



FOR THE SECTION(S) OF THE POLICY APPLICABLE TO THIS INSURANCE, PLEASE REFER TO "INSURANCE PROVIDED" IN THE SCHEDULE OR AS AMENDED BY ANY ENDORSEMENT.

This is to certify that in accordance with the authorization granted under the Contract as specified in the Schedule to Hanson Insurance Services Limited by Certain Underwriters at Lloyd's, whose Names and the proportions underwritten by them, which will be supplied on application, and in consideration of the Insured having made a proposal and declaration which shall be the basis of this insurance and is deemed to be incorporated herein and has paid or agreed to pay the Premium as consideration for such insurance, the said Underwriters are hereby bound, severally and not jointly, their Executors and Administrators to insure in accordance with the terms and conditions contained herein or endorsed hereon.

Now this Policy witnesseth that in respect of events occurring during the Period of Insurance and subject to the terms, exceptions and conditions contained herein or endorsed hereon (hereinafter collectively referred to as the Terms of the Policy):

SECTION I – INSURANCE ON THE MOTOR VEHICLE

1. The Underwriters will indemnify the Insured against loss of or damage to the Motor Vehicle and its accessories and spare parts whilst thereon.
At its own option, the Underwriters may pay in cash the amount of the loss or damage or may repair, reinstate or replace the Motor Vehicle or any part thereof or its accessories or spare parts.
The liability of the Underwriters shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts it being understood that the Underwriters' liability shall be limited to reasonable market value of the Motor Vehicle at the time of the loss or damage but not exceeding the Insured's Estimated Value stated in the Schedule.
In the event of loss or damage to the Motor Vehicle and/or its accessories necessitating the supply of a part not obtainable from stocks held in the country in which the Motor Vehicle is held for repair or in the event of the Underwriters exercising the option to pay in cash the amount of the loss or damage, the liability of the Underwriters in respect of any such part shall be limited to:
 - (a) (i) the price quoted in the latest catalogue or price list issued by the manufacturer or his agent for the country in which the Motor Vehicle is held for repair, or
 - (ii) If no such catalogue or price list exist the price last obtaining at the manufacturer's works plus the reasonable cost of transport otherwise than by air to the country in which the Motor Vehicle is held for repair and the amount of the relative import duty
and
 - (b) the reasonable cost of fitting such part.
2. If the Insurance Provided stated in the Schedule to be "Third Party Fire and Theft", the Underwriters shall be liable under this Section solely for loss or damage resulting from fire, self-ignition, lightning, explosion, theft or attempted theft.
3. If the Underwriters know the Motor Vehicle is the subject of a hire purchase agreement or a bill of sale by way of mortgage, any payment in cash shall be made to the owner described in the hire purchase agreement or to the mortgagee described in the bill of sale whose receipt shall be a full and final discharge to the Underwriters in respect of such loss or damage.
4. If the Motor Vehicle is disabled by reason of loss or damage insured under the Policy, the Underwriters will subject to the Limits of Liability of HK\$5,000 bear for the reasonable cost of protection and removal to the nearest repairers and of delivery within the country where the loss or damage was sustained.
5. The Insured may authorise the repair of the Motor Vehicle necessitated by damage for which the Underwriters may be liable under the Policy provided that:
 - (a) the estimated cost of such repair does not exceed the Authorised Repair Limit.
 - (b) a detailed estimate of the cost is forwarded to the Underwriters without delay.
 - (c) as a condition precedent to the liability of the Underwriters, the Insured shall submit the Motor Vehicle for a detailed estimate of cost of such repair to the manufacturer's general agent or a repairer as authorised and approved by the Underwriters.
 - (d) as far as indemnity granted under Section I of this insurance is concerned, the repairs of the Motor Vehicle shall only be carried out by the manufacturer's general agent or any garage authorised and approved by the Underwriters.

SECTION I – EXCESS

The Underwriters shall not be liable for the following excess(es) as stipulated in the Schedule (or any less expenditure which may be incurred) being the first part of any expenditure for which provision is made under Section I of the Policy in respect of each and every event occurring:

1. **Compulsory Excess** : as a result of an accident by any cause. This excess is cumulative with **Unnamed Drivers Excess, Young Drivers Excess, Inexperienced Drivers Excess and Parking Excess**, if applicable.
2. **Unnamed Drivers Excess** : as a result of an accident whilst the Motor Vehicle is being driven by any person other than a named driver specified in the Schedule. This excess is cumulative with **Compulsory Excess, Young Drivers Excess, Inexperienced Drivers Excess and Parking Excess**, if applicable.
3. **Young Drivers Excess** : as a result of an accident whilst the Motor Vehicle is being driven by or is for the purpose of being driven by him in the charge of any person who is under 25 years of age. This excess is cumulative with **Compulsory Excess, Unnamed Drivers Excess, Inexperienced Drivers Excess and Parking Excess**, if applicable.
4. **Inexperienced Drivers Excess** : as a result of an accident whilst the Motor Vehicle is being driven by or is for the purpose of being driven by him in the charge of any person who is the holder of a provisional driving licence or has not held for a period of 2 years a driving licence other than a provisional driving licence. This excess is cumulative with **Compulsory Excess, Unnamed Drivers Excess, Young Drivers Excess and Parking Excess**, if applicable.
5. **Parking Excess (applicable to Private Car only)** : whilst the Motor Vehicle is parked. This excess is cumulative with **Compulsory Excess, Unnamed Drivers Excess, Young Drivers Excess and Inexperienced Drivers Excess**, if applicable.
6. **Theft Excess** : as a result of theft or attempted theft. If this excess is applicable, all other excesses shall not apply.
7. **Fire Excess** : as a result of fire. If this excess is applicable, all other excesses shall not apply.
8. **Malicious Damage Excess** : as a result of malicious act of any person, whether or not such act is committed in the course of a disturbance of the public peace. If this excess is applicable, all other excesses shall not apply.

