperature, action of light, mildew, mould or rot or erosion.

10. loss or damage caused by wear and tear, wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration.

11. loss or damage caused by flood, the sea, tidal wave, high water, seepage, or other earth movement or normal structural movement provided that this exclusion will not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance.

12. loss or damage caused by cleaning, dyeing, change of colour, or any process of alteration to any insured item.

13. unexplained or inventory shortage, clerical or accounting error or book debts or errors in receiving or paying out if the only proof of loss is revealed by accounting records or inventory stock-take.

14. scratching of painted or polished surfaces.

General conditions

There are conditions set out under each section, this General conditions section and the Claims section. If any of these conditions are

not met, we may refuse a claim, reduce the amount we pay or in some circumstances we may cancel your Policy.

When making a claim, you must have met and then continue to comply with the conditions of your Policy. Any person covered by your Policy, or claiming under it, must also comply with these conditions.

If you, or someone covered under your Policy, does not meet these conditions or makes a fraudulent claim we may refuse to your claim, reduce what we pay for your claim or cancel your Policy.

1. Your obligations

You are to:

- (a) Take all reasonable precautions to avoid or minimise loss, damage, disablement or liability;
- (b) Maintain all business premises, fittings, appliances and equipment in sound condition;
- (c) Comply with all statutory obligations, by-laws and regulations imposed by any Authority, for the safety of persons or property; and
- (d) Obtain certificates of inspection for all equipment required by any law or regulation to be so certified.

2. Condition Precedent

It is a condition precedent to indemnity under this Policy that:

- (a) you comply with the terms of this Policy in so far as they relate to anything you must do or with which you must comply; and
- (b) your statements and answers in the Proposal and Declaration are true and correct;

regardless of whether or not we suffer any prejudice as a result.

3. Misrepresentation and non-disclosure

If:

- (a) you failed to disclose any matter which you were under a duty to disclose to us; or
- (b) you made a misrepresentation to us before the contract of insurance was entered into; and
- (c) as a consequence, we would not have entered into the contract for the same premium and on the same terms and conditions expressed in this Policy, then:
 - (i) our liability in respect of any claims shall be reduced; or
 - (ii) if the non-disclosure or misrepresentation was fraudulent, we may avoid this Policy.

4. Assistance and co-operation

At all times when you deal with us you must:

- (a) provide us with all reasonable assistance we may need
- (b) be truthful and frank
- (c) not behave in a way that's abusive, dangerous, hostile, improper or threatening
- (d) co-operate fully with us, even after we have paid a claim

5. Care and maintenance

You must take reasonable care to prevent damage, injury or loss. We will not pay for damage, injury, loss or your liability to which your failure to take reasonable care is a contributing factor. At all times, you must:

- (a) Prevent damage to property insured, as well as to others and their property
- (b) minimise the cost of any claim under your Policy
- (c) comply with all laws.

6. Alterations

Unless our written consent is obtained, we will not cover loss, damage or liability caused or contributed to by any alteration after the commencement of this Policy;

- (a) in the trade or business you carry on;

- (b) whereby the nature of the occupation or other circumstances affecting any property insured is changed in such a way as to increase the risk of damage or the likelihood of liability loss;
- (c) whereby your interest ceases by will or operation of law;
- (d) whereby the business is wound up or carried on by an insolvency practitioner or permanently discontinued.

5. Third party interests

You must not transfer any interest in your Policy without our written consent. Any person whose interests you've told us about and we have noted on your Policy Schedule is bound by the terms of your Policy.

6. Rights of Third Parties

This Policy does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Ordinance, Chapter 623 of the Laws of Hong Kong, on any person who is not a party to this Policy. We are both entitled to cancel this Policy in accordance with the cancellation section of the General Conditions or agree a variation, waiver or settlement under this Policy, and we may avoid this Policy, without the consent of, and without giving notice to, any third party.

