



PERSONAL LIABILITY POLICY
[IMPORTANT NOTE: PLEASE READ THIS POLICY CAREFULLY]

PREAMBLE

WHEREAS the Insured, 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 hereinafter contained and has paid or agrees to pay the premium as consideration for such insurance, the Company hereby agrees to provide insurance to the extent of and subject to the terms and conditions contained in or endorsed on this Policy during any Period of Insurance and providing that the liability of the Company shall not exceed the Limit of Liability expressed in the Schedule.

This Policy, the Proposal Form, Declaration and Schedule shall be read together as the entire contract and unless specifically stated to the contrary any word or expression to which specific meaning has been given shall have such specific meaning wherever it may appear.

COVERAGES

SECTION I - COMPREHENSIVE PERSONAL LIABILITY

The Company will indemnify the Insured for all sums which the Insured shall become legally obliged to pay as damages resulting from Personal Injury or Property Damage occurring within the Policy Territory during the Period of Insurance specified in the Schedule.

Subject to the terms and conditions of the Policy, the Company will further

1. pay to or for each person who sustains Bodily Injury caused by accident all reasonable medical expense incurred within one year from the date of the accident up to a limit of US\$1,500 for each person and US\$25,000 for each Occurrence
 - (a) while within the Residence Premises shown in the Schedule with the permission of the Insured, or
 - (b) while elsewhere if such injury
 - (i) arises out of a condition in the Residence Premises or the ways immediately adjoining, or
 - (ii) is caused by the activities of the Insured, or
 - (iii) is caused by the activities of a domestic servant whether full time or part time whilst in the course of employment by the Insured, or
 - (iv) is caused by an animal owned by or in the care of the Insured.
2. at its option either
 - (a) pay for the actual cash value of the property physically damaged or destroyed during the Period of Insurance by the Insured, or
 - (b) repair or replace such property with other property of like quality and kind and in either case subject to a limit of US\$250 each Occurrence.

The liability of the Company for all payments made under this Section arising out of any one Occurrence shall not exceed the Limit of Liability specified in the Schedule.

In addition, in respect of a claim to which the indemnity expressed in this Section applies, the Company will pay

1. all costs and expenses recovered by any claimant from the Insured; and
2. all costs and expenses incurred by the Insured with the written consent of the Company.

Provision on Watercraft Liability

The Company shall be liable for loss arising from the operation, ownership, maintenance, possession, driving, use, loading or unloading of watercraft which is less than 26 feet length overall, and furthermore in respect of motorized watercraft, having outboard motors with less than twenty-five(25) horsepower or inboard motors with less than fifty (50) horsepower provided further that, at the time of loss, such loss is covered by other insurance with a limit not inferior to US\$75,000 for each and every Occurrence and provided further that insurance provided in this Provision shall apply only as excess subject to the Limit of Liability under this Section and in no event as contributing insurance, and then only after all other insurance has been exhausted.

SECTION II - PERSONAL LIABILITY UMBRELLA

The Company will indemnify the Insured for all sums which Insured shall be legally obliged to pay as damages resulting from Personal Injury or Property Damage occurring within the Policy Territory during the Period of Insurance.

LIMIT OF COVERAGE

Subject to the Limit of Liability shown in the Schedule which shall be applicable to all sums payable under this Section for any one Occurrence, the Company shall be liable to pay :

1. where the claim is partially indemnified by any Underlying Insurance, that amount of the Ultimate Net Loss which is in excess of the sums recoverable under such Underlying Insurance; and
2. where the claim arises from any hazard or event that is not indemnified by any Underlying Insurance, the Ultimate Net Loss as if this section of the Policy were primary insurance.

Defence, Settlement, Supplementary Payments

When a claim or suit is covered by this Section of the policy, but not covered by any other policy available to the Insured :

1. the Company will take over the defence of the suit on behalf of the Insured;
2. the Company will pay the premiums on any bonds which may be required in suits the Company defends, but not for bond amounts greater than the Limit of Liability stated in the Schedule. The Company is not obliged to apply for or furnish any bond;
3. the Company will pay the expenses incurred and costs taxed against the Insured in suits the Company defends on behalf of the Insured;
4. the Company will reimburse the Insured for all reasonable expenses, other than loss of earnings, incurred at the Company's request.

Payments made under this Heading to Section II are, except for a settlement payment, in addition to the Limit of Liability stated in the Schedule. The Company's obligation to defend a claim or suit ends when the amount the Company pays for damages equals to or exceeds the Limits of Liability.

