

QBE Hongkong & Shanghai Insurance Limited



# Interior Renovation Prestige

Policy Wording

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# Interior Renovation Prestige - Insurance Policy

## About this booklet

There are two parts to this booklet. The first part is important information about this Policy including information about how we will protect your privacy and how to make a complaint or access our dispute resolution service.

The second part is your Policy Wording which sets out the detailed terms, conditions and exclusions of the Policy.

Because we do not know your own personal circumstances, you should treat any advice in this booklet as purely general in nature. It does not consider your objectives, financial situation or needs. You should carefully consider the information provided with regard to your personal circumstances to decide if it is right for you.

### For more information or to make a claim

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact:

- your insurance intermediary (agent or broker). The contact details for your insurance intermediary provider are set out in the documentation they give you.

The section titled 'Claims' at the end of this booklet tells you the full details about what you need to do in the event of a claim. If you would like to make a claim or to enquire about an existing claim please contact your insurance intermediary.

### About QBE Hong Kong

QBE Hongkong & Shanghai Insurance Limited ("the Company") has been providing insurance services in Hong Kong for more than a century and is a trusted provider of specialist expertise and professional insurance services. It is a wholly owned member of the QBE Insurance Group Limited which is listed on the Australian Stock Exchange (ASX: QBE) and is headquartered in Sydney, Australia.

QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the largest insurers and reinsurers in the world.

### Duty of disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, as this may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

### If you do not tell us something

If you do not tell us anything you are required to, we may cancel your Policy or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the policy as if it never existed.

## QBE Hongkong & Shanghai Insurance Limited – Personal Information Collection Statement

In relation to the personal data collected by QBE Hongkong & Shanghai Insurance Limited ("QBE HK"), I/we agree and acknowledge that:

- the personal data requested is necessary for QBE HK to process your application for insurance or claim and any such data not provided may mean this application or claim cannot be processed.
- the personal data collected in this form may be used by QBE HK for the purposes stated in its Privacy Policy found at qbe.com/hk. These include underwriting and administering the insurance policy being applied for (including obtaining reinsurance, underwriting renewals, claim processing, investigation, payment and subrogation and any related purposes)
- QBE HK may transfer the personal data to the following classes of persons (whether based in Hong Kong or overseas) for the purposes identified in (b) above:
  - third parties providing services related to the administration of my/our policy (including reinsurance);
  - financial institutions for the purpose of processing this application and obtaining policy payments;
  - in the event of a claim, loss adjusters, assessors, third party administrators, emergency providers, legal services providers, retailers, medical providers and travel carriers;
  - another member of the QBE group (for all of the purposes stated in (b)) in any country; or
  - other parties referred to in QBE's Privacy Policy for the purposes stated therein
- I/we may gain access to, or request correction of my/our personal data (in both cases, subject to a reasonable fee), via email or post at:  
QBE Hongkong & Shanghai Insurance Limited  
Address: 33/F, Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Email: info.hk@qbe.com.hk

- That where I/we are providing personal data on behalf of another person to QBE HK, I/we have obtained consent from the other person who have agreed that their personal data will be released to QBE HK in accordance with paragraphs (a), (b) and (c) above.
- That in the event of differences between the English and Chinese, the English version shall prevail.

## 個人資料收集聲明

關於 [昆士蘭聯保保險有限公司 ("昆士蘭保險香港") 收集之個人資料, 本人 / 我等同意並承認:

- 索取之個人資料對於昆士蘭保險香港處理本人 / 我等之保險或索償申請乃屬於必需。若未提供此類資料, 可能導致無法處理此項申請或索償。
- 昆士蘭保險香港可以將此表格所收集的個人資料用於其網頁 qbe.com/hk 所載私隱政策當中表明之目的, 其中包括承保和管理本人 / 我等正在申請之保險 (包括獲得再保險、承保續期、理賠、調查、付款、代位索償以及各種相關目的)。
- 昆士蘭保險香港可為以上 (b) 項指明之目的, 將個人資料轉交以下無論是在香港還是在海外之各類人士:
  - 提供與本人 / 我等之保險 (包括再保險) 之管理有關的服務的第三方;
  - 為處理此項申請並獲得保單付款, 將個人資料轉交金融機構;
  - 在發生索償時, 將個人資料轉交有關的損失理算師、評估師、第三方管理人員、緊急服務提供者、法律服務提供者、零售商、醫療服務提供者和旅行社;
  - 昆士蘭保險集團不論位於任何國家或地區的另一成員 (為以上 (b) 項所述各種目的而提供該個人資料);
  - 為昆士蘭保險私隱政策所指之各種目的, 將個人資料提供予該私隱政策提及的其他人士。
- 本人 / 我等可以查閱或要求更正自己的個人資料 (在這兩種情況下均需支付一筆合理費用)。提出有關要求, 可經電郵或郵遞方式向以下地址發信:

[昆士蘭聯保保險有限公司 -

地址: 香港鰂魚涌英皇道979號太古坊濠豐大廈33樓

電郵: info.hk@qbe.com.hk]

- 若本人 / 我等乃代表另一人士向昆士蘭保險香港提供個人資料, 本人 / 我等已獲得該人士表示同意根據以上 (a)、(b)、(c) 款將其個人資料發給昆士蘭保險香港。
- 若本文件之中、英文版之間意義有分歧, 應以英文版本為準。

January 2021

### Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

### Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

## General Condition applicable to all sections of this policy

### Contract Named Parties

Contract Named Parties are noted in the schedule of this policy but does not imply that each of these parties individually has unlimited access to all activated sections of the of the policy.

The rights of each party to indemnity under each individual section of the policy which has been selected for cover, will be dependent on their role and will be dependent on the following circumstances of their relationship with the specific contract for construction works specified in the schedule.

For each Section of the policy (as applicable) the following applies:

#### Section 1: Material Damage

This section will apply to indemnify named parties who have a legal or equitable interest each for their own interest in the materials supplied and incorporated into or to be incorporated in the works, any completed temporary works and any labour expended thereon at the time of the loss. Where the works referred in the contract involve the modification of existing property then any work performed in the incorporation of materials into the existing structure is also covered under this Section. Where Principals existing property is specifically Insured as indicated in the Policy Schedule that cover applies only to the benefit of the Principal in respect of any damage to their property and the Sum Insured on that item cannot be taken into account for the benefit of damage to any other property.

## Section 2 Third Party Liability

The Indemnity in this section will benefit those Named Parties who have liability arising either directly as a consequence of their own negligence in the actual performance of the works as referred to in the contract or liability to other Named Parties that arises vicariously through the negligent actions of Named Parties actually engaged in the performance of the works referred to in the contract.

Notwithstanding that more than one Named Party may be entitled to indemnity under this section, the limit of liability will apply overall named parties for any one occurrence.

Notwithstanding that a Named Party is named in the contract, the cross-liability clause contained provides for indemnity to be provided in circumstances noted above where another Named Party seeks compensation from another Named Party for an act of negligence.

## Section 3 Employees' Compensation

The right to Indemnity to under this section of the policy is limited to the Principal Contractor and all of the Principal Contractors Subcontractors and Sub-subcontractors for injuries to their own Employees' (and not of the other) in accordance with subsection 40(1b) of "The Ordinance" in the course of the completion of the construction works under the contract.

This section also extends to include indemnity for the Principal in relation to any liability insured at law (including under The Ordinance) to employees' of the Principal Contractor the Subcontractors and the sub-subcontractors.

No other Named Party is entitled to indemnity under this section.

