



## HKPTU HomeGuard Protection - Gold Plan

[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 AIG Insurance Hong Kong Limited (hereinafter referred to as the "Company") for the insurance hereinafter contained and has paid or agreed 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 sums insured or other limits expressed herein or 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.

### Section 1 – BUILDINGS (valid ONLY IF selected as per schedule)

The Company agrees to indemnify the Named Insured by payment or at its option by reinstatement or repair against loss or damage to the Buildings caused by any of the undermentioned perils :

1. Fire and Subterranean Fire.
2. Lightning and Thunderbolt.
3. Explosion.
4. Aircraft or other aerial devices or articles dropped therefrom.
5. Impact with the Buildings by any vehicle, horse or cattle not belonging to nor under the control of the Named Insured or any member of his family normally residing with him.
6. Bursting or overflowing of water tanks, apparatus or pipes, but excluding –
  - (a) loss or damage to water tanks, apparatus or pipes,
  - (b) the first HK\$1,000 or 10% of adjusted loss is to be applied, whichever is greater for each and every claim,
  - (c) loss or damage by water discharged or leaking from any installation of automatic sprinklers,
  - (d) loss or damage occurring while the Buildings are left unoccupied for more than 30 consecutive days.
7. Burglary, Theft or attempt thereat but excluding loss or damage occurring while the Buildings are left unoccupied for more than 60 consecutive days.
8. Hurricane, Cyclone, Typhoon or Windstorm including Flood or Overflow of the Sea occasioned thereby, but excluding –
  - (a) the first HK\$1,000 or 10% of adjusted loss is to be applied, whichever is greater for each and every claim,
  - (b) damage to outbuildings, walls, gates and fences,
  - (c) subsidence or landslip.
9. Riots, Civil Commotion or Acts of Strikers or locked out workers or persons taking part in labour disturbance.
10. Malicious Damage, whether or not such act is committed in the course of a disturbance of the public peace.
11. Earthquake or Volcanic Eruption, including Flood or Overflow of the Sea occasioned thereby but excluding the first HK\$1,000 or 10% of adjusted loss is to be applied, whichever is greater for each and every claim.

### Extensions under Section 1:

The Company will pay your monthly mortgage up to a maximum limit of HK\$25,000 or two months mortgage, whichever is the lesser, if your Insured Premises is made temporarily uninhabitable for thirty (30) consecutive days due to accidental loss or damage covered in this Policy. The amount payable will be calculated at the rate of 1/30<sup>th</sup> of the monthly mortgage amount for each day your Insured Premises is uninhabitable.

Provided that the Company will not be liable -

1. if the repair does not start within ten (10) days from the date of loss or does not continue on a regular basis;
2. for the third month and the remaining mortgage payment during the Period of Insurance;
3. if the Insured Premises is not occupied by the Insured as primary residence;
4. if the Insured Premises is wholly or partly rented to others, or held for rental.

### Section 2 – CONTENTS (valid ONLY IF selected as per schedule)

The Company agrees to pay for accidental physical loss of or damage to household contents and personal properties including without limitation, the Insured's fixtures and fittings (hereinafter called "Contents") owned, used, or worn by the Insured or by other persons insured under this Section, whilst contained within the Insured Premises subject to a maximum indemnity limit of HK\$888,000 during each Period of Insurance.

Provided that :-

- a) the liability of the Company shall be limited to HK\$150,000 for any one article;
- b) the liability of the Company shall be deemed not to exceed HK\$100,000 for the total value of all Valuables;
- c) in respect of Valuables, the maximum liability of the Company shall be limited to HK\$10,000 per article;
- d) an excess of HK\$250 is to be applied in respect of each and every claim;
- e) the Company shall not be liable for loss or damage arising out of theft or attempted theft, burglary or robbery while the Insured Premises or any part thereof is :-
  - i) licensed or let unless violent means are used to enter or leave the Insured Premises; or
  - ii) unoccupied for more than 30 consecutive days.
- f) the Company shall not be liable for any malicious damage or vandalism if the Insured Premises is unoccupied for more than 30 consecutive days;
- g) this Section shall be deemed to exclude any part of the structure or ceilings of the Insured Premises, wall papers and the like.

### Extensions under Section 2:

This Section is extended to provide the following coverages :-

1. Bodily injury suffered by an Insured whilst in the Buildings caused by violent external and visible means and sustained as a result of fire or caused by robbery, burglary or attempt thereat where such bodily injury shall within three calendar months result in the death of an Insured in which case the Company will pay HK\$100,000 to the Insured's personal representatives. Where compensation is payable under this Extension in respect of the death of more than one Insured arising out of the same event the aforesaid limit shall be applicable to the aggregate compensation payable for all such Insureds, which compensation shall be apportioned in equal shares.
2. The Company will indemnify the Insured for loss of or damage to personal effects of any Domestic Worker caused by an insured peril whilst such personal effects are contained within the Insured Premises.

Provided that –

  - (a) such Domestic Worker –
    - i) shall as though he/she were the Insured observe, fulfil and be subject to the terms of this Policy so far as they can apply; and
    - ii) is not entitled to indemnity under any other policy;
  - (b) the liability of the Company shall not exceed HK\$10,000 during each Period of Insurance.
  - (c) an excess of 5% of adjusted loss subject to a minimum of HK\$500 is to be applied in respect of each and every claim.
3. The Company will indemnify the Insured for loss of or damage to the Contents while they are being moved by professional removers to a new insured risk location within Hong Kong.

