

PRIVATE MOTOR CAR INSURANCE POLICY

(1) INSURING CLAUSE

The Insured and the Company agree:

- (a) the Proposal and Declaration is incorporated in and is the basis of this insurance contract;
- (b) the Insured will pay the Premium specified in the Schedule;
- (c) the Company will provide the insurance subject to the terms and conditions of this Policy in respect of any Event occurring during the Period of Insurance specified in the Schedule; and
- (d) the following shall be conditions precedent to any liability of the Company:
 - (i) observance of the terms and conditions of this Policy relating to anything to be done or not to be done or to be complied with by the Insured or any other person claiming to be indemnified; and
 - (ii) the truth of the Proposal and Declaration.

This Policy will not be in force unless it has been signed in the Schedule by a person authorised by the Company.

(2) GENERAL DEFINITIONS

For the purpose of this Policy:

- (a) "The Company" means CHINA PING AN INSURANCE (HONG KONG) COMPANY LIMITED.
- (b) "Event" means any one event or series of events arising out of one common cause or source in connection with the Motor Car.
- (c) "Geographical Area" means the territories of Hong Kong and includes its territorial waters for the purpose of the transit of the Motor Car by sea including incidental loading or unloading.
- (d) "The Insured" means the person specified as such in the Schedule.
- (e) "Insured Driver" means the Insured or any other person who is driving on the Insured's order or with his permission provided that the Insured or the person driving holds a licence to drive the Motor Car or has held and is not disqualified from holding or obtaining such a licence. The term "licence" means a licence or other permit required under the laws or regulations or by the licensing authority of the Geographical Area.
- (f) "The Motor Car" means the motor car specified in the Schedule.
- (g) "The Policy" means this Private Motor Car Insurance Policy the Schedule and any memoranda and endorsements contained herein or endorsed hereon which shall be read as one document and any word or expression to which a specific meaning has been assigned shall bear such meaning throughout.
- (h) "The Proposal and Declaration" means any signed proposal form and declaration and any information supplied by or on behalf of the Insured in addition thereto or in substitution therefor.
- (i) "The Schedule" means the pages attached to this Policy specifying the terms and details of this insurance contract.
- (j) In this Policy, unless the context otherwise requires, the singular includes the plural and vice versa, and a reference to one gender includes a reference to the other genders.

(3) OPERATIVE INSURANCE COVER

- (a) Where the "Operative Insurance Cover" in the Schedule is stated to be "Comprehensive Insurance", Sections (I), (II) and (III) of this Policy are operative.
- (b) Where the "Operative Insurance Cover" in the Schedule is stated to be "Third Party Legal Liabilities Insurance", only Section (II) of this Policy is operative.

(4) LIMITATIONS AS TO USE OF THE MOTOR CAR

The insurance coverage under any part of this Policy is operative only when the Motor Car is used for social domestic and pleasure purposes or for the Insured's business or profession.

This Policy will not operate when the Motor Car is used for hire or reward racing pacemaking reliability trial speed testing or used for any purpose in connection with the Motor Trade.

(5) SECTION (I) INSURANCE – AGAINST LOSS OF OR DAMAGE TO THE MOTOR CAR

- (a) The Company will indemnify the Insured against loss of or damage to the Motor Car and/or its accessories and/or its spare parts whilst thereon. The Company may, at its option, repair reinsure or replace the Motor Car and/or its accessories and/or its spare parts or pay in cash the amount of such loss or damage.