# Section 1 Material Damage and Section 2 Third Party Liability

**WHEREAS THE INSURED** named in the Schedule hereto has by a Proposal in writing signed by or on behalf of the Insured bearing the date specified in the said Schedule which Proposal the Insured has agreed shall be the basis of this contract and be held as incorporated herein applied to **QBE Hongkong & Shanghai Insurance Ltd.** (hereafter called "the Company")

- 1.1. NOW THIS POLICY WITNESSETH that in consideration of the Insured having paid or agreed to pay to the Company the premium stated in the said Schedule.
- 1.2. THE COMPANY HEREBY AGREES subject to the terms, exceptions and conditions contained herein or attached hereto or endorsed hereon that if during the Period of Insurance stated in the said Schedule or during any further period in respect of which the Insured shall have paid and the Company shall have accepted premium the Insured shall sustain loss or damage or shall incur liability in the circumstances provided for by this Policy and defined herein the Company shall indemnify the Insured in the manner hereinafter described.
- 1.3. PERIOD OF INSURANCE The liability of the Company shall commence and expire on the dates shown in the Schedule subject to the following definitions:
  - 1.3.1 The Construction Period shall commence immediately after unloading of property to be insured on the site or with the onset of the insured contract work, whichever is earlier. It shall end for any part of the contract works which has been taken into use or occupation by the Employer from the time of such taking into use or for which a Certificate of Completion has been issued from the expiry of 28 days from the date of completion certified therein or on the date specified in the Schedule, whichever is earlier.
  - 1.3.2 The Maintenance Period shall commence for the entire works upon completion of commissioning and testing or whenever the works are taken into use, whichever is earlier. It shall end on the date specified in the Schedule.

The Maintenance Period shall cover:

    - (i) the loss occurrence during the Maintenance Period and was caused by an Occurrence during the Construction Period stated in the Schedule, or
    - (ii) the loss was caused by the insured contractor in the course of complying with his obligations under the maintenance and defect liability clauses of the Contract.

## 2. GENERAL EXCEPTIONS APPLICABLE TO SECTION 1 AND 2

- 2.1 The Company shall not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of:
  - 2.1.1 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, military or usurped power or persons acting on behalf of or in connection with any political organisation with activities directed towards the overthrow or influencing of a government, de jure or de facto, by force, confiscation, nationalisation, commandeering, requisition or destruction or damage by order of any government, de jure or de facto, or by any public authority;
  - 2.1.2 strike, riot, lock out, civil commotion or persons taking part in labour disturbances;
  - 2.1.3 acts of terrorism committed by a person or persons acting on behalf of or in connection with any organisation. For the purpose of this exclusion "terrorism" means the use of violence for political ends and includes the use of violence for the purpose of putting the public or any section of the public in fear;
  - 2.1.4 nuclear weapons, material, ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste, from the combustion of nuclear fuel and for the purposes of this exception combustion shall include any self-sustaining process of nuclear fission.
- 2.2 In any action, suit or other proceeding where the Company allege that by reason of the provisions of exceptions 2.1.1, 2.1.2, 2.1.3 or 2.1.4 above any loss damage or liability is not

covered by this insurance the burden of proving that such loss damage or liability is covered shall be upon the Insured.

## 2.3 Cyber Exclusion

Where included in this policy, the Property All Risks and/or Business Interruption and/or Money and/or Fidelity Guarantee sections of this policy will be subject to the following exclusion.

This Policy excludes any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Incident.

However, this Policy will provide cover for physical loss or damage, to the property insured not otherwise excluded happening at the Risk location, including business interruption resulting therefrom, directly occasioned by a Cyber Incident. Nevertheless, any loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data directly occasioned by the Cyber Incident shall not be recoverable hereunder, nor be considered as physical loss or damage for the purposes of this exclusion clause.

Notwithstanding the foregoing, in the event that hardware or Electronic Data storage device of a Computer System insured by this Policy, sustains physical damage by an insured peril directly occasioned by a Cyber Incident, which results in damage to or loss of Electronic Data stored on that hardware or Electronic Data storage device, then the damage to or loss of such Electronic Data shall be recoverable hereunder and the basis of valuation for the recovery of the damaged or lost Electronic Data shall be the costs of copying the Electronic Data from back-up's or from originals of the previous generation and the cost of the blank media.. Such costs shall not include all reasonable and necessary expenses incurred in recreating, gathering or assembling such Electronic Data, and does not include the value of the Electronic Data to You or any other party even if such Electronic Data cannot be recreated, gathered or assembled.

## Definitions

- 2.3.1 "Cyber Incident" shall include:
  - 2.3.1.1 unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof;
    - 2.3.1.2 Malware or Similar Mechanism;
    - 2.3.1.3 programming or operator error whether by the insured or any other person or persons;
    - 2.3.1.4 any unintentional or unplanned - wholly or partially - outage of the insured's Computer System not directly caused by physical loss or damage;
- affecting access to, processing of, use of or operation of any Computer System or any Electronic Data by any person or group(s) of persons or other computer system or machine
- 2.3.2 "Computer System" means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or Electronic Data storage device, networking equipment or back up facility.
- 2.3.3 "Electronic Data" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- 2.3.4 "Malware or Similar Mechanism" means any programme code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to "Virus", "Trojan Horses", "Worms", "Logic Bombs" or "Denial of Service Attack".

## 2.4 Terrorism

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

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

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

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

#### 2.5 Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

### 3. SECTION 1 – Material Damage

#### INSURING CLAUSE

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

##### Item (1) Contractors' Material Damage:

the permanent and temporary Works constructed erected or in the course of construction or erection in performance of the Contract and all other property for which the insured contractor is responsible under the Contract whilst on the Site and subject to its value being included in the Sum Insured however excluding Constructional Plant and temporary buildings.

##### Item (2) Professional fees:

cost and expenses in respect of architects' surveyors' and consulting engineers' fees necessarily incurred in the reinstatement of the Insured Property consequent upon its loss or damage but not for preparing any claim it being understood that the amount payable hereunder shall not exceed the scale charges of the appropriate professional body.

##### Item (3) Removal of debris:

costs and expenses necessarily incurred by the Insured with the consent of the Company in dismantling and removing debris of the portion or portions of the property described in the Schedule whilst at the Site during the Period of Insurance arising from any cause whatsoever not hereinafter excluded.

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

3.2.1 which has been taken into use or occupation by the Employer from the time of such taking into use or;

3.2.2 for which a Certificate of Completion has been issued from the expiry of 28 days from the date of completion certified therein;

3.2.3 whichever of 3.2.1 or 3.2.2 is the earlier unless such loss or damage be occasioned during the Maintenance Period stated in the Schedule; and

(i) was caused by an occurrence during the Construction Period stated in the Schedule; or

(ii) was caused by an insured contractor in the course of complying with his obligations under the maintenance and defects liability clauses of the Contract.

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

#### EXCEPTIONS TO SECTION 1

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

3.4.1 loss or damage due to any fault, defect, error or omission in or failure of any design plan or specification;

3.4.2 loss or damage due to defect in material or workmanship but this exception shall be limited to that part of the Insured Property directly affected and shall not exclude loss or damage to other parts of the Insured Property resulting from an accident due to such defect;

3.4.3 loss of or damage to any item of machinery forming part of the Works or Constructional Plant due to its own explosion, mechanical or electrical breakdown or derangement but this exclusion shall not be deemed to exclude damage to other parts of the Works or Constructional Plant arising as a consequence of such explosion, breakdown or derangement;

3.4.4 loss of Insured Property due to it being stolen or otherwise missing from the Site unless such loss is identifiable by the Insured with a specific occurrence;

3.4.5 loss of or damage to cash, bank notes, treasury notes, cheques, postal orders, money orders, stamps, deeds, bonds, bills of exchange, promissory notes and securities;

3.4.6 loss of use, liquidated damages, fines, penalties, performance guarantees or other consequential losses;

3.4.7 loss or damage due to wear and tear, rust, mildew or other deterioration due to gradually operating causes;

3.4.8 the cost of maintenance;

3.4.9 loss of or damage to any locomotive, waterborne vessel, aircraft or vehicle other than any land vehicle which is used solely on the contract site and which is not used on any public road or public highway to which any Road Traffic Legislation applies;

3.4.10 damage to tyres whilst attached to a vehicle or plant unless the vehicle or plant is damaged at the same time;

3.4.11 loss or damage due to cessation or work whether total or partial;

3.4.12 loss or damage that is not unforeseen or accidental in nature

#### CONDITIONS TO SECTION 1

3.5 The Sum Insured shall in respect of Constructional Plant (if insured) in the Schedule represent the new replacement value inclusive of erection, freight and customs.