Provided that –

  - (a) the loss is not covered under any other policy;
  - (b) an excess of 10% of adjusted loss subject to a minimum of HK\$500 is to be applied in respect of each and every claim.
4. The Company will indemnify the Insured for loss of or damage to the Contents while temporarily removed from the Buildings for cleaning, repair, relocation, maintenance within Hong Kong up to 7 days.

Provided that –

  - (a) the liability of the Company shall in no case exceed HK\$50,000 during each Period of Insurance;
  - (b) an excess of 5% of adjusted loss subject to a minimum of HK\$500 is to be applied in respect of each and every claim;



- (c) the Company shall not be liable for loss or damage to property removed for exhibition or sale;
- (d) the loss is not covered under any other policy.
- (e) the Company shall not be liable for loss or damage to the Contents during the course of removal from the Buildings for the purpose of storage, cleaning, repair, maintenance or relocation to a new insured risk location, unless specifically agreed upon by the Company in writing in advance.
5. Replacement of damaged locks and keys or installation of damaged windows due to burglary or attempted burglary are covered up to a maximum of HK\$2,000 during each Period of Insurance.
6. The Company will indemnify the full replacement cost of frozen food in the freezer or refrigerator at home due to deterioration caused by a change in temperature of the freezer or refrigerator. Provided that -
- (a) the liability of the Company shall in no case exceed HK\$5,000 during each Period of Insurance;
- (b) an excess of HK\$500 is to be applied in respect of each and every claim.
- (c) the Company shall not be liable for
- i) loss or damage resulting from the deliberate act of any person or the electricity supply company;
- ii) loss or damage caused by the failure of the freezer or refrigerator unless such unit is less than 5 years old.
7. The Company will indemnify the insured against accidental physical loss of or damage to building improvement/ betterment including renovation, built-in closets, fixtures and flooring which are carried out by the Insured, up to a maximum of HK\$50,000 during each Period of Insurance. Indemnity is subject to an excess of HK\$500 or 10% of adjusted loss in respect of each and every loss, whichever is greater. Provided that the Company shall not be liable in respect of loss or damage to water tanks, apparatus and pipes.
8. Alternative Accommodations  
In the event that the Building is damaged due to accidental physical loss or damage covered under this Policy and rendered uninhabitable, the Insured is indemnified up to HK\$1,500 per day for cost of temporary accommodations and subject to a maximum of HK\$50,000 during each Period of Insurance.
9. The Company agrees to pay for accidental loss of or damage to passports, personal documents and the like, travellers' cheques, travel tickets, credit cards, manuscripts, securities, unused stamps, and bullion owned or used by the Insured whilst in Hong Kong or travelling Worldwide for temporary visit not exceeding 60 (sixty) days each time. Provided that-
- (a) the maximum liability of the Company shall be limited to HK\$1,000 during each Period of Insurance,
- (b) an excess of HK\$250 is to be applied in respect of each and every claim,
- (c) the loss or theft be reported within 24 hours of discovery to the local police authority.
10. Legal Liability  
The Company will subject to a limit of HK\$5,000,000 in respect of any one claim or series of claims arising out of one event, and in aggregate during the Period of Insurance which are subject to Hong Kong jurisdiction, indemnify the Insured against all sums for which the Insured may be legally liable for -
- (a) accidental third party bodily injury (whether fatal or not); or
- (b) accidental third party property damage occurring in or about the Building as
- (i) an owner of the Building; or
- (ii) a lawful occupier of the Building; or
- solely in his personal capacity (not as an occupier or owner of any building) anywhere in Hong Kong and Macau.  
Provided that Company shall not be liable in respect of :-
- (a) bodily injury to any person who is the Insured or 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;
- (b) damage to property belonging to or in the charge of or under the control of the Insured or a member of the Insured's family or household or of a person in the service of the Insured, or to any property which could have been insured under Section 1 & 2 hereof;
- (c) bodily injury or damage arising out of or incidental to-
- i) the Insured's profession or business or employment; or
- ii) the use of lifts, escalators, vehicles, watercraft or aircraft;
- (d) any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement.
- (e) bodily injury and/or property damage to any person occurring within the common area of the main structural building (hereinafter referred to as "The Main Building") in which the Building is located and forms a part thereof and the legal liability for such bodily injury and/or property damage attaches to or applies by operation of law to some or all of the owners of the Main Building except that in such event the Company's liability will be limited only to a sum that is equal to the total amount of the court judgement for such bodily injury and/or property damage multiplied by a fraction which is equal to the insured's share or part ownership interest as set out in title documents in the Main Building which can be subjected to judicial execution to satisfy the said court judgment.
- (f) 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.
- (g) any liability to any person who makes a claim because of bodily 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.
- (h) any liability arising out of any actual, alleged or threatened discrimination or harassment due to age, race, national origin, color, sex, creed, handicapped status, sexual preference or any other discrimination.
- (i) loss arising directly or indirectly out of wrongful termination of employment.
- (j) any liability for bodily injury arising out of loss of physical or mental control over one's body which may be attributable to (without limitation) any sickness, disease, nervous shock, insanity, mental disorder or any mental problem or any liability for bodily injury as a result of gradual physical or mental wear and tear or any gradual operating cause.
- (k) bodily injury or any liability whatsoever arising from transmission to any person of any communicable disease, bacteria, parasite, virus or other organism from any Insured. For the avoidance of doubt, communicable disease shall include any infectious disease for the purpose of this exclusion.
- In addition, in respect of a claim to which the indemnity expressed in this Extension applies, the Company will pay -
- (a) all costs and expenses recovered by any claimant from the Insured; and
- (b) all costs and expenses incurred by the Insured with the written consent of the Company.
- In the event of the Insured death, the Company will, in respect of the liability incurred by the Insured, indemnify the Insured's personal representatives in accordance with the terms of and subject to the limitations of this Extension provided that such personal representatives shall as though they were the Insured observe, fulfil and be subject to the terms of this Policy so far as applicable.
- Section 3 – PERSONAL EFFECTS AND VALUABLES** (valid ONLY IF selected as per schedule)
- The Company agrees to pay for accidental physical loss of or damage to personal property owned, used, or worn by the Insured whilst in Hong Kong (but not within the Insured Premises) or travelling WORLD-WIDE for temporary visit not exceeding 60(sixty) days each time. It is warranted that the maximum liability in respect of any one article shall be restricted to HK\$5,000 unless such article is specifically listed and declared.  
Provided that –
- (a) The Company shall not be liable for theft of property left in –
- i) unattended touring or convertible cars; or
- ii) other unattended vehicles unless all windows doors luggage compartment, boot, sunroof and windscreen are completely closed and securely locked.
- (b) An excess of HK\$500 or 10% of adjusted loss, whichever is greater, is to be applied for each and every claim.
- (c) The Company shall not be liable for the loss of or damage to the Personal Effects and Valuables during the course of removal from