If the amount of Excess as stipulated in the Schedule is expressed in the form of "an amount / a percentage", such Excess shall mean the specified amount or the specified percentage of loss, whichever is the greater.

If the expenditure incurred by the Underwriters shall include the amount for which the Insured is responsible hereby, such amount shall be repaid by the Insured to the Underwriters forthwith.

For the purpose of this Clause, the expression "event" shall mean an event or series of events arising out of one cause in connection with the Motor Vehicle.

SECTION I – EXCEPTIONS

The Underwriters shall not be liable to pay for:

1. consequential loss.
2. depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages.
3. damage to tyres unless damage is caused to other parts of the Motor Vehicle at the same time.
4. any excess provided for in the Policy.
5. damage caused by overloading or strain (applicable to Commercial Vehicle only).
6. loss of or damage to accessories or spare parts by theft unless the Motor Vehicle is stolen at the same time (applicable to Motor Cycle only).

SECTION II – LIABILITY TO THIRD PARTIES

1. The Underwriters will subject to the Limits of Liability and the Jurisdiction Clause indemnify the Insured against all sums including claimant's costs and expenses which the Insured shall become legally liable to pay in respect of:
 - (a) death of or bodily injury to any person
 - (b) damage to property
where such death or injury or damage arises out of an accident caused by or in connection with the Motor Vehicle or the loading or unloading of the Motor Vehicle.
2. The Underwriters will subject to the Limits of Liability and the Jurisdiction Clause indemnify any Authorised Driver or at the request of the Insured any person (other than the person driving) in or getting into or out of the Motor Vehicle against all sums including claimant's costs and expenses which such Authorised Driver or person shall become legally liable to pay in respect of:
 - (a) death of or bodily injury to any person
 - (b) damage to property
where such death or injury or damage arises out of an accident caused by or in connection with the Motor Vehicle or the loading or unloading of the Motor Vehicle.
3. In the event of the death of any person entitled to indemnity under this Section, the Underwriters will in respect of the liability incurred by such person indemnify his legal personal representatives in the terms and subject to the limitations which applied to such person.

4. In the event of an accident involving indemnity under this Section to more than one person, the Limits of Liability shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.
5. The Underwriters may at its own option:
 - (a) arrange for representation at any inquest or fatal inquiry in respect of any death which may be the subject of indemnity under this Section.
 - (b) undertake the defence of proceedings in any court of law in respect of any act or alleged offence causing or relating to any event which may be the subject of indemnity under this Section.
6. The Underwriters will pay all costs and expenses incurred with its written consent.

SECTION II – JURISDICTION CLAUSE

The indemnity under this Section II shall not apply in respect of judgments which are not in the first instance delivered by or obtained from a Court of competent jurisdiction in Hong Kong.

SECTION II – EXCESS

The Underwriters shall not be liable for the amount of Excess as stipulated in the Schedule (or any less expenditure which may be incurred) being the first part of any expenditure for which provision is made under Section II of the Policy in respect of each and every event occurring as a result of an accident:

1. **Third Party Property Damage Excess (hereinafter referred to as “TPPD Excess”)** : causing damage to property of third parties.
2. **Third Party Bodily Injury Excess (hereinafter referred to as “TPBI Excess”)** : causing death of or bodily injury to third parties.
3. **Third Party Property Damage Young Drivers Excess (hereinafter referred to as “TPPDYD Excess”)** : causing damage to property of third parties whilst the Motor Vehicle is being driven by or is for the purpose of being driven by him in the charge of any person who is under 25 years of age.
4. **Third Party Property Damage Inexperience Drivers Excess (hereinafter referred to as “TPPDID Excess”)** : causing damage to property of third parties whilst the Motor Vehicle is being driven by or is for the purpose of being driven by him in the charge of any person who is the holder of a provisional driving licence or has not held for a period of 2 years a driving licence other than a provisional driving licence.

If the amount of Excess as stipulated in the Schedule is expressed in the form of “an amount / a percentage”, such Excess shall mean the specified amount or the specified percentage of loss, whichever is the greater.

If the expenditure incurred by the Underwriters shall include the amount for which the Insured is responsible hereby, such amount shall be repaid by the Insured to the Underwriters forthwith.

For the purpose of this Clause, the expression “event” shall mean an event or series of events arising out of one cause in connection with the Motor Vehicle.

All Excess specified above is cumulative.