The Company's indemnity pursuant to this paragraph 5(a) is limited to:

- (i) the reasonable market value of the Motor Car at the time of its loss or damage;

or

- (ii) the Insured's Estimated Value of the Motor Car (including accessories and spare parts thereon) as specified as the sum Insured in the Schedule; whichever is lesser amount.
- (b) If the Motor Car is disabled by reason of loss or damage insured by this Policy, the Company will additionally pay the reasonable cost of:
 - (i) protection and removal of the Motor Car to the nearest repairer; and
 - (ii) redelivery after repair to the Insured's address within the Geographical Area where the loss or damage was sustained; provided that the amount recoverable hereunder shall not exceed 20% of the agreed cost of repairs to the Motor Car.
- (c) In the event of loss of or damage to the Motor Car and/or its accessories and/or its spare parts necessitating the supply of a part not obtainable from stock held in the Geographical Area in which the Motor Car is held for repair or in the event of the Company exercising the option to pay in cash the amount of the loss or damage the liability of the Company in respect of any such part will be limited to the price quoted in the latest catalogue or price list issued by the manufacturer or his agents for the Geographical Area in which the Motor Car is held for repair or, if no such catalogue or price list exists, the price last obtaining at the manufacturer's works plus the reasonable cost of transport otherwise than by air to the Geographical Area in which the Motor Car is held for repair and the amount of the relative import duty and the reasonable cost of fitting such part.

(6) SPECIAL CONDITIONS APPLICABLE TO SECTION (I) INSURANCE

- (a) If at the Insured's request a Hire Purchase Owner has been specified in the Schedule or in a Memorandum endorsed hereon, any payment in cash by the Company in respect of loss of or damage to the Motor Car shall be made to the Hire Purchase Owner so specified whose receipt shall be a full and final discharge of all liability of the Company in respect of such loss or damage.
- (b) The Insured may authorise the repair of the Motor Car necessitated by damage for which the Company may be liable under this Policy provided that:
 - (i) the estimated cost of such repair does not exceed the amount specified in the Schedule as "Authorised Repair Limit";
 - (ii) the Company is furnished forthwith with a detailed estimate of the repair cost; and
 - (iii) the Insured shall give the Company every assistance to see that such repair is necessary and the charge is reasonable.
- (c) Where repair cost to the Motor Car is the subject of a claim under Section (I), the Company shall have a right of veto concerning a proposed place of repair or repair firm.

(7) SPECIAL EXCEPTIONS TO SECTION (I) INSURANCE

The Company will not be liable in respect of:

- (a) consequential loss;
- (b) depreciation wear and tear mechanical or electrical breakdown failure or breakage;
- (c) damage to tyres unless damage is caused to other parts of the Motor Car at the same time; and
- (d) any claims excesses applicable to Section (I).

(8) CLAIMS EXCESSES APPLICABLE TO SECTION (I) INSURANCE

- (a) In respect of any Event giving rise to a claim (other than an Event of theft or attempted theft), the Company will not be liable for the first amount of such claim specified in the Schedule as "General Excess".
- (b) The first amount of any claim for which the Company is not liable pursuant to paragraph 8(a) will be increased if at the time of the occurrence of the Event giving rise to the claim:
 - (i) the Motor car is being driven by a person other than a "Named Driver" specified in the Schedule, by an additional amount by way of the "Unnamed Driver Excess" specified in the Schedule;
 - (ii) the Motor Car is being driven by a person under 25 years of age, by an additional amount by way of the "Young Driver Excess" specified in the Schedule;
 - (iii) the Motor Car is being driven by a person who has not held for a period of 2 years a driving licence (other than a provisional driving licence), by an additional amount by way of the "Inexperienced Driver Excess" specified in the Schedule;

- (iv) The Motor Car is parked, by an additional amount by way of the "Parking Damage Excess" specified in the Schedule.
- (c) In respect of any claim arising out of theft or attempted theft of the Motor Car, the Company will not be liable for the first amount of each claim specified in the Schedule as the "Theft Loss Excess".
- (d) In the event of a claim under Section (I):
 - (i) if paragraph 8(c) is applicable, then paragraphs 8(a) and 8(b) will not be applicable;
 - (ii) if paragraph 8(a) and any or more of sub-paragraphs 8(b)(i), 8(b)(ii), 8(b)(iii), 8(b)(iv) are applicable, the first amount of such claim for which the Company is not liable will be calculated cumulatively;
 - (iii) if the expenditure incurred by the Company shall include any amount for which the Company is not liable pursuant to paragraphs 8(a), 8(b) or 8(c), the Insured shall forthwith repay such amount to the Company.
- (e) The provisions of paragraphs 8(a) and 8(b) shall not apply to loss of or damage to the Motor Car caused by fire self-ignition lightning or explosion which arises independently and not out of any preceding accident involving the Motor Car.