the Insured Premises for the purpose of storage, cleaning, repair, renovation and maintenance or relocation to a new insured risk location, unless specifically agreed upon by the Company in writing in advance.

**Section 4 – DOMESTIC WORKER** (OPTION valid ONLY IF selected as per schedule)

**(A) Employees' Compensation Insurance**

If at any time during the Period of Insurance the Domestic Worker in the Insured's immediate employ shall sustain bodily injury by accident or disease arising out of and in the course of employment by the Insured, the Company will subject to the Jurisdiction Clause and the other terms, exceptions and conditions contained herein or endorsed hereon (all of which are hereinafter collectively referred to as Terms of this Policy) indemnify the Insured against liability at law (including liability under the Legislation set out below) to pay compensation for such injury and will in addition pay all costs and expenses incurred with its written consent. The maximum liability of the Company is limited to HK\$100 million for each Period of Insurance.

In the event of the Domestic Worker's death, the Company shall indemnify the Domestic Worker's legal personal representatives according to the Terms of this Policy in respect of liability incurred by the Insured provided that such personal representatives shall as though they were the Insured observe, fulfil and be subject to the Terms of this Policy so far as they can apply.

Provided always that in the event of any change after the effective date of this Policy under the Legislation this Policy shall remain in force but the liability of the Company shall be limited to such sums as the Company would have been liable to pay if the Legislation had remained unaltered.

Legislation or Ordinance – Employees' Compensation Ordinance (Chapter 282 of the laws of Hong Kong)

**JURISDICTION CLAUSE** - The indemnity provided by this Policy shall not apply in respect of judgements which are not in the first instance delivered by or obtained from a Court of competent jurisdiction within Hong Kong.

**GEOGRAPHICAL AREA** – (1) Hong Kong (2) Elsewhere as may be agreed by the Company

**AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY** – If the Company is obliged by the Legislation to pay an amount for which the Company would not otherwise be liable under this Policy the Insured shall repay the amount to the Company.

**Exceptions to Section 4(A)**

- The Company shall not be liable under this Section in respect of
- (a) the Insured's liability to employees of contractors to the Insured;
  - (b) any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
  - (c) any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party;
  - (d) any injury by accident or disease sustained outside the Geographical Area;
  - (e) any person who is not an "employee" within the meaning of the Legislation;
  - (f) any liability arising from Pneumoconiosis or Noise-Induced Deafness;
  - (g) 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;
  - (h) any injury by accident or disease attributable to war, invasion hostilities of foreign enemy or warlike operations (whether war be declared or not), civil war, mutiny, rebellion, revolution, insurrection or military or usurped power;
  - (i) any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
    - i) nuclear weapons material;
    - ii) 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;

- (j) 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.

**(B) Personal Accident Insurance, Hospitalization, Surgical and Repatriation Expenses**

**1. Personal Accident**

(A) This Policy will insure the Domestic Worker in respect of the following events as per the percentage of the Principal Sum of HK\$50,000.00, in accordance with the defined Injury, resulting in :

- 1. Death ..... 100%
- 2. Permanent Total Disablement .....100%
- 3. Permanent and Incurable Paralysis of all Limbs .....100%
- 4. Permanent Total Loss of sight of both Eyes .....100%
- 5. Permanent Total Loss of sight of one Eye .....100%
- 6. Loss of the Permanent Total Loss of use of two Limbs...100%
- 7. Loss of the Permanent Total Loss of use of one Limbs...100%
- 8. Loss of Speech and Hearing.....100%
- 9. Permanent Total Loss of Hearing in
  - (a) both Ears.....75%
  - (b) one Ear .....15%
- 10. Loss of Speech .....50%

Provided always that

- (a) No compensation shall be payable for more than one of the greatest losses provided in the Compensation Table in respect of the same injury;
- (b) After the occurrence of any one of the Events 2 to 9 as stated in this Section save for the liability already incurred hereunder there shall be no further liability under this Section of the same Domestic Worker for Injury sustained thereafter.