SECTION II – EXCEPTIONS

The Underwriters shall not be liable:

1. under sub-sections 2 or 3 to indemnify any person:
 - (a) unless such person shall observe, fulfil and be subject to the terms of the Policy in so far as they can apply.
 - (b) if such person is entitled to indemnity under any other insurance.
2. in respect of death of or bodily injury to any person arising out of and in the course of such person’s employment by:
 - (a) the Insured.
 - (b) the person claiming to be indemnified under this Section.
 - (c) the employer of the person claiming to be indemnified under this Section.
3. in respect of death or bodily injury or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bring of the load to the Motor Vehicle for loading thereon or the taking away of the load from the Motor Vehicle after unloading therefrom.
4. in respect of damage to property being conveyed by the Motor Vehicle or to property belonging to or held in trust by or in the custody or control of:
 - (a) the Insured, or
 - (b) any person claiming to be indemnified under sub-section 2, or
 - (c) a member of the same household as the Insured or of the same household as any person claiming to be indemnified under sub-section 2.
5. in respect of damage by vibration or by the weight of the Motor Vehicle or of the load carried by the Motor Vehicle to any bridge, weighbridge, viaduct, road or anything beneath (applicable to Commercial Vehicle only).
6. in respect of damage to any disabled mechanically propelled vehicle attached to any motor vehicle in respect of which indemnity is provided by the Policy (applicable to Commercial Vehicle only).

SECTION II – AVOIDANCE OF CERTAIN TERMS AND RIGHTS OF RECOVERY

If the Underwriters are obliged by the law of any country within the Geographical Area or by virtue of any Agreement between Government and the Motor Insurers Bureau of Hong Kong to pay an amount for which the Underwriters would not otherwise be liable under the Policy, the Insured shall repay the amount to the Underwriters.

SECTION III – MEDICAL EXPENSES (APPLICABLE TO PRIVATE CAR ONLY)

The Underwriters will subject to the Limits of Liability pay to the Insured the reasonable medical expenses incurred in connection with any bodily injury by violent, accidental, external and visible means sustained by the Insured or Authorised Driver or any occupant of the Motor Vehicle as the direct and immediate result of an accident to the Motor Vehicle.

NO CLAIM DISCOUNT

In the event of no claim being made or arising under the Policy during a period of insurance specified below immediately preceding the renewal of the Policy, the renewal premium shall be reduced as follows:

PERIOD OF INSURANCE

	<u>REDUCTION</u>		
	<u>Private Car</u>	<u>Commercial Vehicle</u>	<u>Motor Cycle</u>
The preceding year	20%	10%	10%
The preceding two consecutive years	30%	20%	20%
The preceding three consecutive years	40%	30%	30%
The preceding four consecutive years	50%	30%	30%
The preceding five or more consecutive years	60%	30%	30%

Notwithstanding a single claim being made or arising under the Policy during a period of insurance for which the premium is based on a 50% or 60% reduction, the Insured shall at the next renewal be deemed to have been claims free for the preceding year or the preceding two consecutive years respectively (applicable to Private Car only).

If the Underwriters shall consent to a transfer of interest in the Policy, the period during which the interest was in the transferor shall not accrue to the benefit of the transferee.

If more than one Motor Vehicle is described in the Schedule, the No Claim Discount shall be applied as if a separate Policy had been issued in respect of each such Motor Vehicle.

GENERAL EXCEPTIONS

The Underwriters shall not be liable in respect of:

1. any accident, loss, damage or liability caused, sustained or incurred:
 - (a) outside the Geographical Area.
 - (b) whilst on the Insured’s order or with his permission or to his knowledge the Motor Vehicle in respect of which indemnity is provided by the Policy is:
 - (i) being used otherwise than in accordance with the Limitation as to Use.
 - (ii) being driven by any person other than an Authorised Driver or is for the purpose of being driven by him in the charge of such person.
2. any accident, loss, damage or liability, except so far as is necessary to meet the requirements of the Motor Vehicles Insurance (Third Party Risks) Ordinance, directly or indirectly, proximately or remotely, occasioned by, contributed to by or arising out of or in connection with:
 - (a) war, invasion, act of foreign enemy, hostilities or warlike operations, whether war be declared or not, civil war, mutiny, rebellion, insurrection, military or usurped power.
 - (b) strike, riot, civil commotion.
 - (c) detention, seizure, confiscation or any attempt thereat.

or by any direct or indirect consequences of any of the said occurrences and in the event of any claim hereunder, the person claiming to be indemnified shall prove that the accident, loss, damage or liability arose independently of and was in no way connected with or occasioned by or contributed to by or traceable to any of the said occurrences or any consequence thereof and in default of such proof, the Underwriters shall not be liable to make any payment in respect of such a claim.
3. any liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement.
4. (a) any accident, loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 (b) any liability of whatsoever nature
 directly or indirectly caused by or contributed to by or arising from ionising, radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste

- from the combustion of nuclear fuel. For the purpose of this exception, combustion shall include any self-sustaining process of nuclear fission.
5. any accident, loss, damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
 6. any sum which any person claiming to be indemnified would have been entitled to recover from any party but for an agreement between such person and such party (applicable to Commercial Vehicle and Motor Cycle only).
 7. any accident, loss, damage or liability caused by or contributed to by or arising from any failure by the Insured to comply with and observe all provisions, regulations or requirements relating to the carriage of dangerous goods whether such provisions, regulations or requirements are issued by the Fire Services or any other Government Department or form part of any Statutory Ordinance (applicable to Commercial Vehicles only).
 8. any losses or claims related to asbestos.
 9. any accident, loss, damage or liability caused by or contributed to by or arising from the Motor Vehicle used within the restricted area of airport.