Warranty of Underlying Insurance

It is warranted that Underlying Insurances, written in the name of the Insured, are maintained in force during the Period of Insurance subject to the limits not inferior to the following :

1. Automobile Third Party Bodily Injury and Property Damage – US\$250,000 for each and every occurrence.
2. Watercraft Third Party Bodily Injury and Property Damage – US\$75,000 for each and every occurrence.
3. Other Liability Exposures – US\$100,000 for each and every occurrence in accordance with the terms and conditions provided in Section I of the Policy.

In the event of failure by the Insured to comply with the conditions of this warranty, or in the event that the Underlying Insurances are uncollectible because of the failure of the Insured to meet all conditions and warranties thereof, the insurance afforded by this Section of the Policy shall only apply in the same manner it would have applied had the required Underlying Insurance been so maintained in force and collectible.

EXCLUSIONS APPLICABLE TO SECTION I ONLY

The Company will not indemnify the Insured in respect of

- (1) the ownership, maintenance, operation, possession, driving, use, loading or unloading of automobile;
- (2) loss in connection with libel, slander, defamation of character, invasion of rights or privacy, false arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution, humiliation, assault and battery.

GENERAL EXCLUSIONS (APPLICABLE TO BOTH SECTIONS)

The Company will not indemnify the Insured in respect of

1. Personal Injury or Property Damage to any person or property which is the result of any wilful and malicious act by an Insured who is over twelve years old;
2. Property Damage to
 - (a) property owned by the Insured; or
 - (b) property occupied or used by the Insured or rented to or in the care, custody or control of the Insured;
3. Personal Injury to any person who is a member of the Insured's family or household or at the time of sustaining such injury is engaged in and upon the service of the Insured except in respect of liability for medical expenses under Section I;



4. Any liability of the Insured which attached by virtue of an agreement but which would not have attached in the absence of such agreement;
5. The ownership, maintenance, operation, possession, driving, loading, unloading, or use (other than use as a passenger having no right of control) of watercraft which is in excess of twenty-six (26) feet length overall and furthermore in respect of motorized watercraft having outboard motors with twenty-five (25) horsepower or more, or with inboard motors of fifty (50) horsepower or more;
6. Personal Injury or Property Damage arising out of or incidental to the Insured's profession or business or employment;
7. Any liability directly or indirectly caused by or contributed to, by or arising from nuclear weapons material;
8. Any liability directly or indirectly caused by or contributed to, by or arising from ionizing radiations or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission;
9. Any liability directly or indirectly occasioned by or happening through or in consequence of war invasion act of foreign enemy hostilities (whether war be declared or not), mutiny, rebellion, revolution, insurrection, terrorism, military or usurped power;
10. Any liability caused by providing or failing to provide a professional advice or service;
11. Any liability to any person who makes a claim because of Personal Injury to any person who is in the care of the Insured because of child care services provided by or at the direction of the Insured or any other person actually or apparently acting on the Insured's behalf;
12. Loss caused by pollution to land, water or air;
13. Loss caused by illegal discrimination;
14. Loss that is insured by a nuclear energy policy even if the limits of that policy have been exhausted;
15. Loss arising out of participation in, preparation or practice for any race, speed contest or similar competition involving a motorized land vehicle or motorized watercraft;
16. Loss caused by the act or omission as a member of a corporation's board of directors;
17. Product liability, product replacement or product recall;
18. Personal Injury arising from the transmission to any person of any communicable disease, bacteria, parasite, virus or other organism from any Insured.
19. Bodily injury and/or property damage caused by, arising out of, aggravated by or resulting from fungi, wet or dry rot, or bacteria. This exclusion includes any liability imposed on the Insured by any government authority for any loss or damage caused by, arising out of, aggravated by or resulting from fungi wet or dry rot, or bacteria. Fungi means any type or form of fungus, including but not limited to, all forms of mold or mildew, and any mycotoxins, spores, scents, vapors, gas, or substance, including any byproducts, produced or released by fungi.