**Definitions for Section 4B**

- a) "INJURY" shall mean bodily injury which is sustained by a Domestic Worker during the Period of Insurance and is caused solely and directly by violent accidental external and visible means, excluding any sickness or disease, bacterial or viral infection not occurring through an accident or wound where death or disablement of the Domestic Worker results within twelve (12) calendar months from the date of such accident.
- b) "PERMANENT TOTAL DISABLEMENT"
 

When as a result of Injury and commencing within 12 months from the date of the accident causing the Injury, a Domestic Worker is totally and permanently disabled and prevented from engaging in each and every occupation or employment for compensation or profit for which he/she is reasonably qualified by reason of his/her education, training or experience, or if he/she has no business or occupation, from attending to any duties which would normally be carried out by him/her in his/her daily life, the Company will pay, provided such disability has continued for period of twelve (12) consecutive months the Principal Sum less any other amount paid or payable under this Section as the result of the same accident. The disability must be total, continuous and permanent at the end of the period.
- c) "PERMANENT" shall mean lasting twelve (12) calendar months from the date of accident and at the expiry of that period being beyond hope of improvement.
- d) "LOSS OF LIMB" shall mean loss by physical severance of a hand at or above the wrist or of a foot at or above the ankle.
- e) "LOSS OF SIGHT OF EYE" shall mean the entire and irrecoverable Loss of Sight.
- f) "LOSS OF USE" shall mean total functional disablement and is treated like the total loss of said limb or organ.
- g) "LOSS OF SPEECH" shall mean the entire and irrecoverable Loss of Speech.
- h) "LOSS OF HEARING" shall mean the entire and irrecoverable Loss of Hearing.

**2. Hospitalization and Surgical Expenses**

When the Domestic Worker as a result of illness occurring more than fourteen (14) days after the Effective date of this Policy, or as a result of Injury is confined as a resident patient in a licensed hospital in Hong Kong on the recommendation of a registered medical practitioner, the Company shall pay the Insured :

- (A) the Daily Hospital Income Benefit of HK\$150 up to a maximum of forty (40) consecutive days; and



- (B) the Surgical Benefit up to HK\$4,000 per accident / sickness for hospital expenses actually charged for any surgical operation, including doctor's fees, anaesthesia, and operation theatre charges.

Provided always that

- (a) the Company's liability under this Section shall not exceed HK\$10,000 per each Period of Insurance;
- (b) the Insured shall be responsible for the first HK\$250 for each period of hospital confinement on each surgical operation.

### 3. Repatriation Expenses

The Company will indemnify the Insured for contractual liability to repatriate the Domestic Worker before the expiry of the Domestic Worker's term of employment under the following circumstances and conditions :

- (A) in the event of a Domestic Worker being certified by a registered Medical Practitioner as being medically unfit to complete the term of the contract of employment with the Insured, up to HK\$2,000.

# Medical Unfitness means injury or sickness which prevents the Domestic Worker from performing the duties he was hired for, as certified by legally qualified medical practitioner. The Company will have a right to appoint another medical practitioner at its own discretion for the certification. The decision of the Company's appointed medical practitioner will be final and binding.

- (B) in the event of the Domestic Worker's death, the actual incurred cost of returning the remains of his / her body to his / her original country shall not exceed HK\$2,000 which may be indemnified hereunder.

### Definitions for Section 4B(2) and (3)

- a) "SICKNESS" wherever used in this Policy shall mean sickness or disease contracted or commencing during the currency of this Policy.
- b) "MEDICAL PRACTITIONER" wherever used in this Policy shall mean PHYSICIAN or SURGEON.
- c) "PHYSICIAN or SURGEON" wherever used in this Policy shall mean a medical practitioner registered under the Medical Registration Ordinance in Hong Kong.
- d) "HOSPITAL" wherever used in this Policy shall mean an establishment which meets all the following requirements :-
- holds a license as a hospital in Hong Kong
  - operates primarily for the reception, care and treatment of sick, ailing or injured persons as in-patients;
  - provides 24-hour a-day nursing service by registered or graduated nurses;
  - has a staff of one or more licensed physicians available at all times;
  - provides organized facilities for diagnosis and major surgical facilities; and
  - is not primarily a clinic, nursing, rest or convalescent home or similar establishment and is not other than incidentally, a place for alcoholics or drug addicts.