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

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

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

3.7.2 in the case of a total loss, the actual value of the Insured Property immediately before the occurrence of the loss less salvage.

3.8 In the event of loss or damage to the Insured Property the insurance hereunder shall be maintained in force during the Period of Insurance for the Sum Insured the Insured undertaking to pay an additional premium at the agreed rate on the amount of any loss exceeding HK\$100,000 pro rata from the date of such loss or damage to the expiry of the Period of Insurance but this additional premium shall be disregarded for the purpose of any adjustment of premium under General Condition 5.6 of this Policy.

### 4. SECTION 2 – Third Party Liability

#### INSURING CLAUSE

4.1 The Company shall indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay for:

4.1.1 accidental death, bodily injury, illness or disease suffered by any person arising out of the performance of the Contract described in the Schedule;

4.1.2 accidental loss or damage to physical property arising out of the performance of the Contract described in the Schedule.

4.2 The liability of the Company under this section of the Policy for all compensation payable to any claimant or number of claimants in respect of or arising out of all occurrences of a series consequent on or attributable to one original cause shall not exceed the limit of indemnity specified in the Schedule.

4.3 In respect of any claim covered by this Section of the Policy the Company shall in addition be liable for:

4.3.1 all costs and expenses of litigation recovered by any claimant against the Insured;

4.3.2 all costs and expenses of litigation incurred by the Insured with the written consent of the Company in resisting any claim.

4.4 Where more than one party comprises "The Insured" each of the parties comprising the Insured shall for the purpose of this Policy be considered as a separate and distinct party and the words "The Insured" shall be considered as applying to each party in the same manner as if a separate Policy had been issued to each of the parties and the Insurers hereby agree to waive all rights of subrogation against each of the aforesaid parties arising out of any occurrence in respect of which any claim is made hereunder provided nevertheless that:

(a) notwithstanding the foregoing, this Policy shall not respond in respect of claims arising out of death of or bodily injury (including illness) to any person who is, or could have been, insured under workmen's compensation insurance(s) and/or employer's liability insurance(s);

(b) nothing in this Clause shall be deemed to increase the Limit of Indemnity in respect of anyone occurrence or series of occurrences as stated in the Schedule.

4.5 Provided always that the aggregate liability of the Company shall not be increased beyond the limit of indemnity specified in the Schedule.

#### EXCEPTIONS TO SECTION 2

4.6 The Company shall not indemnify the Insured in respect of:

4.6.1 liability in respect of death, bodily injury, illness or disease arising out of or in the course of undertaking any activity in connection with an insured Contract in respect of:

(i) any person employed directly or independently by the Employer or any contractor and/or sub-contractor of any tier; and

(ii) any person to whom part or parts of the insured contract has been sub-contracted including but not limited to self-employed person(s) and/or sole proprietor;

4.6.2 liability in respect of compensation claimed from the Insured by an injured person or dependent under any Employees' Compensation Legislation;

4.6.3 liability resulting from or attributable to or caused by the ownership or possession or use by or on behalf of the Insured of any locomotive, waterborne vessel, aircraft or vehicle other than any land vehicle which is used solely on the contract site and which is not used on any public road or public highway to which any Road Traffic Legislation applies;

4.6.4 liability compulsorily insurable under any legislation governing the use of motor vehicles;

4.6.5 liability in respect of loss or damage to any building, property or structure caused by or resulting from vibration or by the removal or weakening of support;

4.6.6 liability in respect of loss of or damage to property belonging to or in the care, custody or control of the Insured;

4.6.7 liability in respect of loss or damage to permanent or temporary works or materials forming part of the Contract or Contracts insured under this Policy;

4.6.8 liability consequent upon any agreement by the Insured to pay any sum by way of indemnity or otherwise or predetermined penalties or liquidated damages imposed under any contract entered into by the Insured unless such liability would have attached also in the absence of such agreement, contractual penalty or liquidated damages;

- 4.6.9 actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity;
- 4.6.10 liability in respect of claims arising out of:
- (i) the rendering of or failure to render professional advice or service or any error or omission connected therewith or
  - (ii) any error in advice design formula or specification or
  - (iii) a breach of the duty owed in a professional capacity by the Insured;
- 4.6.11 liability in respect of claims for bodily injury, disease, loss or damage caused by or through or in connection with any commodity which the Insured or his employees' or his agents working on his behalf have manufactured sold, supplied, repaired, serviced, tested or processed after such commodity has been handed over to the customers, clients or service users and has left the care, custody and control of the Insured or his employees' or his agents working on his behalf;
- 4.6.12 liability arising from fines, penalties or liquidated damages, punitive damage and/or exemplary damages and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages;
- 4.6.13 liability in respect of:
- (i) any judgement delivered by or order obtained from a court outside the Hong Kong Special Administrative Region;
  - (ii) any judgement delivered by or order obtained from a court in the Hong Kong Special Administrative Region for the enforcement of a judgement obtained elsewhere.
- 4.7 This policy does not cover any liability for:
- 4.7.1 (i) personal injury or bodily injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph 4.7.1 shall not apply to liability for personal injury or bodily injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the Period of this Insurance;
- (ii) the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden unintended and unexpected happening during the Period of Insurance;
- (iii) fines, penalties, punitive or exemplary damages.
- 4.7.2 Personal injury or property damage arising, directly or indirectly, out of, or in any way involving the Insured's "internet operations". This exclusion does not apply to personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.
- "Internet Operations" means the following:
- (i) use of electronic mail systems by the Insured or the Insured's employees', including part-time and temporary staff, contractors and other within the Insured's organisation;
  - (ii) access through the Insured's network to the world wide web or a public internet site by the Insured's employees', including part-time and temporary staff, contractors and others within the Insured's organisation; (
  - (iii) access to the Insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for customers of the Insured or others outside the Insured's organisation; and
  - (iv) the operation and maintenance of the Insured's web site.
- 4.7.3 Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
- (i) the use of any computer hardware or software;
  - (ii) the provision of computer or telecommunication services by the Insured or on the Insured's behalf;
- 3 the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.
- 5.5 If any change shall occur materially varying any of the facts upon which this Policy is based the Insured shall immediately give notice in writing to the Company and the premium shall be adjusted in accordance with any agreed rate.
- 5.6 The Insured shall within three months of the expiration of the Period of Insurance furnish to the Company a declaration of the Final Contract Sum and if such sum shall differ from the Contract Sum the premium shall be adjusted accordingly subject to any minimum retained premium previously agreed.
- 5.7 The Insured shall also take and cause to be taken all reasonable precautions to prevent loss damage or accident and shall comply with the "Construction Sites (Safety) Regulations" and any ordinance or regulation which might apply in respect of the insured Contract.
- 5.8 In the event of any occurrence which might give rise to a claim under this Policy the Insured shall:
- 5.8.1 notify the Company as soon as possible and in writing give an indication as to the nature and extent of the damage;
  - 5.8.2 at the expense of the Company take such immediate action as is necessary to minimize the loss provided that such expense shall not increase the Company ultimate loss;
  - 5.8.3 keep parts affected and make them available for inspection by a representative or surveyor of the Company for a reasonable period of time but the Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not;
  - 5.8.4 submit a formal claim and furnish all such information and documentary evidence as the Company may require within six months of the occurrence or such further time as the Company may in writing agreed, such agreement not to be unreasonably withheld;
  - 5.8.5 inform and assist the police authorities in case of loss or damage due to theft or burglary or malicious action;
  - 5.8.6 immediately send to the Company upon receipt any writ summons or other proceedings which may be commenced against the Insured;
  - 5.8.7 give to the Company all information and assistance to enable the Company to settle or resist any claim or institute proceedings.
- 5.9 In the event of a claim or claims arising for which the Company could be liable under this Policy the Company shall be entitled:
- 5.9.1 to undertake in the name and on behalf of the Insured the absolute conduct and control of any proceedings and the settlement of the same;
  - 5.9.2 to take proceedings at their own expense and for their own benefit but in the name of the Insured to recover compensation or secure an indemnity from any third party in respect of anything covered by this Policy;
  - 5.9.3 to pay to the Insured in respect of any claim or claims the maximum liability of the Company under Section 2 of this Policy as stated in the Schedule or such lesser sum for which the said claim or claims can be settled (subject to deduction in either case of any sum or sums already paid on account for such claim or claims) and thereafter the Company shall be under no further liability in respect of said claim or claims except for payment of costs and expenses incurred prior to the date of such payment and for which the Company may be liable hereunder.
- 5.10 The Insured shall not negotiate, pay, settle, admit or repudiate any claim under the Policy without the written consent of the Company.
- 5.11 This insurance is not to be called upon in contribution and is only to pay any loss hereon if and so far as not recoverable under any other insurance.
- 5.12 All differences arising out of this Policy shall be referred to the decision of any Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an award shall be a condition precedent to any right of action against the Company. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
- 5.13 Rights of Third Parties
- (1) Each party acknowledges that the other party has entered into this Policy on behalf of and for the benefit of itself and its Affiliates and each of the other party's Affiliates shall be entitled to enforce and take the benefit of the terms of this Policy in accordance with the Contracts (Rights of Third Parties) Ordinance (CAP. 623).
  - (2) Subject to clause (1), any person who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Ordinance (CAP. 623) or any other applicable law to enforce any term of this Policy.