INSURANCE PROVIDED

The insurance provided is only with respect to such as indicated:

<u>COVER APPLICABLE</u>	<u>OPERATIVE SECTIONS</u>	<u>COMPULSORY EXCESSES</u>
Comprehensive	Private Car Section I, II & III	Private Car / Commercial Vehicle / Motor Cycle
Third Party Fire & Theft	Section I as amended by sub-section 2 and Section II	As detailed in the Schedule
Third Party Only	Section II Only	As detailed in the Schedule
Physical Damage Only	Section I Only	As detailed in the Schedule

LIMITS OF LIABILITY

Limit of the amount of the Underwriters' liability under:

	<u>Private Car</u>	<u>Commercial Vehicle</u>	<u>Motor Cycle</u>
Section I – 4 (Protection and Removal)	HK\$5,000	HK\$5,000	HK\$5,000
Section I – 5(a) (Authorised Repair Limit)	HK\$1,000	HK\$1,000	HK\$200
Section II – 1(a) and 2(a) (Liability to Third Parties – Death or Bodily Injury) in respect of any one claim or series of claims arising out of one event, inclusive of costs and expenses	HK\$100,000,000	HK\$100,000,000	HK\$100,000,000
Section II – 1(b) and 2(b) (Liability to Third Parties – Property Damage) in respect of any one claim or series of claims arising out of one event, inclusive of costs and expenses	HK\$2,000,000	HK\$1,000,000	HK\$750,000
Section III – (Medical Expenses) in respect of any one accident	HK\$2,000	Nil	Nil

AUTHORISED REPAIR LIMIT

The Authorised Repair Limit will be revised to reasonable market value of the Motor Vehicle at the time of loss or damage if the Motor Vehicle is repaired by Hang Fai Auto Services Co. Ltd.

AUTHORISED DRIVER

Private Car:

1. If the Insured is an individual:
 - (a) The Insured.
 - (b) Any other person who is driving on the Insured's order or with his permission.
2. If the Insured is a company:
 - (a) Any person who is driving on the Insured's order or with his permission.

Commercial Vehicle:

1. If the Insured is an individual:
 - (a) Whilst the Motor Vehicle is being used in connection with the Insured's business or the business of any person whom the Motor Vehicle is hired:
 - (i) The Insured.
 - (ii) Any other person provided that he is in the Insured's employ and is driving on his order or with his permission.
 - (iii) Any person to whom the Motor Vehicle is hired or any other person provided that he is in the employ of such hire and is driving on his order or with his permission.
 - (b) Whilst the Motor Vehicle is being used for social, domestic or pleasure purposes:
 - (i) The Insured.
 - (ii) Any other person who is driving on the Insured's order or with his permission.
2. If the Insured is a company:
 - (a) Whilst the Motor Vehicle is being used in connection with the Insured's business or the business of any person whom the Motor Vehicle is hired:
 - (i) Any person provided that he is in the Insured's employ and is driving on his order or with his permission.
 - (ii) Any person to whom the Motor Vehicle is hired or any other person provided that he is in the employ of such hire and is driving on his order or with his permission.
 - (b) Whilst the Motor Vehicle is being used for social, domestic or pleasure purposes:
 - (i) Any person who is driving on the Insured's order or with his permission.

Motor Cycle:

1. If the Insured is an individual:
 - (a) The Insured.
 - (b) Any person who is driving on the Insured's order or with his permission.
2. If the Insured is a company:
 - (a) Any person who is driving on the Insured's order or with his permission.

Provided that the person driving holds a licence to drive the Motor Vehicle or has held and is not disqualified for holding or obtaining such a licence. The term "licence" means a licence or other permit required by the licencing or other laws or regulations.

GEOGRAPHICAL AREA

Hong Kong and the harbor limits for the purposes of transit (including incidental loading or unloading).

LIMITATION AS TO USE

Private Car:

Use only for social, domestic and pleasure purposes and for the Insured's business or profession.

The Policy does not cover use for hire or reward, racing, pacemaking, reliability trial, speed testing nor use for any purpose in connection with the Motor Trade.

Commercial Vehicle:

1. Use in connection with the Insured's business or the business of any person to whom the Motor Vehicle is hired.
2. Use for social, domestic and pleasure purposes.

Whilst the vehicle is so used, the carriage of passengers (other than for hire or reward) is permitted.

Applicable to Commercial Vehicle except Tractor and Trailer – The Policy does not cover use for racing, pacemaking, reliability trial or speed testing, whilst drawing a trailer except the towing of any one disabled mechanically propelled vehicle nor use for the carriage of passengers for hire or reward.

Applicable to Tractor only – The Policy does not cover use for racing, pacemaking, reliability trial or speed testing, whilst drawing a trailer except the one superimposed trailer being part of an articulated vehicle or one disabled mechanically propelled vehicle nor use for the carriage of passengers for hire or reward.

Applicable to Trailer only – The Policy does not cover use for racing, pacemaking, reliability trial or speed testing, whilst drawing a greater number of trailers in all than is permitted by law nor for the carriage of passengers for hire or reward.

Motor Cycle:

Use for social, domestic and pleasure purposes and for the Insured's business or profession.

The Policy does not cover:

1. Use for hire or reward.
2. Use for racing, pacemaking, reliability trial or speed testing.
3. Use for the carriage of goods (other than samples) in connection with any trade of business.
4. Use for any purpose in connection with the Motor Trade.