### Exception to Section 4B

The Company shall not be liable for any injury or sickness which arises directly or indirectly, wholly or partly from and shall not provide benefits in respect of :-

- self-inflicted injury or suicide or conditions caused by chronic alcoholism or drug addiction or any attempt thereat, while sane or insane;
- any violation or attempted violation of the law or resistance to arrest;
- the employee engaging in air travel, except as passenger in a properly licensed multi-engined aircraft being operated by a licensed commercial air carrier;
- pre-existing sickness or disease of the Domestic Worker prior to the inception of this policy; unless the Insured Person(s) has been covered under the Policy for twelve consecutive months;
- dental care, rest care, medical check-up; gingivitis, eye refraction, fitting of glasses, hearing aids;
- nervous or mental disease or disorder, venereal disease, congenital anomalies, circumcision, infertility or sterilization, heart disease or cancer;
- cosmetic or plastic surgery unless to correct an Injury as defined by this policy;

- pregnancy and resulting childbirth, miscarriage, abortion or disease arising out of or resulting therefrom, birth control;
- X-ray therapy, radium therapy, radium and isotopes;
- racing of any kind, climbing, motorcycling, hunting, flying and any sport activities, skin diving and any under water activities;
- special nursing care, services of pathologist, physiotherapists, special nursing services or their board;
- expenses incurred for treatment of injury after 12 calendar months from the date of accident;
- an opportunistic infection or malignant neoplasm if, at the time of the claim, the domestic worker had been diagnosed as having Acquired Immune Deficiency Syndrome (AIDS). AIDS Related Complex (ARC) or as having an antibody positive blood test to Human Immune Virus (HIV-1 or HIV-2);
- riot, terrorism, war, declared or undeclared, revolutions or any war-like operations;
- radioactivity, atomic fission or atomic fusion, either controlled or not, or nuclear incident;
- medical treatment in relation to acquired Immune Deficiency Syndrome (AIDS) or AIDS related complex (ARC);
- accident caused by and whilst under the influence of drugs or alcohol;
- sickness caused directly or indirectly, wholly or partly, by :
  - bacterial infections (except pyrogenic infections which shall occur through an accidental cut or wound);
  - any other kind of disease;
- routine physical or any other examinations, where there are no objective indications of impairment in normal health and laboratory diagnostic;
- any bodily injury which shall result in hernia;
- medical or surgical treatment (except it is necessary due solely by injuries covered by this Policy and performed within the time provided in the Policy).

### MEMORANDUM

#### 1) Reinstatement Value Memorandum – Section 1

It is hereby agreed that in the event of property insured under Section 1 hereof being destroyed or damaged the basis upon which the amount payable under the Policy is to be calculated shall be the cost of reinstatement of the property so destroyed or damaged, subject to the following special provisions and subject also to the terms and conditions of this Policy except in so far as the same may be varied hereby. For the purposes of this Policy, 'reinstatement' shall mean the carrying out of the following work, namely :

- where property is destroyed, the re-building of the property, if a building, or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.
- where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

#### SPECIAL PROVISIONS

- The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch; otherwise no payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated therein shall be made.
- When any property referred to under this memorandum is damaged or destroyed in part only, the liability of the Company shall not exceed the sum representing the cost which the Company could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- No payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
- The items insured under Section 1 shall each be individually subject to the following Condition of Average, namely : If at time of reinstatement the sum



representing the cost which would have been incurred in reinstatement if the whole of the property covered by such item had been destroyed exceeds the sum insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril insured against then the Insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly.

v) No payment beyond the amount which would have been payable under this Policy if this Memorandum had not been incorporated therein shall be made if at the time of any destruction or damage to any property insured hereunder such property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth herein.

vi) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein the rights and liabilities of the Company and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of the policy, including any Condition of Average therein, as if this memorandum had not been incorporated therein.

2) Replacement Cost memorandum – Section 2&3

It is hereby agreed that in the event the property insured under Section 2&3 hereof is destroyed, damaged or lost, the basis upon which the amount payable under this Policy is to be calculated shall be the replacement cost of the property so destroyed, damaged or lost, and the Company will pay not more than the smaller of the following amounts :-

- (a) the full cost of repair at time of loss; or
  - (b) the declared value or specific limits as stated in this Policy.
- Provided that the actual repair or replacement is completed within 90 days from the date of loss or damage, unless otherwise agreed.

3) An indemnity settlement basis will be applied if

- (a) claims are on clothing and furs; or
- (b) the insured decides not to reinstate, repair or replace the lost and/or damaged item.

**SPECIAL PROVISIONS**

**Pair & Set Clause**

If there is a loss of an article which is part of a pair or set, the measure of the loss shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of the said article, but such loss shall not be construed to mean total loss of the pair or set.

**Clauses and Warranties**

Of the following clauses and warranties only those apply which are so indicated in the appropriate place in the Schedule and are each subject to the conditions of the Policy.

**A13 – Mortgagee Clause – Section 1**

Loss, if any, under this policy shall be payable to the Mortgagees or Assignees as named in the Schedule to the extent of their interest.

It is hereby agreed that in the event of loss or damage, the Company will pay the Mortgagees or said Assignees to the extent to their interest but not exceeding the sum insured or the reinstatement value (less depreciation if any) of the property insured whichever is lower and that this insurance in so far as concerns the interest therein of the Mortgagees or said Assignees only shall not be invalidated by any act or neglect of the Mortgagor or Owner of the property insured, nor by anything whereby the risk is increased being done to, upon or in any building hereby insured, without the knowledge of the Mortgagees or said Assignees provided always that the Mortgagees or said Assignees shall notify the Company of any change of ownership or alteration or increase of hazard not permitted by this insurance so soon as any such change, alteration or increase shall come to their knowledge, and on demand shall pay to the Company the appropriate additional premium from the time when such increase of risk first took place.