(9) SECTION (II) INSURANCE – AGAINST THIRD PARTY LEGAL LIABILITIES

- (a) Subject to Policy Limits of Liability Conditions and Exceptions, the Company will indemnify the Insured and/or any Insured Driver and/or at the request of the Insured any person (other than the person driving) in or getting into or out of the motor Car against all sums including claimant's costs and expenses which the Insured and/or such Insured Driver and/or such other person shall become legally liable to pay and other costs and expenses incurred by or on behalf of the Insured and/or such Insured Driver and/or such other person with the Company's written consent in respect of:
 - (i) death of or bodily injury to any person; and/or
 - (ii) damage to property;

where such death or bodily injury or property damage arises out of an accident caused by or in connection with the Motor Car including the loading or unloading of goods onto or from the Motor Car and within the limits of any carriageway or thoroughfare the bringing of goods to the Motor Car for loading thereon or the taking away of goods from the Motor Car after unloading therefrom.

(10) POLICY LIMITS OF LIABILITY APPLICABLE TO SECTION (II) INSURANCE

- (a) The Company's indemnity to the Insured and/or any other person claiming to be indemnified under Section (II) including claimant's costs and expenses and other costs and expenses incurred by or on behalf of the Insured and/or such other person with the Company's written consent arising out of any Event limited to:
 - (i) in respect of death of or bodily injury to any person pursuant to sub-paragraph 9(a)(i), the amount specified in the Schedule as Policy Liability Limit "Third Party Death Or Bodily Injury"; and
 - (ii) in respect of damage to property pursuant to sub-paragraph 9(a)(ii), the amount specified in the Schedule as Policy Liability Limit "Third Party Property Damage".

Where this Policy insures more than one Motor Car, the limitations of the Company's indemnity will nevertheless apply irrespective of the number of insured Motor Cars that may be involved in the same Event.

- (b) If the occurrence of any Event results in indemnity to more than one person, the limitations of the Company's indemnity specified in paragraph 10(a) will apply to the aggregate of indemnity to all persons claiming to be indemnified and shall apply in priority to the Insured.
- (c) At any time after the happening of any Event giving rise to a claim or a series of claims under Section (II) the Company may pay to the Insured and/or any other person claiming to be indemnified the respective full amount of the Company's liability specified in paragraph 10(a) (after the deduction of any sums already paid) or any lesser amount for which such claims can be settled and the Company shall relinquish the conduct of any defence settlement or proceedings and shall not then be responsible for damages payable to the claimant and claimant's costs or for any damages alleged to have been caused to the Insured or such person in consequence of any alleged action or omission of the Company in connection with such defence settlement or proceedings or of the Company relinquishing such conduct nor shall the Company be liable for any costs or expenses whatsoever incurred by the Insured or by such person or by any claimant or other person after the Company shall have relinquished such conduct.

(11) SPECIAL CONDITIONS APPLICABLE TO SECTION (II) INSURANCE

- (a) In the event of the death of any person entitled to indemnity under Section (II), the Company will in respect of the liability incurred by such person indemnify his legal personal representative in terms of and subject to the limitations of this insurance which apply to such person.

- (b) The Company may at its own option and expense:
 - (i) arrange for representation at any inquest or fatal inquiry in respect of any death which may be the subject of indemnity under Section (II); and/or
 - (ii) 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 Section (II).