DANGEROUS GOODS VEHICLE EXCLUSION

It is noted and agreed that notwithstanding anything to the contrary contained herein, the Policy shall be inoperative if the Motor Vehicle is a gas and/or oil tanker, dangerous and/or inflammable goods vehicle, dump truck or goods vehicle with crane or crane with bucket, unless the Underwriters have made special acceptance to provide cover and it is specified in the Schedule as such.

SEVERAL LIABILITY NOTICE

It is noted and agreed that the subscribing Underwriters' obligations under the Policy to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Underwriters are not responsible for the subscription of any co-subscribing Underwriters who for any reason does not satisfy all or part of its obligation.

OVERSEAS JURISDICTION CLAUSE

It is noted and agreed that:

1. this insurance shall be governed by the laws of Hong Kong whose courts shall have jurisdiction in any dispute arising hereunder, and
2. any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceeding against them in connection with this insurance may be served upon Lloyd's General Representative for Hong Kong, Suite 619, 4/F Reception, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong who have authority to accept service on their behalf.

HIRE PURCHASE ENDORSEMENT (APPLICABLE ONLY IF A HIRE PURCHASE OWNER IS SPECIFIED IN THE SCHEDULE)

It is noted and agreed that the Hire Purchase Owner named in the Schedule (hereinafter referred to as the "Owners") are the owners of the Motor Vehicle as declared in the Schedule (hereinafter referred to as the "Motor") and that the said Motor is the subject of Hire Purchase Agreement made between the Owners of the one part and the Insured of the other part and it is further understood and agreed that the Owners are interested in any monies which but for this endorsement would be payable to the Insured under the Policy in respect of loss or damage to the said Motor (which loss or damage is not made good by repair, reinstatement or replacement) and such monies shall be paid to the Owners as long as they are the owners of the Motor and their receipt shall be a full and final discharge to the Underwriters in respect of such loss or damage.

Save by this endorsement expressly agreed, nothing herein shall modify or affect the rights or liabilities of the Insured or the Underwriters respectively under or in connection with the Policy or any condition or term thereof.

ARTICULATED GOODS CARRYING VEHICLES ENDORSEMENT (APPLICABLE ONLY TO THE TRACTOR AS SPECIFIED IN THE SCHEDULE)

It is noted and agreed that:

1. for the purpose of Section II of the Policy, a power unit and superimposed trailer attached thereto shall together be deemed to constitute one Motor Vehicle.
2. the Underwriters shall be under no liability:
 - (a) under Section I of the Policy in respect of loss or damage to the Motor Vehicle
 - (b) under Section II of the Policy, except so far as is necessary to meet the requirements of the Motor Vehicle Insurance (Third Party Risks) Ordinance, in respect of liability incurred by the Insured arising out of the operation as a tool of the Motor Vehicle or any plant forming part of the Motor Vehicle or attached thereto.
3. the Underwriters shall be under no liability in respect of:
 - (a) loss of or damage to utensils, stock-in-trade, surgical instruments, medical appliances or supplies and X-ray apparatus on the Motor Vehicle.
 - (b) death of or bodily injury to or illness or any person caused by or through or in connection with or arising from:
 - (i) poisoning of any kind or foreign or deleterious matter in food or drink.
 - (ii) anything harmful in the condition of any goods supplied at or from the Motor Vehicle or the defective condition of the container of such goods.
 - (iii) anything harmful or defective in any treatment given at or from the Motor Vehicle.

GEOGRAPHICAL AREA EXTENSION CLAUSE (APPLICABLE ONLY TO SECTION I AND ONLY IF THE GEOGRAPHICAL AREA STATED AS HONG KONG AND GUANGDONG PROVINCE, CHINA IN THE SCHEDULE)

It is noted and agreed that:

1. as far as the Insurance by Section I of the Policy is concerned, the Geographical Area is extended to include Guangdong Province, China.
2. in the event of any towing charge is incurred under this Clause, the Underwriters will only pay the towing charge for the journey from any border control point of Hong Kong to the repairers within Hong Kong.
3. the repair of the Motor Vehicle necessitated by damage for which the Underwriters may be liable under this Clause must be carried out in Hong Kong.
4. no claim under this Clause will be admitted unless it is supported by an accident or incident report issued by the Government of China.

DRIVING UNDER THE INFLUENCE OF DRINK OR DRUGS EXCLUSION

It is noted and agreed that the Underwriters shall not be liable under the Policy in respect of any accident, loss, damage or liability caused, sustained or incurred whilst the Motor Vehicle is being driven by or is in the charge of or is under the control of the Insured or Insured Driver:

1. who is convicted of an offence for being under the influence of drink or drugs to such an extent as to be incapable of having proper control of the Motor Vehicle, or
2. when the proportion of alcohol in his/her breath, blood or urine exceeds the prescribed limit as stipulated in Section 2 of the Road Traffic Ordinance (Cap. 374) as may be amended from time to time or any legislation which replaces the same, or
3. who is convicted of an offence for failing without reasonable excuse to provide a specimen of breath, body fluid, blood or urine for testing or analysis as required by law.
4. when in China, who is convicted under the Chinese Law for any offence related to driving under the influence of drink or drugs including failing without reasonable excuse to provide specimen of breath, body fluid, blood or urine for testing or analysis as required by law.

ELECTRIC DATE RECOGNITION EXCLUSION (EDRE)

The Policy does not cover any loss, damage, claim, cost or expense, whether preventive, remedial or otherwise, directly or indirectly arising out of or relating to:

1. the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000 or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not, or
2. any change, alteration or modification involving the date change to the year 2000 or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, claim, cost or expense.