This paragraph 4.7 shall not extend this insurance to cover any liability which would not have been covered under this insurance had this paragraph not been attached.

## 5. GENERAL CONDITIONS APPLICABLE TO SECTION 1 AND 2

- 5.1 This Policy shall be construed according to the laws of Hong Kong.
- 5.2 The Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
- 5.3 All the terms, exceptions and conditions contained herein or endorsed hereon are incorporated in and form part of this contract of insurance and are deemed to be conditions precedent to any liability on the part of the Company so far as they relate to anything to be done by the Insured.
- 5.4 The expressions "Constructional Plant", "Certificate of Completion", "Contract", "Contractor", "Contract Sum", "Final Contract Sum", "Hong Kong", "Maintenance Period", "Site", "Specification" and "Works" shall bear the meaning ascribed to them in the Government of Hong Kong Special Administrative Region General Conditions of Contract for Civil Engineering Works/Building Works (1999 Edition), as amended by any special conditions of Contract.

## 6. ENDORSEMENTS APPLICABLE TO SECTION 1 AND SECTION 2

### 6.1 Additional Exclusions applicable to Section 1 and Section 2

It is agreed and understood that otherwise subject to the terms, provisions and conditions contained in the Policy or endorsed thereon, the following additional exclusions will apply to Section 1 and Section 2 of this insurance.

- 6.1.1 This policy does not cover:
- 6.1.1.1 Damage or liability as a result of working at a height exceeding 5 meters above the ground or floor level where the policy schedule notes the "Scope of Work" as "Interior renovation works without scaffolding in relation to the above titled contract".

- 6.1.2 Damage or liability as result of:
- 6.1.2.1 the excavation of trenches other than small internal excavations not exceeding 250mm depth.
  - 6.1.2.2 the demolition of any structural components of a building.
  - 6.1.2.3 external building works except as provided for in the definition of interior renovation works noted in the policy schedule.
  - 6.1.2.4 work undertaken on lifts or public utilities other than decoration work on lift car interiors or work to connect to public utilities for utilisation of the service.
  - 6.1.2.5 modification or removal of a load-bearing structure of the building
  - 6.1.2.6 the alteration or installation of a sprinkler system unless the work is part of and comprises up to 10% of the overall contract value.
  - 6.1.2.7 any civil works
  - 6.1.2.8 piling works
  - 6.1.2.9 site or property remediation from toxic or hazardous substances.
  - 6.1.2.10 work at building sites on or adjacent to:
    - 6.1.2.10.1 a power station(s)
    - 6.1.2.10.2 a petrochemical plant
    - 6.1.2.10.3 a semiconductor manufacturing or semiconductor wafer manufacturing plant
    - 6.1.2.10.4 a pharmaceutical manufacturing plant
    - 6.1.2.10.5 an aircraft manufacturing or maintenance hangar
  - 6.1.2.11 work on oilrigs or onboard watercraft of any kind
  - 6.1.2.12 work onboard aircraft.
- 6.1.3. Damage or liability arising from the existence of asbestos in any form.
- 6.1.4. Damage or liability arising from the use of gondolas or swing boats.

## ENDORSEMENTS APPLICABLE TO SECTION 1

### 6.2 ACCESS COSTS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:

- 6.2.1 costs and expenses reasonably incurred in proving additional means of protection or access to the construction site following damage which is necessary to ensure the safety of workers or other specialists involved in the remediation of the damage.

The amount claimable is limited in respect to any one claim to the amount stated in the Schedule against Access Costs.

### 6.3 CLAIMS PREPARATION COSTS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:

- 6.3.1 costs and expenses reasonably incurred in preparing any claim hereunder provided such damage is not excluded under this Policy.

The amount claimable is limited in respect to any one claim to the amount stated in the Schedule against Claims Preparation Costs.

### 6.4 Communicable Disease Exclusion

This Policy excludes any loss, damage liability claim or expense of whatsoever, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

Subject to the other terms, conditions and exclusions contained in this policy we will cover physical damage to property insured under this Section where such physical damage is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, earthquake, seaquake, seismic and/or volcanic disturbance/eruption, tsunami, flood, freeze, ice storm, weight of snow or ice, avalanche, meteor/asteroid impact, landslip, landslide, mudslide, bush fire, forest fire, riot, riot attending a strike, civil commotion, vandalism and malicious mischief.

## Definitions

- 6.4.1 Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

6.4.1.1 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

6.4.1.2 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

6.4.1.3 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.

### 6.5 CONTRACT VALUE INCREASE

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, that if during the Period of Insurance the actual value of the contract works shall be in excess of the originally estimated value of the contract works, then the Sum Insured in respect of the Contract works under Section 1 of this insurance shall be automatically increased to cover the additional amount up to the percentage increase limit stated in the Schedule against Contract Value Increase.

### 6.5 (A9) COVER FOR LOSS OR DAMAGE DUE TO STRIKE, RIOT AND CIVIL COMMOTION

It is agreed and understood that notwithstanding General Exception 2.1.2 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property insured directly caused by:

6.5.1.1 the act of any person taking part together with others in any disturbances of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in Special Condition 6.5.4;

6.5.1.2 the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance;

6.5.1.3 the wilful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out;

6.5.1.4 the action of any lawfully constituted authority in preventing or attempting to prevent such act or in minimizing the consequences of any such act.

6.5.2 Provided that it is hereby further expressly agreed and declared that:

6.5.2.1 all the terms, exclusion, provisions and conditions of the Policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following Special Conditions and any reference to loss or damage in the wording of the Policy shall be deemed to include the perils hereby insured against.

6.5.2.2 The following Special Conditions shall apply only to the insurance granted by this extension and the wording of the Policy shall apply in all respects to the insurance granted by the Policy as if this Endorsement had not been made thereon:

#### Special Conditions

6.5.3 This insurance does not cover:

6.5.3.1 loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;

6.5.3.2 loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;

6.5.3.3 loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building;

6.5.3.4 consequential loss or liability of any kind or description, any payments over and above the indemnity for the material damage as provided herein.

provided nevertheless that the Company is not relieved under 6.5.3.2 or 6.5.3.3 above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