(12) SPECIAL EXCEPTIONS TO SECTION (II) INSURANCE

The Company will not be liable:

- (a) to indemnify any person claiming to be indemnified:
 - (i) unless such person shall observe fulfil and be subject to the terms and conditions of this Policy insofar as they can apply; or
 - (ii) if such person is entitled to indemnity under any other insurance policy;
- (b) in respect of death of or bodily injury to any person arising out of and in the course of such person's employment by:
 - (i) any person (including the Insured) claiming to be indemnified under Section (II); or
 - (ii) the employer of any person (including the Insured's) claiming to be indemnified under Section (II);
- (c) in respect of damage to property belonging to or held in trust by or in the custody or control of:
 - (i) any person (including the Insured) claiming to be indemnified under Section (II); or
 - (ii) a member of the same household of any person (including the Insured's) claiming to be indemnified under Section (II);
- (d) in respect of judgments which are not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong;
- (e) any claims excesses applicable to Section (II).

(13) CLAIMS EXCESSES APPLICABLE TO SECTION (II) INSURANCE

- (a) In respect of any Event giving rise to a claim for indemnity against liabilities for third party property damage, the Company will not be liable for the first amount of such claim specified in the Schedule as "Third Party Property Damage Excess".
- (b) If the expenditure incurred by the Company resulting from a claim includes the amount for which the Company is not liable pursuant to paragraph 13(a), the insured shall forthwith repay such amount to the Company.

(14) AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

If the Company is obliged by the laws of any country within the Geographical Area or by virtue of any agreement between the Company and The Motor Insurers' Bureau of Hong Kong to pay an amount for which the Company would not otherwise be liable under this Policy the Insured and any other person on whose account the payment is made shall forthwith repay such amount to the Company.

(15) SECTION (II) INSURANCE – INDEMNITY OF MEDICAL EXPENSES

The Company will 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 the Insured Driver (other than the Insured) or any occupant of the Motor Car as the direct and immediate result of an accident to the Motor Car, provided always that the Company's liability under Section (III) arising out of any Event shall not exceed the amount specified in the Schedule as Section (III) "Policy Limit of Indemnity".

(16) NO CLAIM DISCOUNT("THE DISCOUNT")

- (a) In the event of no claim being made or arising under this Policy during any of the periods of insurance specified below, the next renewal premium shall be reduced by the Discount specified hereunder:

<u>Periods of Insurance</u>	<u>The Discount (On Renewal Premium)</u>
One year	20%
2 consecutive years	30%
3 consecutive years	40%
4 consecutive years	50%
5 or more consecutive years	60%

- (b) If a claim has been made or has arisen under this Policy during a period of insurance of which the Discount is 40% or less, the Discount shall be forfeited.

If a single claim has been made or has arisen under this Policy during a period of insurance of which the Discount is 50% or 60%, the said Discount shall be reduced at the next renewal to 20% or 30% respectively, but if more than one claim has been made or has arisen, the Discount shall be forfeited.

- (c) For the avoidance of doubt, any claim made under any part of this Policy during a period of insurance shall result in cancellation or reduction of the Discount pursuant to paragraph 16(b) notwithstanding any assertion or allegation that the Insured and/or the person claiming to be indemnified is not to be blamed for or has not contributed to the occurrence of the Event resulting in the claim under this Policy.
- (d) In the event of a transfer of interest in the Policy with the Company's prior consent from one Insured to another the claim-free period of qualification for the Discount so far as it affects the new Insured shall commence afresh with effect from the date of transfer, and the original Insured shall retain his right to the Discount earned up to the date of transfer which right is applicable to any motor insurance policy taken out by the original Insured on any one private motor car within 12 months of the date of transfer.
- (e) If more than one Motor car is insured under this Policy, the Discount shall be applied as if a separate Policy had been issued in respect of each such Motor Car.