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

It is noted and agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

CRANE, CRANE WITH BUCKET, TAIL-GATE AND/OR TAIL-LANDING LIABILITY EXCLUSION

It is noted and agreed that this insurance excludes the Insured's legal liability whatsoever arising from the attached crane, crane with bucket, tail-gate and/or tail-landing during operation of any kind, unless this insurance is extended and specified in the Schedule to include HIS-027..

MINIMUM AND NON-REFUNDABLE PREMIUM CLAUSE

Notwithstanding anything contained herein to the contrary, this Policy is subject to a Minimum and Non-Refundable Premium, the amount of which is shown in the Schedule, if this Policy is cancelled at the request of the Insured at any time during the Period of Insurance.

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.

WAR AND CIVIL WAR EXCLUSION CLAUSE

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

TERRORISM EXCLUSION ENDORSEMENT (NMA2921)

Notwithstanding any provision to the contrary within this insurance or any Endorsement thereto it is agreed that this insurance does not indemnify the insured in respect of 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, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

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

If the insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the insured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect

CYBER LOSS LIMITED EXCLUSION CLAUSE (LMA5410)

1. Notwithstanding any provision to the contrary within this insurance/reinsurance agreement or any endorsement thereto, this insurance/reinsurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
 - (a) any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;
 - (b) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.
2. Subject to the other terms, conditions and exclusions contained in this insurance/reinsurance agreement, this insurance/reinsurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:
fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
5. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

INFECTIOUS / COMMUNICABLE DISEASE

Notwithstanding any provision of this Agreement including any exclusion, extension or other provision included herein which would otherwise override a general exclusion, all losses, damage, resultant time element losses, and costs in connection with or arising directly or indirectly from infectious and/or communicable disease are excluded.

Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

CONDITIONS

1. 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 the Policy or the Schedule shall bear such specific meaning wherever it may appear.
2. The due observance and fulfillment of the terms of the Policy in so far as they relate to anything to be done or not to be done by the Insured or any person claiming to be indemnified and the truth of the statements and answers in the proposal shall be conditions precedent to any liability of the Underwriters to make any payment under the Policy.
3. Every notice or communication to be given or made under the Policy shall be delivered in writing to the Underwriters.
4. The Insured shall take all reasonable steps to safeguard the Motor Vehicle from loss or damage and to maintain the Motor Vehicle in efficient condition and the Underwriters shall have at all times free and full access to examine the Motor Vehicle or any part thereof or any driver or employee of the Insured. In the event of any accident or breakdown, the Motor Vehicle shall not be left unattended without proper precautions being taken to prevent further loss or damage and if the Motor Vehicle be driven before the necessary repairs are effected, any extension of the damage or any further damage to the Motor Vehicle shall be excluded from the scope of the indemnity granted by the Policy.
5. In the event of an occurrence which may give rise to a claim under the Policy, the Insured shall as soon as possible give notice thereof to the Underwriters with full particulars. Every letter, claim, writ, summons and process shall be notified or forwarded to the Underwriters immediately on receipt. Notice shall also be given to the Underwriters immediately the Insured or any person claiming to be indemnified shall have knowledge of any impending prosecution, inquest or fatal inquiry in connection with any such occurrence. In case of theft or other criminal act which may give rise to a claim under the Policy, the Insured shall give immediate notice to the police and co-operate with the Underwriters in securing the conviction of the offender.
6. No admission, offer, promise or payment shall be made by or on behalf of the Insured or any person claiming to be indemnified without the written consent of the Underwriters which shall be entitled if it so desires to take over the conduct in the name of the Insured or such person, the defence or settlement of any claim or to prosecute in the name of the Insured or such person for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured and such person shall give all such information and assistance as the Underwriters may require.
7. At any time after the happening of any event giving rise to a claim or series of claims under Section II – 1(b) and Section II – 2(b) of the Policy, the Underwriters may pay to the Insured or any person claiming to be indemnified the full amount of the Underwriters' liability under Section II – 1(b) and Section II – 2(b) and relinquishing the conduct of any defence, settlement or proceedings and the Underwriters shall not be responsible for any damage alleged to have been caused to the Insured or such person in consequence of any alleged action or omission of the Underwriters in connection with such defence, settlement or proceedings or of the Underwriters relinquishing such conduct nor shall the Underwriters be liable for any costs or expenses whatsoever incurred by the Insured or such person or by any claimant or other person after the Underwriters shall have relinquished such conduct.
8. If at the time any claim arises under the Policy there is any other insurance covering the same loss, damage or liability, the Underwriters shall not be liable to pay or contribute more than its ratable proportion of any loss, damage, compensation, costs or expenses, provided always that nothing in this Condition shall impose on the Underwriters any liability from which but for this Condition it would have been relieved under Exception (a)(ii) to Section II of the Policy.
9. The Underwriters may cancel the Policy by sending seven days' notice by registered letter to the Insured at his last known address and in such event will return to the Insured the Premium paid less the pro-rata portion thereof for the time during the current Period of Insurance the Policy has been in force or the Policy may be cancelled at any time by the Insured on seven days' notice and (provided no claim has arisen during the current Period of Insurance and the current Certificate(s) of Insurance has been returned to the Underwriters on or before the date of cancellation), the Insured shall be entitled to the difference (if any) between the premium paid and premium calculated at the Underwriters' Short Period Rates as below for the time during the current Period of Insurance the Policy has been in force.