6.5.4 This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:

<p>6.5.4.1 war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war;</p> <p>6.5.4.2 mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power;</p> <p>6.5.4.3 any act of any person acting on behalf of or in connection with any organisation with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it be terrorism or violence.</p> <p>6.5.5 In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.</p> <p>6.5.6 The insurance may at any time be terminated by the Company on notice to that effect being given by registered post to the Insured's last known address, in which case the Company shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of cancellation.</p> <p><b>6.6 DEFINITION OF MAJOR AND MINOR DAMAGE</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the in respect to the application of the Policy Excesses in relation to Section 1 of this insurance, the following meaning will be applied:</p> <p>6.6.1 Major Hazard shall mean loss or damage as a result:</p> <p>6.6.1.1 Acts of God, storm, landslip, erosion, subsidence, fire, or collapse.</p> <p>6.6.2 Minor Hazard shall mean a loss as a result of any other cause.</p> <p><b>6.7 EMPLOYEES' EFFECTS</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.7.1 The personal effects and clothing of employees'.</p> <p>The amount claimable is limited in respect to any one claim to the amount stated in the Schedule against Employee effects.</p> <p><b>6.8 EXPEDITING EXPENSES (A6. EXTENSION OF COVER FOR THE COSTS OF EXTRA CHARGES FOR OVERTIME, NIGHT WORK, WORK ON PUBLIC HOLIDAYS AND EXPRESS FREIGHT)</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.8.1 extra charges for overtime, night work, work on public holidays and express freight (excluding air freight) arising from a claim indemnifiable under this Policy.;</p> <p>6.8.2 subject to such extra charges being incurred solely and directly for the repair or replacement of Insured Property lost or damaged by an insured peril.</p> <p>The amount claimable respect any one claim to the amount stated in the schedule against Expediting Expenses</p> <p><b>6.9 (A3) EXTENSION OF COVER FOR DESIGNER'S RISK</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, exclusion 3.4.1 under exceptions to Section 1 of the Policy shall be deleted and exclusion 3.4.2 replaced by the following wording:</p> <p>3.4.2 The cost of replacement, repair or rectification of loss of or damage to items due to defective material and/or workmanship and/or faulty design, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship and/or faulty design.</p> <p><b>6.10 (A4) EXTENSION OF COVER FOR INLAND TRANSIT</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.10.1 loss of or damage to Insured Property occurring during transit elsewhere within the territorial limits of Hong Kong Special Administrative Region subject to the limit shown in the Schedule for any one loss.</p> <p>6.10.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Company shall not be liable for the amount of excess shown in the Schedule.</p> <p><b>6.11 (A5) EXTENSION OF COVER FOR STORAGE</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.11.1 loss of or damage to Insured Property occurring whilst in storage elsewhere within the territorial limits of Hong Kong Special Administrative Region subject to the limit shown in the Schedule for any one loss.</p> <p>6.11.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Company shall not be liable for the amount of excess shown in the Schedule.</p> <p><b>6.12 MITIGATION EXPENSES</b></p>	<p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.12.1 costs and expenses reasonably incurred in containing reducing suppressing or preventing further damage, provided such further damage is not excluded under this Policy. The amount payable under this extension shall not include any amounts payable under EXPEDITING EXPENSES or REMOVAL OF DEBRIS.</p> <p>The amount claimable is limited in respect to any one claim to the amount stated in the Schedule against Mitigation Expenses.</p> <p><b>6.13 OFF-SITE FABRICATION</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.13.1 Loss of or damage to property being fabricated for the purposes of incorporation in the contract anywhere in Hong Kong</p> <p>The amount claimable is limited in respect to any one claim to the amount stated in the Schedule against Offsite Fabrication.</p> <p><b>6.14 PLANS AND DOCUMENTS</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.14.1 The cost of rewriting or redrawing plans or specifications of contract works insured under this policy, when such plans or drawings or specifications are lost or damaged by any cause not otherwise excluded, and which are required to be reproduced in order to complete the contract or to obtain payment for the work already carried out.</p> <p>The amount claimable is limited in respect to any one claim to the amount stated in the Schedule against Plans and documents.</p> <p><b>6.15 PLUMBING SEARCH AND LOCATE COSTS</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.15.1 costs and expenses reasonably incurred in searching and locating the source of irregularities discovered during hydrostatic or similar testing procedures conducted following the completion of the construction works.</p> <p>6.15.2 Such costs will include but are not limited to:</p> <p>6.15.1.1 The costs (as necessary of leasing or hiring special apparatus, cost of operation thereof and transport of such apparatus;</p> <p>6.15.1.2 The cost of any associated buildings works to access damaged plumbing fittings.</p> <p>The amount claimable is limited in respect to any one claim to the amount stated in the Schedule against Mitigation Expenses.</p> <p><b>6.16 PRINCIPAL'S EXISTING PROPERTY</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy and or endorsed thereon and subject to the Insured having paid the agreed extra premium, Section 1 of this insurance shall be extended to cover loss of or damage to the existing property of the Principal where an amount for insurance has been has been specified within the schedule in relation to Principals Existing Property, where such cover loss of or damage to the existing property is caused by or arises out of the construction or erection of the items insureds under Section 1.</p> <p>6.16.1 The Company will only indemnify the Insured for loss of or damage to the Principals Existing Property provided that at the commencement of construction its condition is sound and the necessary safety measures have been taken.</p> <p>6.16.2 The Company will not indemnify the insured for</p> <p>6.16.2.1 Loss or damage which is foreseeable having regard to the nature of the construction work or the manner of its execution;</p> <p>6.16.2.2 The cost of loss prevention or minimisation measures which become necessary during the period of insurance.</p> <p>6.16.2.3 Damage to wall or floor finishes or covering or any contents therein.</p> <p>6.16.3 The basis of settlement in relation to Principals Existing Property shall be:</p> <p>6.16.3.1 In the case of damage that can be repaired – the cost of repairs necessary to restore the item(s) to their condition immediately before the occurrence of the damage less any salvage;</p> <p>6.16.3.2 In the case of a total loss of the property - the actual value of the item(s) immediately before the occurrence of the loss less any salvage.</p> <p>The amount claimable respect any one claim and in respect to all claims is limited to the amount stated in the schedule against Principals Existing Property.</p> <p><b>6.17 REMOVAL OF DEBRIS</b></p> <p>It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 1 of this insurance shall be extended to cover:</p> <p>6.17.1 costs and expenses necessarily incurred by the Insured with the consent of the Company in dismantling and removing debris of the portion or portions of the property insured under Section 1 destroyed or damaged by any peril hereby Insured against</p> <p>The amount claimable is limited to the amount stated in the Schedule against Removal of Debris.</p>
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- 6.18 (A8) 72 HOURS CLAUSE  
It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon:
- 6.18.1 any loss of or damage to the Insured Property arising during any one period of seventy-two (72) consecutive hours caused by water, storm, tempest, earthquake, subsidence, collapse, vibration or the weakening of support shall be deemed to be one event and therefore to constitute one occurrence with regard to the excess (a) provided under the Excess Clause.
- 6.18.2 For the purposes of the foregoing the commencement of any such seventy-two (72) hour period shall be decided at the discretion of the Insured it being understood and agreed however that there shall be no overlapping in any two or more such seventy-two (72) hour periods in the event of damage occurring over a more extended period of time.