And it is further agreed that whenever the Company shall pay the Mortgagees or said Assignees any sum for loss or damage under this

Policy, and shall claim that as to the Mortgagor or Owner no liability therefore existed the Company shall at once be legally subrogated to all rights of the Mortgagees or said Assignees to the extent of such payment and the Mortgagees or said Assignees shall do and execute all such further or other acts, deeds, transfers, assignments, instruments and things as may be necessary or be reasonably required by the Company for the purpose of better effecting such subrogation, but such subrogation shall not impair the right of the Mortgagees or said Assignees to recover the full amount of their claim.

Provided that as between the Company and the Mortgagor or Owner of the property insured nothing contained in this clause shall in any way constitute or be deemed to constitute any waiver of, or prejudice or affect any rights which the Company may have against the Mortgagor or Owner of the property insured, or lessen any obligations which may be imposed on the Mortgagor or Owner of the property insured either by or under this policy or by law, and such rights and obligations shall as between the Company and the Mortgagor or Owner of the property insured remain in full force and effect.

The Company reserves the right to cancel this policy at any time as provided by the terms thereof, but in such case this policy shall continue in force for the benefit only of the Mortgagees or said Assignees for 10 days after notice to the Mortgagees or said Assignees of such cancellation, and shall then cease, and for the Company shall have the right on like notice to cancel this agreement.

**GENERAL CONDITIONS**

- 1 Words in masculine gender shall include the feminine.
- 2 Observance of Policy Terms  
The due observance and fulfillment of the terms, conditions and endorsements of this Policy by the Insured in so far as they relate to anything to be done or complied with by him and the truth of the information set out in the Proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.
- 3 In the event of any happening which may give rise to a claim or in the case of loss under this Policy-
  - a) Notice of Company  
Upon knowledge of loss, the Insured shall give notice thereof as soon as practicable to the Company.
  - b) Notice to Police  
In case of loss, or loss by burglary, robbery, theft or larceny, notice also should be given to the public police.
  - c) Proof of Loss  
The Insured shall file a Proof of Loss with the Company within thirty days after the discovery of loss, unless such time is extended in writing by the Company. Upon the Company's request, the Insured shall submit (and, so far as is within his or her power, shall cause all other persons interested in the property and household members and employees to submit) to examination by the Company, a duly signed sworn statement referring to the loss, and produce for the Company's examination all pertinent records at such reasonable times and places as the Company may designate, and shall co-operate with the Company in all matters pertaining to the loss.
  - d) Non-admission  
The Insured shall not make any admission of liability or enter into any settlement or compromise of a loss without obtaining the written consent of the Company.
  - e) The Insured shall not incur any expense in making good any loss or damage without the written consent of the Company and shall not negotiate, pay, settle, admit or repudiate any claim without the like consent.
  - f) Payment of Loss  
Each claim for loss shall be adjusted separately and from the amount of each loss, when determined, the applicable deductible amount stated in this Policy shall be subtracted. No loss shall be paid hereunder if the Insured has collected the same from others.
  - g) Bailees not to benefit by this insurance  
This Policy shall not accrue directly or indirectly to the benefit of any carrier or bailee.



#### 4 General Exclusions

The insurance with respect to this Policy shall not apply to damage / losses of or caused directly or indirectly, wholly or partly by-

- a) War, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power, or requisition or destruction or damage to property by or under the order of any Government or Public or Local Authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act, except any damage done by the Hong Kong Fire Services Department in the execution of its duties on the occasion of a fire and on the occasion of other incidents that may develop into a real fire situation, or confiscation or nationalization.
- b) Any losses directly or indirectly caused by or arising from or in consequence of or contributed to by :
  - i) nuclear weapons material;
  - ii) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and, solely for the purpose of this exception combustion shall include any self-sustaining process of nuclear fission.
- c) Pressure waves caused by aircraft and other aerial device.
- d) Special equipment or apparatus used in connection with any profession, business or employment, or items which are insured under a separate policy.
- e) Uninsurable / Uninsured risk.
- f) Malicious damage or vandalism by any person lawfully in the home.
- g) Contact or corneal lenses, mobile / portable telephone.
- h) Detention, seizure or confiscation by customs or other officials.
- i) Contents on roof or in open area including but not limited to aerial devices or satellite dish.
- j) Bonds, bills of exchange, cash, coins, cheques, promissory notes, postal or money orders, record or book or similar tokens, luncheon vouchers, stored value cards, credit cards, deeds, documents of title, manuscripts, medals, passports, personal documents and the like, stamps, share certificates and travel tickets unless specifically covered.
- k) Automobiles, bicycles, tricycles, motorcycles, aircrafts, boats or other vehicles (except baby carriages and invalid chairs), or their equipment or furnishings except when removed from the vehicle and actually in the Insured Premises.
- l) To property under a contract of affreightment while aboard any ship or during loading or unloading therefrom.
- m) Against the marring or scratching of any property or breakage of eyeglasses, hand mirrors, glassware, statues, marble, bric-a-brac, porcelain and similar fragile articles unless such marring, scratching or breakage is caused by theft, burglary or robbery or attempt thereat, vandalism, malicious mischief, fire, lightning, windstorm, cyclone, tornado, hurricane, earthquake, flood, explosion, falling aircraft, riot, strike, collapse of building or accident to transporting vehicle other than an overseas vessel.
- n) Against mechanical breakdown; against loss or damage to electrical apparatus caused by electricity other than lightning, unless fire results and then only for loss or damage by such resultant fire.
- o) Against wear and tear and depreciation, against loss or damage caused by dampness of atmosphere or extremes of temperature, seepage of water due to typhoon, windstorm or rain; against deterioration, moth, vermin and inherent vice, against damage to property caused by or directly resulting from any work thereon in the course of a process of washing, cleaning, dyeing, alteration, restoration, maintenance, refinishing, renovating or repairing.
- p) To property on exhibition on fairgrounds or on the premises of any national or international exposition unless such premises are specially described herein.
- q) To accidental damage or breakage to sports, medical equipment whilst in use.
- r) Overwinding, denting or internal damage of clocks or watches.
- s) To breakage of strings, reeds or drumheads of musical instrument from any cause or loss or damage to musical instruments while in transit, unless they are packed in a suitable container.
- t) Consequential loss or damage of any kind whatsoever except as provided for under the alternative accommodation extension under Section 1.