(17) GENERAL EXCEPTIONS

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

- (a) any accident loss damage or liability caused sustained or incurred:
 - (i) outside the Geographical Area;
 - (ii) whilst on the Insured's order or with his permission or to his knowledge the Motor Car in respect of which indemnity is provided by this Policy is being used otherwise than in accordance with the Limitations As To Use Of The Motor Car, or being driven by any person other than an Insured Driver or is for the purposes of being driven by him in the charge of such person;
- (b) 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 traceable to or arising out of or in connection with:
 - (i) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war mutiny rebellion revolution insurrection military or usurped power;
 - (ii) strike riot civil commotion; or
 - (iii) detention seizure confiscation or any attempt thereat; or by any direct or indirect consequences of any of the said occurrences;
- (c) any liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- (d) any accident loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and, for the purpose of this paragraph 17(d), combustion shall include any self-sustaining process of nuclear fission; and
- (e) any accident loss damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapon materials.
In any action suit or other proceedings where the Company alleges that by reason of paragraph 17(b), any accident loss damage or liability is not indemnifiable by this Policy, the burden of proving that such accident loss damage or liability is indemnifiable shall be upon the person claiming to be indemnified.

(18) GENERAL CONDITIONS

- (a) Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company.
- (b) In the event of any occurrence which may give rise to a claim under this Policy the Insured shall immediately give notice thereof to the Company with full particulars within 21 days from the occurrence of the event. Every letter claim writ summons and process shall be notified or forwarded to the Company immediately on receipt by the Insured. Notice shall also be given in writing to the Company immediately the Insured or any person claiming to be indemnified shall have knowledge of any impending prosecution inquest or fatal inquiry in respect of any occurrence which may give rise to a claim under this Policy. In case of theft or other criminal act which may be the subject of a claim under this Policy the Insured shall give immediate notice to the Police and cooperate with the Company in securing the conviction of the offender.
- (c) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured or any person claiming to be indemnified without the prior written consent of the Company which shall be entitled to take over and 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 the Company's own benefit any claim for indemnity or damages or otherwise and the Company 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 Company may require.
- (d) The Insured shall take all reasonable steps to safeguard the Motor Car from loss or damage and to maintain it in efficient condition and the Company shall have at all times free and full access to examine the Motor Car or any part thereof or any driver or employee of the Insured. In the event of any accident or breakdown the Motor Car shall not be left unattended without proper

precautions being taken to prevent further damage or loss and if the Motor Car be driven before the necessary repairs are effected any extension of the damage or any further damage to the Motor Car shall be excluded from the scope of indemnity granted by this Policy.

- (e) (i) The Company may cancel this Policy by giving 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 period 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 of Insurance has been returned to the Company on or before the date of cancellation) the Insured shall be entitled to a return of premium less the premium calculated at the Company's short period rates for the period the Policy has been in force.
- (ii) Short Period Rates

The following scale of rate apply to policy issued or renewed for less than one year and shall also be used in calculating return premium on policy cancelled at the request of the insured and not replaced within a period of one year from date of cancellation, subject to a minimum and non-refundable premium.

Period	Month	Premium Charge (%)
Not Exceeding	1 month	HKD618 or 20% of annual premium *
	2 months	HKD618 or 30% of annual premium *
	3 months	HKD618 or 40% of annual premium *
	4 months	HKD618 or 50% of annual premium *
	5 months	HKD618 or 60% of annual premium *
	6 months	HKD618 or 70% of annual premium *
	7 months	HKD618 or 80% of annual premium *
Exceeding	7 months	Full annual premium
		* Whichever is the greater.

- (f) If at the time any claim arises under this Policy there is any other insurance covering the same loss damage or liability the Company shall not be liable to pay or contribute more than its rateable proportion of any loss damage compensation costs or expenses provided always that nothing in this paragraph 18(f) shall impose on the Company any liability from which but for this paragraph 18(f) it would have been relieved pursuant to sub-paragraph 12(a)(ii).
- (g) All differences arising out of this 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 HongKong International Arbitration Centre. It is expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained. If the Company shall disclaim liability to the Insured for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
- (h) This Policy is subject to the exclusive jurisdiction of Hong Kong and is to be construed according to the laws of Hong Kong.