- Not exceeding 1 month, charge 20% of annual premium	- Not exceeding 5 month, charge 60% of annual premium
- Not exceeding 2 month, charge 30% of annual premium	- Not exceeding 6 month, charge 70% of annual premium
- Not exceeding 3 month, charge 40% of annual premium	- Not exceeding 8 month, charge 80% of annual premium
- Not exceeding 4 month, charge 50% of annual premium	- Exceeding 8 month, charge full annual premium
10. All difference arising out of the Policy shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a condition precedent to any right of action or suit upon the Policy that an arbitration award shall be first obtained. If the Underwriters 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 recovered hereunder.
11. Any person or entity who is not a party to this Policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the laws of Hong Kong) to enforce any terms of this Policy.

THE FOLLOWING CLAUSES AND/OR ENDORSEMENTS AND/OR WARRANTIES WILL NOT HAVE EFFECT UNLESS SPECIFICALLY INDICATED IN THE SCHEDULE OR BY ENDORSEMENT SUBSEQUENTLY ATTACHED HERETO, ALWAYS SUBJECT OTHERWISE TO THE TERMS, EXCEPTIONS AND CONDITIONS OF THE POLICY.

HIS-004 BURGLARY ALARM SYSTEM WARRANTY (APPLICABLE ONLY TO SECTION I)

It is warranted that the Motor Vehicle referred to in the Schedule must be installed with an alarm system which shall be:

1. maintained in good conditions and efficient working order and the Insured shall produce the alarm system maintenance record upon request by the Underwriters.
2. examined and tested by a qualified and competent engineer at least once every twelve months.
3. put in operative use whenever the Motor Vehicle is left unattended.

Warranted further that the keys of the Motor Vehicle must be removed from the Motor Vehicle by the Insured or other person nominated or authorised by him whenever the Motor Vehicle is left unattended.

Compliance with the foregoing shall be a condition precedent to the liability of the Underwriters.

HIS-027 CRANE, CRANE WITH BUCKET, TAIL-GATE AND/OR TAIL-LANDING HONG KONG LIABILITY EXTENSION CLAUSE (APPLICABLE ONLY TO SECTION II AND ONLY IF SPECIFIED IN THE SCHEDULE TO INCLUDE CRANE/CRANE WITH BUCKET/TAIL-GATE/TAIL-LANDING)

It is noted and agreed that the insurance by Section II of the Policy is extended to cover the Insured's legal liability arising from the attached crane, crane with bucket, tail-gate and/or tail-landing during operation for loading and unloading in Hong Kong, provided that the maximum liability of the Underwriters under this Clause shall not exceed an amount of HK\$750,000.00.

HIS-036 FREE WINDSCREEN CLAUSE (APPLICABLE ONLY TO SECTION I)

It is noted and agreed that the Insurance by Section I of the Policy will pay for loss or damage to the front and/or rear windscreen, provided that the maximum liability of the Underwriters under this Clause shall not exceed an amount of HK\$4,000.00 any one claim and in the aggregate for all claims in any one Period of Insurance.

It is also noted and agreed that any Excess in Section I of the Policy shall not apply to any claim made under this Clause.

It is further noted and agreed that any claim made under this Clause will not be for the purpose of applying No Claim Discount Protection hereunder accounted for in the calculation of the total claims settlement in any one period.

HIS-037 NO CLAIM DISCOUNT PROTECTION CLAUSE (APPLICABLE ONLY TO SECTION I)

It is noted and agreed that if the total of all claims incurred in any one Period of Insurance, after the application of any excess, do not exceed the amount as stated in the Schedule for this Clause, the Insured will at renewal immediately subsequent to the Period of Insurance of the Policy be entitled to the same percentage of No Claim Discount as under the current Policy.

If such amount as stipulated in the Schedule is expressed in the form of "an amount / a percentage", such amount shall mean the specified amount or the specified percentage of the Estimated Value, whichever is the lesser.

It is further noted and agreed that all claims will be accounted for in the event the No Claim Discount is to be transferred to any other insurer.

HIS-038 NEW FOR OLD REPLACEMENT VEHICLE CLAUSE (APPLICABLE ONLY TO SECTION I)

In the event of the Motor Vehicle having sustained a total loss, the Underwriters agree to replace the Motor Vehicle with another vehicle of the same make and model without deducting any depreciation, provided that:

1. the Insured is the first registered owner.
2. the loss occurs within the first twelve months of the first registration of the Motor Vehicle with the Transport Department,
3. the first registration of the Motor Vehicle with the Transport Department must be made within twelve months from the date of manufacture thereof.
4. the make and model of the Motor Vehicle is available in Hong Kong through the manufacturer's authorised dealers.
5. the modifications if any are deducted.
6. additional accessories and equipment other than optional accessories and equipment installed by the Motor Vehicle manufacturer and the value of which is insured are excluded.
7. the net purchase price of the replacement car does not exceed the Estimated Value of the Motor Vehicle of the Policy.
8. written consent of the Underwriters must be obtained before replacement.

However, when the Insured chooses not to accept the replacement vehicle or the replacement vehicle is not available, the Underwriters will pay the Insured in accordance with the terms and conditions of the Policy as if this Clause does not apply.