7. Changing your Policy

Changes to this Policy only become effective when we agree to them and send you a new Policy Schedule detailing the change.

8. Joint and co-insureds

If more than one person is insured under your Policy, we will treat a statement, act, omission, claim, request or direction by that person as having been made by all insureds.

9. Cancelling your Policy

You may cancel this Policy at any time by giving us written notice. If you do, we will retain the pro-rata rate for the time your Policy has been in force together with any levy and subject to the Minimum Non-Refundable Premium.

We may cancel this Policy at any time by giving you not less than seven (7) days' written notice. If we do, we will repay you a rateable proportion of the Premium for the unexpired Period of Insurance from the date of cancellation subject to the Minimum Non-Refundable Premium.

10. Minimum Non-Refundable Premium

Notwithstanding anything else in this Policy, if your Policy is amended or cancelled at your request, we will retain the non-refundable Premium of at least HK\$1,000 unless stated in your Policy Schedule.

11. English and Chinese Versions of this Policy

Where this Policy has been provided to you in English and Chinese, the Chinese and there is an inconsistency between the two policy wordings, the English version shall prevail.

12. Arbitration

Any dispute as to the amount payable under this Policy shall be referred to and finally determined by arbitration pursuant to the Domestic Arbitration Rules of the Hong Kong International Arbitration Centre (HKIAC).

The law of this arbitration clause shall be Hong Kong law. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be one. The arbitration proceedings shall be conducted in English.

If we deny liability for a Claim and you do not refer that Claim to arbitration in accordance with this condition within twelve (12) months

after such denial that Claim shall be deemed to have been abandoned and the loss, damage or liability for which that Claim was made shall not be recoverable under this Policy.

13. Governing law

This Policy and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of Hong Kong.

Claims

This section describes what you must do, as well as conditions that apply when you make a claim and at the time loss or damage occurs which is likely to give rise to a claim.

What you must do if you want to claim under this Policy

You must follow these procedures if something happens which causes loss or damage or injury which may lead to a claim. If you do not, we may refuse your claim or reduce the amount we pay you.

When loss or damage occurs you must:

- (a) take all reasonable steps to reduce the loss or damage and to prevent further damage;
- (b) immediately make a full report to the police if:
 - (i) you know or suspect that property has been stolen;
 - (ii) someone has broken into your premises; or
 - (iii) someone has caused malicious damage to your property;
- (c) not make any admission of liability, offer, promise or payment in connection with any event;
- (d) promptly inform us by telephone or in person;
- (e) preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster);
- (f) not authorise the repair or replacement of anything without our agreement.

Making a claim

If you want to make claim you must:

- (a) fill in our claim form;
- (b) return it to us within thirty (30) days of the event that gave rise to the claim;
- (c) give us all the information and documentation which we request. If we ask for it, you must provide us with a statutory declaration verifying the truth of your claim and any matters connected with it; and
- (d) immediately send us any court document or other communication you receive about the claim. Do not take any action yourself or ask anyone else to do so, on your behalf.

Assessing your claim

1. Providing proof

You must be able to prove to us you've suffered a loss covered by your Policy before we'll pay you for it. We may ask you for this proof if you make a claim under your Policy. So your claim can be assessed quickly, make sure you keep the following:

 - Receipts
 - Accounting documentation (books and records)
 - Service records.
2. Inspection and possession of damaged property
 - (a) You must give us access to your property and the location or make them available to us for inspection if you make a claim.
 - (b) You must allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the

damaged property, you cannot abandon your responsibilities for the property.

3. Contribution & other insurance
You must notify us of any other insurance which will or may, whether in whole or in part, cover any loss insured under your Policy.

If at the time of a Claim for loss, damage or liability under this Policy there is any other insurance (whether effected by you or by any other person) which covers the same loss, damage or liability:

- (a) we will not be liable to pay or contribute more than our rateable proportion of such Claim;
- (b) you must provide us with any reasonable assistance we require to make a claim for contribution from any other insurer; and
- (c) if that other insurance includes a provision excluding it from ranking concurrently with this Policy either in whole or in part or from contributing rateably to that Claim then our liability shall be limited to such proportion of the Claim as the Sum Insured for that Claim bears to the value of the property.