(19) GARAGE CHARGES CLAUSE

Should the insured Vehicle be damaged beyond economic repair, the Insurance Company shall be liable for reasonable garage charges subject to a limit of HKD3,000

The following are forming part of the Motor Policy and it should be read as a whole.

Handling fee for NCD letter

The company will charge HK\$500 handling fee for:-

- i. For each letter of proving the valid No Claim Discount (NCD) for the insured and this NCD letter is treated as NCD checking. The company will also charge additional premium for the rest of insurance period as no NCD.

Supplementary Cancellation Clause

- i. For cancellation of policy, the original policy and certificate should be returned to our company within 7 days from the proposed date of cancellation. Otherwise, the effective date of cancellation will be counted from the date of receiving the original certificate.
- ii. The company may exercise a right under section "e" of General conditions of this policy to cancel policy in case:-
 - (a) The company has a reason to believe that the insured vehicle is being driven by a person who is under 25 years of age or a person who has not held a valid driving licence for a period of 2 years or more
 - (b) Any authorised driver commits reckless or careless driving or similar offence.

Approved Garage Clause

In so far as indemnity granted under Section I of this insurance is concerned, it is hereby understood and agreed that the repairs of the insured vehicle shall be only carried out by any garage appointed and approved by the insurer.

Electronic Data Recognition Exclusion (EDRE)

This certificate does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) 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
- (b) 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, cost claim or expense.

Driving Under the Influence of Drink or Drugs Exclusion

The Company will not be liable under this Policy in respect of any accident, loss, damage or liability caused, sustained or incurred whilst the Motor Car is being driven by, or is in the charge of, or is under the control of the Insured or Insured Driver:

- 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 Car; or
- 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
- who is convicted of an offence for failing, without reasonable excuse, to provide a specimen of breath, blood or urine for testing or analysis as required by law.

Endorsement Handling Fee Clause

It is hereby noted and agreed that endorsements for change of the followings are subject to a HK\$500 handling fee:-

- Registration Number, Engineer and/or Chassis Number, Colour and other details of Insured Vehicle
- Information of Named Driver
- Amendments or Deletions of policy extensions such as extension of Geographic Limit to Guangdong Province, China

during the policy period except that the change of the above is due to typing mistake.

NCD Transference Arrangement Clause

- The Company will follow the following arrangement in respect of No Claim Discount (NCD)
- No NCD would be given upon coming renewal if NCD had been deleted or transferred out during the policy period.
- The increment of NCD upon renewal should base on the NCD at the effective date of this policy. No increment of NCD would be given upon coming renewal if NCD had been added during policy period.
- Transference of NCD from insured of a Company to its Director and/or the Company to its subsidiaries and vice versa is not applicable for NCD entitlement under this Policy.
- If the insured transfer NCD from other insurance to this policy, premium of NCD entitlement will be counted from the date following expiry date of the insured's last policy or date of NCD cancellation whenever is earlier. Pro-rata premium calculation for non-NCD period will be applied for premium adjustment if this transference take place during the policy period.
- The Company is not responsible for non-response of NCD checking from other insurance company. Insured should bear any additional expense due to this non-response NCD checking including but not limited to handling fee of additional cover note for extension.
- The company will not allow more than one No Claim Discount (NCD) at one policy. The newly checked NCD will override the existing NCD, and this existing NCD will be erased and it will not be stored for any future checking enquiry

Change of Cover or Insured

Change of insured, policyholder, or policy type such as change of cover from third party to comprehensive and vice versa under this policy is not allowed.

Vehicle Modification Warranty

In no way shall insured vehicle be modified illegally. If the insured vehicle is modified illegally in any way other than original specification of that vehicle, this policy shall be null and void.