DEFINITIONS

1. "Automobile" means any land motor vehicle, trailer or semi trailer and which is subject to motor vehicle registration.
2. "Bodily Injury" means bodily injury, sickness or disease sustained by any person as a result of an accident and which occurs during the period of insurance, including death at any time resulting therefrom.
3. "Business" means trade, profession or occupation.
4. "Company" means the AIG Insurance Hong Kong Limited.
5. "Insured" means any of the following:
 - (a) the individual named in the Schedule, herein called the Name Insured;
 - (b) if resident in the same household
 - (i) the Name Insured's spouse and
 - (ii) any relative of the Named Insured or his spouse and any other person under 21 years old in the care of the Name Insured or his spouse, except in respect of any automobile or watercraft owned by or leased to such person;
6. "Loss" means an accident that results in Personal Injury or Property Damage during the Period of Insurance.
7. "Net Loss" means
 - (a) the amount the Insured is legally obliged to pay as damages for Personal Injury or Property Damage; and
 - (b) all reasonable expenses the Insured incurs in the investigation, settlement and defense of a claim or suit at the Company's

- request.
8. "Occurrence" means an event or continuous or repeated exposure to conditions, which causes Personal Injury and/or Property Damage during the Period of Insurance.
9. "Personal Injury" means
 - (a) Bodily Injury
 - (b) and in respect of Section II only, shall have the following further meanings :-
 - i) libel, slander, defamation of character or invasion of rights of privacy;
 - ii) false arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution or humiliation;
 - iii) assault and battery
10. "Policy Territory" means
 - (a) Hong Kong and/or Macau;
 - (b) anywhere in the world in respect of a temporary visit by an Insured.
11. "Property Damage" means physical damage to or destruction of tangible property. This includes the loss of use caused by the injury or destruction.
12. "Retained Limit" means
 - (a) in respect of excess coverage under Section II, the total limits of liability of the Insured's Underlying insurance;
 - (b) and in respect of primary insurance cover under Section II, the Self-Insured Retention to be borne by the Insured of US\$1,000 for each and every Occurrence.
13. "Ultimate Net Loss" means Net Loss less the Insured's Retained Limit.
14. "Underlying Insurance" shall mean the insurance coverages as described and qualified in the Warranty of Underlying Insurance provision of Section II.

CONDITIONS

1. Notice of Occurrence
Whenever the Insured has information from which the Insured may reasonably conclude that an Occurrence is likely to involve this Policy, notice shall be given to the Company as soon as practicable.
2. Maintenance of Underlying Insurance
All insurance listed under Warranty of Underlying Insurance must be maintained at all times and the limits listed are the minimum the Insured must maintain herein called the "underlying limits". If the required underlying limits are not maintained, the Insured shall be responsible for the underlying limit amount of any loss. Failure of the Named Insured to comply with the foregoing shall not invalidate this policy but, in the event of such failure, the Company shall only be liable to the same extent had the Named Insured complied with this condition.
3. Reduced Underlying Coverage
If the Insured's required underlying insurance does not provide coverage for a Loss because it limits the amount it will pay in any one year or it provides coverage for a loss only if reported while that policy is in effect or within a time period after that policy's termination, the Insured will be responsible for the underlying limit amount of any loss.
4. Appeals
In the event the Insured or the Insured's underlying insurer choose not to appeal a judgment that this policy must help pay, the company may choose to make the appeal. If the Company makes the appeal, the Company will be responsible for the limits of liability above the Retained Limited and the additional costs and interest incurred during the appeal.
5. Admission of Liability
No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company.
6. Payment of Loss
 - Section I - The Company shall be entitled, if it so desires, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
 - Section II - After the obligation of the Insured has been set by final Judgment or agreement with the Company, the



Insured may pay the Net Loss and submit proof to the Company. The Company will pay the amount above the Retained Limit up to the Limit of Liability as shown in the Schedule or the Company will pay the claimant directly.

7. Suit Against the Company

No action, suit or proceeding shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, nor until sixty days after the required proofs of loss have been filed with the Company. No action, suit or proceeding for the recovery of any claim under this Policy shall be maintainable in any court of law or equity unless the same be commenced within twelve months next after the calendar date of the happening of the physical loss out of which the said claim arose. Provided, however, that if by the laws of the state or country within which this policy is issued such limitation is invalid, then any such claim shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted, by the laws of such state or country, to be fixed herein.

8. Jurisdiction

This policy shall be governed by and construed in accordance with the laws of the state or country within which this Policy is issued and the courts of Hong Kong or Macau are to have jurisdiction to settle any disputes, actions, suits or proceedings which may arise in connection with this Policy.

9. Recovery

If the Company shall make any payment or otherwise make good any loss applying under this Policy, it shall be subrogated to all the Insured's rights of recovery against any other person or persons and the Insured shall complete, sign and deliver any documents necessary to secure such rights. The Insured shall not take any action following a loss to prejudice such rights of subrogation.

10. Other Insurance

The Company shall not be liable for loss if, at the time of loss, there is any other insurance which would attach if this insurance had not been effected, except that this insurance shall apply only as excess and in no event as contributing insurance, and then only after all other insurance has been exhausted.