- u) Against loss or damage caused to films, tapes, cassettes, cartridges or discs other than for their value as unused material or the maker's latest list price for pre-recorded material.
- v) To loss resulting from unexplained or mysterious disappearance or shortage disclosed on periodic checking.
- w) To loss resulting from the wilful act of an Insured or of any Domestic Worker of an Insured living or working in the Insured Premises.
- x) Any properties which have been insured under other section(s) of the same policy AND any properties which have been insured under any other policy, EXCEPT for coverages in respect of injury and / or sickness covered under Section 4B, the Company shall only be liable for the unsettled balance of all the costs or expenses incurred and / or up to the maximum amount stated under each sections.
- y) Loss or damage caused by chewing, scratching, tearing or fouling by your domestic pets (not applicable to Extension 10 under Section 2)
- z)
  - i) any unlawful construction, renovation, alteration, or decoration work of any kind on the Insured Premises.
  - ii) construction, renovation, alteration, or decoration work on the Insured Premises, unless the same is notified to the Company and the same specifically agreed to in advance by the Company in writing.

#### 5 Meaning of Words and Terms of this Policy

- a) "Insured" shall apply to the following persons :-
  - i) Named Insured;
  - ii) if residents of the Named Insured's household – the Insured's spouse, children, parents and other relatives who normally live with the Insured in the Insured Premises.
- b) "Buildings" shall mean the private dwelling, residential flat, stable, garage and all outbuildings of the Named Insured and his fixtures and fittings therein and the walls, gates and fences around and pertaining thereto and all other domestic improvements of a structural nature situated at the Location of Risk shown in the Schedule and unless specifically mentioned the Buildings are deemed declared by the Named Insured to be constructed of brick, stone, concrete or reinforced concrete and roofed with concrete, reinforced concrete, slate, tile, metal, asbestos or a combination of asbestos and other incombustible mineral ingredients.  
Provided that for the purpose of Section 1, the Buildings shall be deemed to exclude:
  - i) any property not belonging to the Insured or for which he is not legally responsible;
  - ii) any property which have been insured under Section 2- Contents of this Policy.
- c) "Valuables" shall be deemed to include without limitation, gold, silver, platinum, precious stones, jewellery, watches, furs, antiques, works of arts (including wall-hanging rug), vintage wine, photographic equipment, coin collections, silverware, chinaware, crystal items or collection, binoculars, curios, audio / video equipment and musical instruments (except pianos) belonging to you or any member of your family.
- d) "Domestic Worker" shall mean an employee of the Named Insured whose duties are mainly in relation or incidental to the household chores, excluding the driving of any motor vehicle on a regular basis, unless specifically declared to and agreed by the Company.
- e) "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.
- f) "Uninsurable / Uninsured Risks"
  - i) scratching, denting, rust, corrosion, wear and tear or depreciation,
  - ii) wood worm, beetle, moth, insects or vermin,
  - iii) fungi, wet or dry rot, or bacteria, meaning the presence, growth, proliferation, spread or any activity of fungi, wet or dry rot or bacteria. Whenever fungi, wet or dry rot, or bacteria occur, the fungi, wet or dry rot, or bacteria and any resulting loss is always excluded under this policy, however caused. In addition, there is no coverage to test for, monitor, clean up, remove, remediate, contain, treat, de-toxify, neutralize, or in any way respond to, or assess the effects of fungi, wet or dry rot, or bacteria.



- iv) mechanical or electrical fault or breakdown,
- v) any process of cleaning, dyeing, renovation, re-styling repairing or restoring,
- vi) any other gradual operating cause,
- vii) consequential loss or damage of any kind or depreciation,
- viii) infidelity or dishonesty on the part of you, your family or any of your employees,
- ix) landslide or subsidence,
- x) shrinkage, evaporation, loss of weight, contamination, change in flavour, colour, texture of finish, action of light,
- xi) animals, plants or any kinds of living organism / creature.

#### 6 Jurisdiction Clause

The indemnity provided by this Policy shall not apply in respect of judgements which are not in the first instance delivered by or obtained from a court of competent jurisdiction within Hong Kong, nor to orders obtained in the said court for the enforcement of judgements made outside Hong Kong, whether by way of reciprocal agreements or otherwise.