Young or Inexperienced Drivers Excess Endorsement

It is hereby noted and agreed that the Company shall not be liable for the first amount as per 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 this policy and for third Party Property Damage Claim under Section II of this policy in respect of each and every event occurring 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
- 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 expenditure incurred by the Company shall include the amount for which the Insured is responsible hereby such amount shall be repaid by the Insured to the Company forthwith.

The amount for which the Company shall not be liable under this Endorsement shall be in addition to any other amount for which the Company shall not be liable under the Terms of this Policy.

Theft Loss Excess Endorsement

It is hereby noted and agreed that the Company shall not be liable for the first amount as per 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 this Policy in respect of each and every event occurring whilst the Motor Vehicle is lost or damaged as a result of theft or attempted theft.

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

Notwithstanding anything to the contrary contained in the Policy or in any other Endorsement/Clauses relating thereto the Excess referred to in this Endorsement shall be the only Excess applicable to claims arising as a result of theft or attempted theft.

Subject otherwise to the terms, exceptions and conditions of this Policy.

War and Terrorism Exclusion Endorsement

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

- War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped Power, or
- any act of terrorism.
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any 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 and/or (2) above.

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

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

Terrorism Exclusion Clause for Contamination And Explosive

It is agreed that, regardless of any contributory causes, this insurance does not cover any loss, damage, cost or expenses directly or indirectly arising out of

- biological or chemical contamination
- missiles, bombs, grenades, explosives due to any act of terrorism.

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

For the purpose of a) "contamination" means the contamination, poisoning, or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances.

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

Toxic Mold Exclusion

This policy does not insure loss or damage by mold, moss, mildew, fungi, spores, bacterial infestation or any similar organism and wet or dry rot, whether directly or indirectly the result of a covered peril. This includes, but is not limited to, the cost for investigation, testing, remediation services, extra expense or business interruption. Such loss is excluded regardless of any other cause or event that continues concurrently or in any sequence to the loss. If loss otherwise covered by this Policy occurs and the cost of removal of debris is increased due to the presence of mold, moss, fungi, bacterial infestation, wet or dry rot and extremes of humidity, this Policy will only be liable for the costs of debris removal which would have been incurred had no such factors been present in, on or about the covered property to be removed.

Total Asbestos Exclusion Clause

It is hereby understood and agreed that this contract shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos in whatever form or quantity.

Industries, Seepage, Pollution and Contamination Exclusion Clause

This insurance does not cover any liability for:

- Personal Injury or Bodily Injury or loss of, damage to or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (a) shall not apply in liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.
- The cost of removing, nullifying or cleaning-up seepage, polluting or contaminating substances unless the seepage pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.
- Fines, penalties, punitive or exemplary damages. This Clause shall not extend this insurance to cover any liability which would not have been covered under this insurance had this Clause not been attached

Rights of Third Parties Exclusion Clause

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.

Sanction Limitation And Exclusion Clause

The Company shall not be deemed to provide cover and shall not 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 the Company 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, United States of America, The People's Republic of China / Hong Kong SAR or any jurisdiction or regulation or specific national law applicable to the Company or the Company's reinsurers panel.

Communicable Disease Exclusion (LMA5396 – Only apply to section I - own damage section)

- Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
- For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.
- As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

Strike, Riot, Civil Commotion and Malicious Damage Exclusion Clause

Notwithstanding any provision to the contrary contained in this Policy or the Clause referred to the rein, it is agreed that this policy does not cover any accident, injury, disease, loss or liability due to strike, riot, civil commotion or malicious damage.

Cyber Exclusion Clause (LMA5411)

- Notwithstanding any provision to the contrary within this insurance agreement or any endorsement thereto, this agreement excludes any:
 - Cyber Loss;
 - 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 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; regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- If the Company alleges that by reason of this exclusion any loss, damage, liability, claim, cost or expense sustained by the Insured is not covered by this insurance agreement, the burden of proving the contrary shall be upon the Insured.
- Definitions
- Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident, including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- Cyber Act means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- Cyber Incident means:
 - any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System, or
 - any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 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.
- 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.