#### ENDORSEMENTS APPLICABLE TO SECTION 2

- 6.19 (A1) EXTENSION OF COVER FOR VIBRATION OR REMOVAL OR WEAKENING OF SUPPORT
- 6.19.8 It is agreed and understood that notwithstanding Exception 4.6.5 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 2 of this insurance shall be extended to indemnify the Insured for:
- 6.19.1.1 liability in respect of the collapse of any building, property or structure or any part thereof or any damage which impairs the structural stability of any building, property or structure or which endangers its users caused by or resulting from vibration or removal or weakening of support;
- 6.19.1.2 provided that prior to the occurrence of such collapse or damage the condition of such building, property or structure was sound and all reasonable safety precautions had been taken;
- 6.19.1.3 provided that upon discovery of damage which does not immediately result in the collapse of any building, property or structure or any part thereof or any damage which impairs the structural stability of any buildings, property or structure or which endangers its users which is caused by or alleged to be caused by or resulting from vibration or removal or weakening of support arising out of any operations in connection with the execution of the insured Contract the Insured shall immediately suspend such operations or shall at their own expense take all reasonable safety precautions;
- 6.19.1.4 provided that the Company shall not indemnify the Insured in respect of damage caused by or resulting from vibration or removal or weakening of support to any building, property or structure under demolition or declared by the relevant public authority to be unsafe.
- 6.19.2 In respect of each and every and every occurrence of damage indemnifiable under this endorsement the Company shall not be liable for the amount of excess shown in the Schedule.
- 6.20 INDEMNITY TO PRINCIPAL'S PROPERTY  
It is agreed and understood that notwithstanding Exception 4.6.6 and otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, this policy shall be extended to indemnify the Insured for:
- 6.19.1 liability in respect of loss of or damage to any buildings, structure or property belonging to the Principal in the care, custody or control of an insured Contractor in connection with the execution of the insured Contractor.
- 6.19.2 In respect of each and every occurrence of loss or damage indemnifiable under this endorsement the Company shall not be liable for the amount of excess as stated in the Policy.
- 6.21 EXTENSION OF COVER TO PRINCIPAL'S EMPLOYEES AS VISITORS  
It is hereby understood and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section 2 of this insurance shall be extended to indemnify the Insured for liability in respect of death, bodily injury, illness or disease suffered by any direct employee under a contract of service for the Principal. However, the coverage is restricted to those parties concerned for the purpose of visiting the site only on an occasional basis.
- 6.22 COMPLETED OPERATIONS LIABILITY  
It is agreed that this Policy is extended to include Products and Completed Operations liability subject to the Limit of Indemnity specified in the Schedule which is in the aggregate for any one period of insurance. Products and Completed Operations liability includes all bodily injury and/or property damage occurring away from premises you own or rent and arising out of the Insured's Products and Completed Operations except
- 6.22.1 Products that are still in your physical possession; or
- 6.22.2 Operations that have not been completed or abandoned.
- Operations will be deemed completed at the earliest of the following events:
- 6.22.3 when all of the work called for in your contract has been completed;
- 6.22.4 when all of the work to be done at the site has been completed if your contract calls for work at more than one site;
- 6.22.5 when that part of work done at a job site has been put to its intended use by any person or organisation other than another contractor or subcontractor working on the same project.
- Operations that may need service, maintenance, correction, repair or replacement, but which are otherwise complete, will be treated as completed.
- The Completed Operations liability does not include bodily injury or property damage arising out of:
- 6.22.6 Operations in connection with the transportation of property unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof
- 6.22.7 The existence of tools, uninstalled equipment or abandoned or unused materials

Insured's Products shall mean any goods, products or property after they have ceased to be in the possession or under the control of the Insured, manufactured, constructed, erected, installed, repaired, serviced, treated, grown, extracted, produced, processed, assembled, sold, supplied, distributed by the Insured (including any container thereof other than a vehicle)

#### Operations

Operations shall mean

- 6.22.8 Works or operations performed by you or on your behalf; and
- 6.22.9 Materials, parts or equipment furnished in connection with such work or operations.

Damage to Insured Products and completed Operations Exclusion

- 6.22.10 This Policy shall not apply to any liability in respect of loss of or damage to Insured's Products and/or completed Operations if such damage is attributable to any defect therein or the harmful nature or unsuitability thereof.

#### 7. MEMORANDA APPLICABLE TO SECTION 1 AND SECTION 2

##### 7.1 SAFETY PRECAUTIONS

- 7.1.1 Further to General Condition 5.7 the Insured shall:
- 7.1.1.1 take into account the prevailing weather conditions in Hong Kong Special Administrative Region;
- 7.1.1.2 construct storage facilities for cement and other materials as watertight structures in areas not exposed to flooding and shall store cement at least 0.6 metres above ground level. The Company shall not indemnify the Insured in respect of loss of or damage to cement due to rain, flood or other forms of ingress of water unless the cement storage structures also suffer damage by a cause indemnifiable under the Policy;
- 7.1.1.3 take all reasonable measures to secure the Site against unauthorized entry and shall have watchman on guard 24 hours a day 7 days a week;
- 7.1.1.4 take all reasonable precautions against fire hazards and provide and maintain firefighting equipment.

##### 7.2. SPECIAL CONDITIONS FOR UNDERGROUND SERVICES

- 7.2.1 The Company shall not indemnify the Insured in respect of liability as result of loss of or damage to existing underground services (such as water, gas and sewage pipes, electric and telephone cables) unless;
- 7.2.1.2 prior to the commencement of excavation the Insured has inquired with the relevant authorities about the exact position of such services and;
- 7.2.1.2 in the event of the relevant authorities indicating the presence of such services in the vicinity of the Site the Insured shall proceed to locate such services by the hand-digging of trial pits prior to any mechanical excavation and;
- 7.2.1.3 if such services cannot be located by hand-digging the Insured shall approach each relevant authority and seek their assistance in locating its services.

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

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

##### 7.3 BURNING & WELDING CLAUSE

Notwithstanding anything contained to the contrary of this Policy, the Company shall not be liable for any loss, damage or liability in respect of work involving the application of heat within or in the vicinity of the Insured's premises, unless the following precautions are in operation:

- 7.3.1. General
- 7.3.1.1 The area in which the operation is to be carried out must be clear and free from combustible materials before operations commence.
- 7.3.1.2 Before carrying out any work on one side of a wall or partition, an inspection must be made on the opposite side to the work to ensure that no combustible materials are in danger of ignition either directly or by condition of heat.
- 7.3.1.3 Except for plumbing or painting contracts involving one man only. At least one responsible official must be present at commencement of the operation and two or more employees' must be present during the whole period of the operation.
- 7.3.1.4 A thorough examination must be made in the vicinity after termination of each period of work.
- 7.3.1.5 Portable fire extinguishing appliances must be kept available for immediate use.
- 7.3.2 Oxy-acetylene and Other Welding and Cutting Equipment
- 7.3.2.1 The area in which the work is to be carried out must be shielded adequately by the use of fire-resistant material.
- 7.3.2.2 Combustible floors in the area must be covered with sand or protected with overlapping sheets of non-combustible material.
- 7.3.3 Blow Lamps and Blow Torches
- 7.3.3.1 Blow lamps must be filled only in the open.
- 7.3.3.2 Blow lamps must be lighted immediately before work commences and extinguished immediately after work ceases.
- 7.3.3.3 Lighted blow lamps must not be left unattended.

## Section 3 – Employees’ Compensation

### Insuring Clause

**WHEREAS** the Insured carrying on the Business by a Proposal and Declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Company for the insurance contained and has paid or agreed to pay the Premium specified herein as consideration for such insurance.

**NOW THIS POLICY WITNESSETH** that if any Employee in the Insureds immediate employ shall sustain bodily injury or death by Accident or Disease occurring during the Period of Insurance within the Geographical Area and arising out of and in the course of his employment by the Insured in the Business.

**THE COMPANY WILL** subject to the Policy Limit of Indemnity and to the Terms exceptions 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 claimants 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 policy shall be limited to such sums as the company would have been liable to pay if the Ordinance had remained unaltered;

### FURTHER PROVIDED THAT:

(a) The due observance and fulfillment 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

(b) The truth of the statements and answers in the Proposal and Declaration and the Estimated Earnings Declaration and the Actual Earnings Declaration;

shall be conditions precedent to any liability of the Company to make payment or to provide indemnity under this 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 fulfil and be subject to the Terms of this Policy in as far as they can apply.

### DEFINITIONS

For the purposes of this Policy:

(a)	“Accident” means an accident or series of accidents arising out of one event.
(b)	“The Business” means the usual work and activities carried on by the Insured pertaining to his business as specified in the schedule and no others.
(c)	“The Company” means <b>QBE Hongkong &amp; Shanghai Insurance Limited.</b>
(d)	“The Company’s Indemnity” means indemnity provided under this Policy including costs and expenses incurred by or on behalf of the Insured with the Company’s written consent.
(e)	“Disease” means a disease contracted by an Employee of the Insured as a result of his exposure to the nature of his employment with the Insured. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance of this Policy.
(f)	“Earnings” means all gross wages salaries remunerations commissions bonuses overtime termination payments allowances and the like directors fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in kind by the Insured to his Employees’.
(g)	“Employee” has the same meaning as assigned to that expression in the Ordinance.
(h)	“The Insured” means only the person or persons specified as such in the schedule and no others.
(i)	“Noise Induced Deafness” has the same meaning as assigned to that expression in the Occupational Deafness (Compensation) Ordinance (Chapter 469 of the Laws of Hong Kong).
(j)	The Ordinance means the Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong).
(k)	“Pneumoconiosis” and “Mesothelioma” have the same meaning as assigned to those expressions in the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Chapter 360 of the Laws of Hong Kong).
(l)	“The Policy” mean this Employees’ Compensation Section the Schedule and any memoranda and endorsements contained herein or endorsed hereon which shall be read together as one document and which a specific meaning has been assigned shall bear such meaning throughout.