4. Salvage
You must give us access to your insured property and the Business Premises or make them available to us at reasonable times for inspection and examinations. We have the right to require you to dismantle and reassemble insured property in connection with any such inspection or examination. We will provide you with a copy of the results of any such inspection or examination.

You must allow us to take possession of any insured property which is damaged and deal with it in a reasonable manner.

We are entitled to obtain and retain any items or materials salvaged or recovered after you make, and we agree to pay, a Claim by replacing or paying to replace items or materials. We may sell the items or materials and keep the proceeds. We may choose to sell the items or materials to you, provided you agree to pay market price for them.

Compliance with this general condition is a condition precedent to our liability to you under this Policy.

5. Preventing our right of recovery
If you've agreed not to seek compensation from any person liable to compensate you for loss, damage or liability covered by your Policy, we won't cover you for that loss, damage or liability.

Discharge of our liabilities

At any time we can pay to you or on your behalf, for all claims made against you for any one (1) occurrence:

- (a) the limit of liability of the section under which the claim is made, after deducting any amounts already paid, or
- (b) any lower sum for which the claim may be settled.

If we do so:

- (c) the conduct of any outstanding claim(s) will become your responsibility; and
- (d) we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

Sum Insured, Limit of Indemnity and Excess

- (a) We will not pay more than the Sum Insured or Limit of Indemnity in respect of any claim:

- (i) other than those benefits that are identified as payable in addition to the sum insured, or
- (ii) unless we agree in writing to pay legal costs or expenses in relation to a claim.

- (b) You must pay the amount of any Excess shown in the Policy Schedule for each claim you make. Payment of your Excess may be requested when you lodge your claim form or may be deducted from our payment to you.
- (c) If you suffer damage which leads to a claim under more than one (1) section of this Policy, or more than one (1) coverage item within a section of this Policy:
 - (i) the highest applicable excess is payable, but
 - (ii) only one (1) excess is payable.

Subrogation, recovery action & uninsured loss

We may at any time, at our expense and in your name, use all legal means available to you of securing reimbursement for loss or damage arising under your Policy. In the event we do so, you agree to give all reasonable assistance and provide us with all necessary information and documents we reasonable require for that purpose.

If you've suffered loss that wasn't covered by your Policy as a result of the incident, we may offer to attempt to recover this. You may also specifically ask us to recover this for you. You'll need to give us documents supporting your loss. Before we include any uninsured loss in the recovery action we'll also ask you to agree to the basis on which we'll handle your recovery action. You may need to contribute to legal costs in some circumstances.

Proceedings and negotiations

We are entitled, by giving you notice, to take over and conduct in your name the defence or settlement of any claim, demand or proceedings against you which is covered by our indemnity under this Section. If we do:

- (a) We control all claims
- (b) you must provide us with such information, documents and assistance as we may from time to time require for the conduct of such claim, demand or proceedings and including the latest Earnings of all Employees duly certified as correct by an independent auditor;
- (c) you must not without or prior written consent incur any expenditure, make any payment, admission or offer or enter into any settlement in connection with any such claim, demand or proceedings.
- (d) You must allow us to:
 - (i) make admissions, settle or defend claims on your behalf, and
 - (ii) take legal action in your name against another person to recover any payment we have made on a claim. We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy, whether or not we have paid your claim in whole or in part.

Automatic reinstatement

We have the option of indemnifying you by payment or by reinstatement, replacement or repair of lost or damaged property. If we elect to reinstate or repair any property or part thereof we are not obliged to reinstate or repair it exactly or completely but only as circumstances permit and in a reasonably sufficient manner and provided that we shall not be obliged to spend more than the Sum Insured in connection with such reinstatement and repair.



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