HIS-039 CLAIMS RECOVERY SERVICE CLAUSE (APPLICABLE ONLY TO SECTION I)

The Underwriters agree to:

1. in the event of the Underwriters having paid a claim under the Policy, it undertakes to pursue a recovery from the liable third party. If successful, the Underwriters will refund to the Insured a rateable proportion of the Policy Excess to the loss less any fees incurred by the Underwriters in pursuing the recovery. Where a full recovery is made, the Underwriters will reinstate the No Claim Discount from the renewal(s) subsequent to the loss and refund to the Insured the difference in premium paid as a result of the reduction of the No Claim Discount.
2. in the event of the adjusted claim being under Policy Excess, the Underwriters will assist the Insured in pursuing the claim against the liable third party. The assistance will be advisory only and the Underwriters will not be obliged to take any action against any parties in pursuing the recovery.

HIS-040 APPROVED ALARM AND WAIVER OF THEFT EXCESS CLAUSE (APPLICABLE ONLY TO SECTION I)

It is noted and agreed that in the event of an approved alarm system is installed in the Motor Vehicle at the time of theft or attempted theft within Hong Kong, the Theft Excess or any other Policy Excess will not be applied to loss or damage to the Motor Vehicle caused by such theft or attempted theft.

In the event of the claim being settled or liability admitted, all proceeds to the Insured from other sources of compensation shall be automatically assigned to the Underwriters for their own benefit.

Warranted that:

1. the above approved alarm system shall be properly maintained
2. the Insured shall be abided by the terms of the relevant contract with the above approved alarm system throughout the Period of Insurance of the Policy.

HIS-043 PERSONAL BELONGINGS CLAUSE (APPLICABLE TO SECTION I)

It is noted and agreed that the Insurance by Section I of the Policy will pay for accidental loss of or damage to personal belongings other than money, coins and negotiable instruments whilst in the Motor Vehicle at the time the Motor Vehicle sustained structural damages, provided that:

1. the maximum liability of the Underwriters under this Clause shall not exceed an amount of HK\$2,000.00 any one claim and in the aggregate for all claims in any one Period of Insurance.
2. there is no other insurance covering the same loss or damage.

HIS-044 THEFT OF CRANE EXCESS CLAUSE (APPLICABLE TO SECTION I)

It is noted and agreed that in the event of loss or damage to the insured crane caused by theft, the Insured will be responsible for the first HK\$20,000 or 25% of loss, whichever is the greater in respect of each and every loss. If this excess is applicable, all other excesses shall not apply to the insured crane.

HIS-051 DESIGNATED REPAIRER CLAUSE

It is noted and agreed that it is a condition precedent to the liability of the Underwriters that repairs of the Motor Vehicle shall only be carried out by Hang Fai Auto Services Co. Ltd.

HIS-071 LONG LOAD AND/OR WIDE LOAD AND/OR EXCESS WEIGHT LOAD EXTENSION CLAUSE (APPLICABLE TO SECTION I IF OPERATIVE AND II)

Notwithstanding anything contained herein to the contrary, it is noted and agreed that Section I, if operative, and/or Section II of the Policy is extended to cover loss, damage, liability, cost or expense arising out of or in connection with the Motor Vehicle carrying long load and/or wide load and/or excess weight load, provided that strict adherence to the terms and conditions as specified in the licence or permit issued by the Transport Department, Hong Kong shall be precedent to any liability afforded under the Policy.

HIS-072 AUTHORISED REPAIRER CLAUSE

It is a condition that the repairs of the Motor Vehicle shall only be carried out by a repairer authorised and approved by Underwriters.

Condition No. 5 (c) and (d) under Section I – INSURANCE ON THE MOTOR VEHICLE is replaced by the following:

5. (c) as a condition precedent to the liability of the Underwriters, the Insured shall submit the Motor Vehicle for a detailed estimate of cost of such repair to a repairer as authorised and approved by the Underwriters.
- (d) as far as indemnity granted under Section I of this insurance is concerned, the repairs of the Motor Vehicle shall only be carried out by a repairer as authorised and approved by the Underwriters.

HIS-076 THEFT OF CRANE AND BUCKET EXCESS CLAUSE (APPLICABLE TO SECTION I)

It is noted and agreed that in the event of loss or damage to the insured crane and bucket caused by theft, the Insured will be responsible for the first HK\$20,000 or 25% of loss, whichever is the greater in respect of each and every loss. If this excess is applicable, all other excesses shall not apply to the insured crane and bucket.

HIS-079 DANGEROUS GOODS VEHICLE EXTENSION CLAUSE

It is noted and agreed that notwithstanding anything contained herein to the contrary, this Policy is extended to cover the Motor Vehicle for the carriage of dangerous goods, provided that:

1. such dangerous goods shall be and only be classified as Category 2 and/or Category 5 within the definition of the Dangerous Goods Ordinance (CAP 295), but excluding all types of Tanker and Tanker Wagon.
2. the Motor Vehicle shall have valid licence from the appropriate Government department to carry such dangerous goods.

HIS-080 DANGEROUS GOODS VEHICLE EXTENSION (PD) CLAUSE

It is noted and agreed that notwithstanding anything contained herein to the contrary, this Policy is extended to cover the Motor Vehicle for the carriage of dangerous goods, provided that:

1. the Motor Vehicle shall have valid licence from the appropriate Government department to carry such dangerous goods.

END