(m)	“The Proposal and Declaration” means any signed proposal form and declaration and any information supplied by or on behalf of the Insured in addition thereto or in substitution therefor.
(n)	Unless the context otherwise requires, words and expressions importing the masculine gender also include the feminine and neuter genders and words and expressions in the singular include the plural and words expressions in the plural also include in the singular.

### POLICY LIMIT OF INDEMNITY

(a) In respect of any Accident or Disease giving rise to a claim or claims against the Insured or for which indemnity is provided under this Policy the Company’s indemnity to the Insured including costs and expenses incurred by or on behalf of the Insured with the Company’s written consent shall in the aggregate be limited to the amount specified in the schedule as “Policy Limit of Liability” irrespective of the number or Employees’ who may sustain bodily injury or death consequent on or attributable to the same occurrence of Accident or Disease.

(b) In relation to any liability of the Insured in respect of a Disease contracted by an Employee due to the nature of his employment with the Insured which nature of employment applies during a period that extends over more than one policy period of insurance:

(i) The aggregate of the Company’s indemnity to the Insured under all insurance policies including costs and expenses incurred by or on behalf of the Insured shall not exceed the limit of indemnity of the insurance policy that was in force at the time the nature of the Employee’s employment to which such disease was due first affected the Employee; and

(ii) Subject to the limitation of paragraph (b)(i) hereof, the Company’s indemnity to the Insured under this Policy including costs and expenses incurred by or on behalf of the Insured shall be limited to such proportion of the Insureds liability in respect of such Disease as that part of the Employee’s period of employment falling within the Period of Insurance of this Policy bears to the total period of his employment to the nature of which such disease was due.

(c) If the occurrence of any Accident or Disease result in indemnity hereunder to more than one insured, the limitations of the Company’s liability specified in paragraphs (a) and (b) hereof shall apply to the aggregate or indemnity to all insureds.

(d) At any time after the occurrence of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Policy the Company may pay to the Insured the full amount of the Company’s liability specified in paragraph (a) and (b) hereof (after the deduction of any sums already paid ) or any lesser amount for which such claim or claims can be settled and shall relinquish the conduct of any defence settlement or proceedings relating to such claim or claims and shall not thereafter be responsible for any compensation damages or costs in respect thereof or for any costs or expenses whatsoever incurred by the Insured after the company shall have relinquished such conduct or for any loss damage or expenses caused to the Insured in the consequence of any act or omission of the Company in connection therewith or of the Company relinquishing such conduct.

(e) If there should be any shortfall in the actual Earnings declared in accordance with paragraph (b) of INSURANCE PREMIUM of this Policy from the respective actual Earnings, 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.

### JURISDICTION CLAUSE

The Company shall not be liable under this Policy 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 Hong Kong.

### EXCEPTIONS

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

- the Insureds liability to employees’ of contractors to the Insured;
- any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party;
- any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
- the Insureds liability to any person who is not an employee of the Insured within the meaning of the Ordinance;
- 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;
- 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;
- any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
  - nuclear weapons material;
  - ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or nuclear fuel and for the purposes of this Exception combustion shall include any self-sustaining process of nuclear fission;
  - 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.

### AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

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

## 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 thirty (30) days after the expiry 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 premium 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 Policy 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 policy 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.

## CLAIMS SETTLEMENT CONDITIONS

### (a) Claims Notification Demands etc.

In the event of any occurrence which may give rise to a claim under this Policy 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 Policy. Every letter claim writ summons and process shall be forward to the Company immediately on receipt.

### (b) Claims Control by the Company

The Company shall be entitled upon notice to the Insured to take over and conduct in the Insureds name the defence or settlement of any claim demand or proceedings against the Insured. In that event:

- (i) the insured shall provide all such information and assistance including the latest wage roll of all, employees' duly certified as being correct by an independent auditor and forward all such documents and other records to the Company for the conduct of such claim demand or proceedings as the Company in its discretion may from time to time require; and
- (ii) the insured shall not without the written consent of the Company incur any expenditure in connection with any such claim demand or proceedings or make any payment admission offer or enter into any settlement whatsoever.

### (c) Claims payments by the Insured

Where the Insured pays all or any part of a claim for which he is liable and for which indemnity is provided by this Policy the Insured shall obtain duly witnessed signed receipts for such payments and shall retain in a safe place all such signed receipts and records and documents relating to such payments and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records and documents.

### (d) Other Insurance

If at the time a claim is made by the Insured under this Policy 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) Waiver of Claims

The Insured shall not become a party to any agreement the effect of which is that the Insured waives any claim which the insured would otherwise have against any person in respect of or arising out of any occurrence arising in liability on the part of the Insured for which indemnity is provided by this Policy or where any such claim is limited or qualified in any way

### (f) Subrogation

The Company shall be entitled at its sole discretion to prosecute in the name of the Insured any claim for damages costs indemnity contribution or otherwise against any person who may be liable to the Insured in respect of any liability on the part of the insured for which indemnity is provided by this Policy and shall have full discretion in the conduct of any such proceedings and in the settlement of any such claim. The Insured shall give all such information and assistance as the Company may from time to time require and execute any necessary documents for the purpose of vesting such rights in the Company. Any moneys recovered pursuant to the exercise of such rights shall be applied firstly for the benefit of the Company to the extent of the amount paid by the Company in respect of any claim including any costs and expenses paid or incurred by the Company and costs and expenses incurred in prosecuting such recovery action.

## GENERAL CONDITIONS APPLICABLE TO SECTION 3

### (a) Notices

Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company and in the case of notice or communication to the Insured to his address specified in the schedule.

### (b) Precautions

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

### (c) Changes in Risk

The Insured shall immediately notify the Company in writing of any material change in the risk insured hereunder made by the Insured or any other person during the Period of Insurance including but not limited to:

- (i) Any merger with or acquisition of another company or business;
- (ii) The Insured or any subsidiary or holding company of the Insured being placed in voluntary liquidation receivership or liquidation or entering into a composition with its creditors or being unable to pay its debts from its own resources;
- (iii) Any material change in the nature of the Business or in the number of the insured's Employees'.

### (d) Right of Inspection

The Company shall have the right and opportunity at all reasonable times to inspect the works machinery plant and appliances used in the Business.

### (e) Assignment

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

### (f) Cancellation

This Policy may be cancelled by the Company or the Insured by written notice of cancellation from one party to the other. Cancellation shall take effect seven (7) days after the date of posting the notice of cancellation and in such event the Premium shall be adjusted in accordance with the provision of the "Insurance Premium".

### (g) Arbitration

All differences arising out of this Policy shall be determined by arbitration in accordance with the Arbitration Ordinance as amended from time to time. If the parties fail to agree upon the choice of arbitrator, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a condition precedent to any right of action or suit upon this policy that an arbitration award shall first be obtained. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

### (h) Governing Law

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

### (i) Rights of Third Parties

- (i) Each party acknowledges that the other party has entered into this policy on behalf of and for the benefit of itself and its Affiliates and each of the other party's Affiliates shall be entitled to enforce and take the benefit of the terms of the Policy in accordance with the Contracts (Rights of Third Parties) Ordinance (CAP. 623).
- (ii) Subject to clause (i) any person who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Ordinance (CAP. 623) or any other applicable law to enforce any term of this Policy.

### (j) Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia, United Kingdom or United States of America.

## IMPORTANT NOTICE

The Employees' Compensation Ordinance requires an employer to take out an insurance policy covering all employees' engaged in his business with a minimum amount of insurance coverage. The Insured should ensure that this Policy complies with the Ordinance requirements. A subsequent change in the number of employees' may result in a higher amount of insurance coverage being required under the Ordinance. In this event, the Insured should consult the Company immediately.