#### 7 Salvage

The Company may pay for the loss in money or for the cost of repair or replacement of the property and may settle any claim for loss of property either with the Insured or the owner thereof. Any property so paid for or which is replaced shall become the property of the Company. The Insured or the Company, as the case may be, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the Insured shall be entitled to the property upon reimbursing the Company for the amount so paid or the cost of replacement. Application of the insurance to property of more than one person shall not operate to increase the limit of the Company's liability for any one occurrence.

#### 8 Reasonable Precautions

The Insured shall –

- a) use all reasonable diligence and care to keep the Buildings in a proper state of repair and if any defect therein be discovered shall cause such defect to be made good as soon as possible and shall in the meantime cause such additional precautions to be taken for the prevention of injury, loss or damage as the circumstances may require and the Company shall not be liable for any injury, loss or damage caused by a defect which the Insured has failed to remedy after having received notice of such defect either from the Company or any person or public body; and
- b) exercise all reasonable precautions for the maintenance and safety of the property insured; and
- c) take all reasonable precautions to minimise any injury, loss or damage which may occur and to take all reasonable steps to recover any property lost.

#### 9 Control of Claims

The Company shall be entitled –

- a) to indemnify the insured by payment or at its option by reinstatement, repair or replacement;
- b) on the happening of any loss or damage for which indemnity is provided under Sections 1 and 2, to enter any building where the loss or damage has happened, to take and keep possession of the property insured and to deal with the salvage in a reasonable manner and this Policy or any copy thereof certified by the Company, shall be proof of leave and licence for such purpose but no property may be abandoned to the Company;
- c) to pay at any time to the Insured the Limit of Liability provided under the Comprehensive Personal Liability Extension of Section 2 or any lesser amount for which any claim or claims can be settled and upon such payment the Company shall relinquish conduct and control of and be under no further liability under that Section in connection with such claim or claims except for costs and expenses recoverable from the Insured or insured with the written consent of the Company in respect of the conduct of such claim or claims before the date of such payment.

#### 10 Arbitration

If any differences arise as to the amount to be paid under this Policy, such differences shall be settled by arbitration under the

Domestic Arbitration Rules of the Hong Kong International Arbitration Centre. If the parties fail to agree upon the choice of an arbitrator, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained. The place of arbitration shall be in Hong Kong at the Hong Kong International Arbitration Centre.

#### 11 Misrepresentation and Fraud

Any Policy issued hereunder shall be void if the Insured conceals or misrepresents any material fact or circumstance concerning this Policy or the subject thereof; or in case of any fraud or false swearing by the Insured regarding any matter relating to this Policy or the property insured, whether such be done before or after a loss has occurred.

#### 12 Assignment of Interest

Assignment of Interest under this Policy shall not bind the Company until its consent is endorsed hereon.

#### 13 Action 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 voided 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.

#### 14 Cancellation Provision

This Policy may be cancelled at any time at the request of the Named Insured in writing to the Company and the premium shall be adjusted on the basis of the Named Insured paying to the Company, or the Company retaining, as the case may be, the customary short term premium or minimum premium then due up to the date of cancellation. The date of cancellation shall be the date the Company actually receives the said request in writing. The Company is also entitled to cancel this Policy upon delivering or mailing to the Named Insured thirty days notice in writing at his last known address and the premium shall be adjusted on the basis of the Named Insured paying to the Company, or the Company retaining, as the case may be, the pro-rata premium then due up to the date of cancellation. The date of cancellation shall be the date stipulated in the said notice in writing.

#### 15 Other Insurance

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

#### 16 Subrogation

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 and render cooperation to the Company in relation to our subrogation. The Insured shall not take any action following a loss to prejudice such rights of subrogation.

#### 17 Burden of Proof

In any action, suit or other proceedings where the Company alleges that by reason of the provisions of any exclusions which may be applicable, any loss, destruction or damage is not covered by this Policy, the burden of proving that such loss, destruction or



damage is covered shall be upon the Insured.

#### 18 Maintenance of Sum Insured

The Insured shall at all times maintain the Sum Insured at a level which represents –

- a) the full reinstatement cost of the Building under Section 1 at the time of loss or damage.
- b) the full replacement value of the property insured under Section 2 and 3 at the Inception of this Policy.

Should the Sum Insured be less than the said Full reinstatement cost or 90% of the said full replacement value, the Insured shall be considered as being his own insurer for the excess and shall bear a rateable proportion of the loss accordingly.

#### 19 Data Recognition Exclusion

- a) The Company will not pay for damage or consequential loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment or media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the insured or not, and whether occurring before, during or after the year 2000 that results from the inability to :

- i) correctly recognize any date as its true calendar date;
- ii) capture, save, or retain and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; and/or
- iii) capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.

- b) It is further understood that we will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

- c) It is further understood that we will not pay for damage or consequential loss arising from the failure, inadequacy, or malfunction of any device, consultation, design evaluation, inspection installation, maintenance, repair or supervision done by you or for you or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in (a) above.

Such damage or consequential loss described in (a), (b) or (c) above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This exclusion shall not exclude subsequent damage or consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean : fire, lightning, explosion, aircraft or impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

#### 20 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.

#### 21 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](http://www.aig.com.hk).

#### 22 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.

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