11. Assignment

An assignment of this policy will be valid only after the company gives its written consent.

12. Misrepresentation and Fraud

This policy can be void if the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof; or in case of any fraud or false swearing by the Insured regarding any matter relating to this insurance, whether such be done before or after a Loss.

13. Bankruptcy and Insolvency of Insured

In the event of the bankruptcy or insolvency of the Insured or any entity comprising the Insured, the Company shall not be relieved

thereby of the payment of any claims hereunder because of such bankruptcy or insolvency. Bankruptcy and Insolvency of Underlying Insurance Company

Insurance provided under Section II does not apply to loss with respect to any obligation of the Underlying Insurance Company which shall be deemed uncollectible or invalid by reason of bankruptcy or insolvency of the Underlying Insurance Company.

14. Cancellation

This policy can be cancelled by the Named Insured or the Company.

(a) The Named Insured may cancel by giving written notice to the Company. The notice should include the date the policy should be cancelled. The premium refund will be made on short period basis. The Company may waive the requirement that the notice be in writing by confirming the date and time of cancellation to the Named Insured in writing.

(b) If the Company choose to cancel the policy, a 14 days notice of the date of cancellation will be sent to the address shown in the Schedule.

The premium refund will be made on pro-rata. Proof of mailing shall be sufficient proof of notice.

15. Limit Per Loss

This insurance applies separately to each Insured, but the limit of liability of the Company per Loss will be no greater than the Limit of Liability shown in the Schedule.

16. Mid-Term Changes

When the Name Insured requests changes in this policy between anniversary dates, the Company reserve the right to adjust the premium in accordance with the change.

17. Personal Data (Privacy) Ordinance

The Insured agrees that:

(a) the personal data collected during the application process or administration of this policy may be used by AIG HK for the purposes stated in its Data Privacy Policy, which include underwriting and administering the insurance policy being applied for (including obtaining reinsurance, underwriting renewals, data matching, claim processing, investigation, payment and subrogation).

(b) AIG HK may use the Insured's contact details (name, address, phone number and e-mail address) to contact him/her about other insurance products provided by the AIG group (assuming AIG HK has obtained the agreement of the Insured to use such contact details for this purpose).

(c) AIG HK may transfer the personal data to the following classes of persons (whether based in Hong Kong or overseas) for the purpose identified:

i) third parties providing services related to the administration of this policy, including reinsurers (per (a) above);

ii) financial institutions for the purpose of processing this policy and obtaining policy payments (per (a) above);

iii) in the event of a claim, loss adjustors, assessors, third party administrators, emergency providers, legal services providers, retailers, medical providers and travel carriers (per (a) above);

iv) for the purpose of conducting direct marketing activities (per (b) above), marketing companies authorized by the AIG group;

v) another member of the AIG group (for all of the purposes stated in (a) and (b)) in any country; or

vi) other parties referred to in AIG HK's Data Privacy Policy for the purposes stated therein.

(d) The Insured may gain access to, or request correction of his/her personal data (in both cases, subject to a reasonable fee), or change the option he/she previously elected in relation to the use of his/her contact details for direct marketing at any time, by writing to the Privacy Compliance Officer of AIG Insurance Hong Kong Limited at GPO Box 456 or cs.hk@aig.com. The same addresses may be used to contact AIG HK with any comments in relation to the services it provides. The full version of AIG HK's Data Privacy Policy can be found at www.aig.com.hk.

18. Sanctions Exclusion

The Company will not be liable to provide any coverage or make any payment hereunder if to do so would be in violation of any sanctions law or regulation which would expose the Company, its parent company or its ultimate controlling entity to any penalty under any sanctions law or regulation.

19. Contracts (Rights of Third Parties) Ordinance

Nothing in this Policy is intended to confer a direct enforceable benefit on any party other than the Insured and the Company, whether pursuant to the Contracts (Rights of Third Parties) Ordinance or otherwise. Further, it is hereby noted and agreed that the Company and the Insured named in the Schedule alone have the right to amend this Policy by agreement or (if any such rights exist in the Policy) to cancel or terminate the Policy, without giving notice, or requiring the consent of any other person.

20. Governing Law

The Insurance contract of which this Policy forms part is subject to the laws of Hong Kong Special Administrative Region of the People's Republic of China.

Copyright in this Policy is reserved. No part of this Policy may be reproduced in whole or part without the express consent of AIG Insurance Hong Kong Limited.

AIG INSURANCE HONG KONG LIMITED
46/F, One Island East, 18 Westlands Road,
Island East, Hong Kong
Tel: 3666-7033 Fax: 2832-9514