## ENDORSEMENTS APPLICABLE TO THIS SECTION

### AEC/DOC/9506A Policy Limit of Indemnity

- (a) In respect of an Accident and 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 including costs and expenses incurred by or on behalf of the Insured with the Company's written consent shall in the aggregate be limited to the amount specified in the Schedule as "Limit of Indemnity" irrespective of the number of employees' who may sustain bodily injury or death consequent on or attributable to the same occurrence of Accident or Disease.
- (b) In relation to any liability of the Insured in respect of 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:
- (i) The aggregate of the Company's indemnity to the Insured under all insurance policies including costs and expenses incurred by or on behalf of the Insured shall not exceed the Limit of Indemnity of this Section that was in force at the time the nature of the Employee's employment to which such Disease was due first affected the Employee; and

- (ii) Subject to the limitation of paragraph (b)(i) hereof, the Company's indemnity to the Insured under this Section including costs and expenses incurred by or on behalf of the Insured shall be limited to such proportion of the Insured's liability in respect such disease as that part of the Employee's period of employment falling within the Period of Insurance of this Policy bears to the total period of his employment to the nature of which such Disease was due.
- (c) If the occurrence of any Accident or Disease results in indemnity hereunder to more than one insured, the limitations of the Company's liability specified in paragraphs (a) and (b) hereof shall apply to the aggregate of indemnity to all insureds.
- (d) Notwithstanding Claims Settlement Conditions (d) of this Policy, if at the time of any claim under this Policy there is any other insurance indemnifying any person or Insured or Insureds who are entitled to be indemnified under this Policy, this Policy is not to be called upon in contribution and, subject to the Policy Limit of Indemnity, is only to pay any amount if and so far as not recoverable under such other insurance.
- (e) At any time after the occurrence of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Section the Company may pay to the Insured the full amount of the Company's liability specified in paragraph (a) or (b) hereof (after the deduction of any sums already paid) or any lesser amount for which such claim or claims can be settled and shall relinquish the conduct of any defence settlement or proceedings relating to such claim or claims and shall not thereafter be responsible for 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.
- (f) Where this endorsement AEC/DOC/9506A is at variance with or inconsistent with anything contained in this Policy, this endorsement shall prevail and take precedence.

### EE03 – Definition of the Insured

The Principal Contractor (as specified in the Schedule) and all of the Principal Contractors subcontractors and sub-subcontractors engaged in the construction work specifically described as the Insured Project hereunder, and no other construction work for the purposes of this policy, collectively insured hereunder pursuant to subsection 40(1b) of the legislation specified in the Policy.

### EL60 Absolute Asbestos Exclusion

This Policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

### ELVZ 10.8% Levies

The "levies" shown in the schedule of this policy include employee compensation insurers insolvency bureau contribution, employees compensation insurance levy and the government terrorism facility charge calculated at 2%, 5.8% and 3% respectively on the premium of this policy.

### ETEC 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 or terrorism regardless or any other cause or event contributing concurrently or in any other sequence to the Loss:

- (i.) the Policy Limit of Indemnity 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 bodily injury arising out of an event of terrorism ("the Facility Agreement");
- (ii.) 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
- (iii.) 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 facility agreement not being complied with by the Government or by the Company.

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.

### EWCI Earnings under Contract Work

Memorandum: It is hereby noted that the earnings as shown in this policy schedule represents the full contract amount of the Insured project but not the actual earnings of the workers employed in the Insured project. The Insured has to provide the company with the actual earnings of the employees in case there is a claim under this policy.

### W204 Employees of Sub-Contractors

It is hereby understood and agreed that the indemnity granted herein is extended to indemnify the Insured against liability at law (including under the Ordinance set out in the Policy) to employees in the employ of Sub-contractors performing work for the Insured while engaged in the business in

respect of which this policy is granted. It is further understood and agreed that exception (a) of this policy is deleted. Subject otherwise to the terms of this Policy

### W338 Indemnity to Principal

It is hereby understood and agreed that this Policy is extended to indemnify the Principal (as specified in the Schedule) against liability at law (including liability under the Ordinance set out in the Policy) in like manner to the Insured but only so far as concerns the liability of the Principal to Employees of the Insured engaged in connection with a contract undertaken by the Insured for the Principal.

Provided always that:

- (i.) The Company shall not be liable under this endorsement (except under the Ordinance) in respect of any injury by accident or disease due to or resulting from any act default or neglect of the Principal his servants or agents.
- (ii.) The Principal shall as though he were the Insured observe and fulfill and be subject to the terms of this Policy insofar as they can apply.
- (iii.) The Company shall have full conduct and control of all claims in respect of which indemnity is granted by this endorsement.

Subject otherwise to the terms of this Policy.

### W348 – Amendment of the Witnessing Clause

It is hereby understood and agreed that the witnessing clause of this policy is deemed to be deleted and replaced by the following:

"now this policy witnesseth that if any employee in the immediate service of any of the parties jointly described as the insured shall sustain bodily injury or death by accident or disease caused during the period of insurance within the geographical area and arising out of and in the course of his employment by the Insured in the Business"

It is further understood and agreed that exception (a) of this policy is deleted.

Subject otherwise to the terms of this policy.

### Memorandum A

It is hereby understood and agreed that this Policy does not cover any Nominated Specialist Contractors &/or Specialist Contractors and /or their sub-subcontractors of all tiers (where applicable).

### Memorandum B – Principals Employees' exclusion

Notwithstanding the provisions of Endorsement W348 this Policy does not insure liability to any Employee of the Principal.

### Memorandum C

It is hereby understood and agreed that this Policy is excluding Sole Proprietor, Partner or Self-Employed Person.

### Memorandum D

It is hereby understood and agreed that this Policy is excluding any claim in connection with Erection or Dismantling of Scaffolding.

### Memorandum E – Safety Belt Clause

This policy does not indemnify the insured in respect of any claim arising in connection with works at height or on platform exceeding 2 metres above ground or floor level unless safety belt or harness is put on at all times during the course of work and fastened to an anchorage that provides adequate support and protection.

Also warranted that the safety belt shall be provided and ensured to put on during the course of work by the insured.

### W358 Indemnity to Principal Contractor

It is hereby understood and agreed that this policy is extended to indemnify the principal contractor (as specified in the Certificate of Insurance) against liability at law (including liability under the ordinance set out in the policy) in like manner to the Insured but only so far as concerns the liability of the principal contractor to employees' of the Insured engaged in connection with a contract undertaken by the Insured for the principal contractor.

Provided always that

- (1) The principal contractor shall as though he were the Insured observe fulfill and be subject to the terms of this policy insofar as they can apply.
- (2) The company shall have full conduct and control of all claims in respect of which indemnity is granted by this endorsement.

Subject otherwise to the terms of this policy.

### Extraordinary Weather Condition Clause

In the event of any employee of the Insured whose attendance at his place of employment is required by the Insured during extra ordinary weather conditions being injured or killed whilst proceeding directly to his place of employment or returning therefrom to his home, such death or injury shall be deemed to have arisen out of and in the course of the employee's employment for the purpose of this policy. For the purpose of this clause the expression "Extra Ordinary Weather Conditions" shall be deemed to be limited to the situation where the "Red and Black" Rainstorm Warning is triggered and the hoisting of Typhoon Signal No.8 or higher or immediately following the lowering of such signals.

### Non-Contribution Clause

Notwithstanding anything contained herein to the contrary, it is hereby noted and agreed that if at the time a claim is made by the Insured under this policy there is any other insurance policy (policies) covering the same risks and/or liability that policy (policies) shall be regarded as a more specific policy (policies). The Company shall not be liable to pay or contribute any proportion of such claim and costs and expenses in connection therewith

QBE Hongkong & Shanghai Insurance Ltd.  
Part of the QBE Insurance Group

33/F, Oxford House,  
Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

[www.qbe.com.hk](http://www.qbe.com.hk)

Customer Service Hotline	+852 2828 1998
Customer Service Fax	+852 3607 0380
Claims Hotline	+852 2877 8608
Claims Fax	+852 3607 0529

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