



PRIVATE 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 contents and statements in 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 Merchants Insurance 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) by a craft designed for the carriage of motor cars.
- (d) "The Insured" means the person specified as such in the Schedule.
- (e) "Named Driver" means the person, if any, specified as such in the Schedule.
- (f) "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.
- (g) "The Motor Car" means the motor car specified in the Schedule.

- (h) "The Policy" means this Private 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.
- (i) "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 thereof.
- (j) "The Schedule" means the pages attached to this Policy specifying the terms and details of this insurance contract.
- (k) 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

- (a) 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.
- (b) 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 accidental 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 reinstate 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 as specified in the Schedule;

whichever is the 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 HK\$1,000;
- (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) and 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 is limited to:
- (i) HK\$100,000,000 in respect of death of or bodily injury to any person pursuant to sub-paragraph 9(a)(i); and
 - (ii) HK\$2,000,000 in respect of damage to property pursuant to sub-paragraph 9(a)(ii).

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 in so far 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) The first amount of any claim for which the Company is not liable pursuant to paragraph 13(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.
- (c) In the event of a claim under Section (II):
- (i) if paragraph 13(a) and any or more of sub-paragraphs 13(b)(i), 13(b)(ii) and 13(b)(iii) are applicable, the first amount of such claim for which the Company is not liable will be calculated cumulatively;
 - (ii) if the expenditure incurred by the Company shall include any amount for which the Company is not liable pursuant to paragraphs 13(a) or 13(b), 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 (III) 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 HK\$2,000.

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:

Periods of Insurance	The Discount (On Renewal Premium)
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

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

(i) any accident loss damage or liability caused sustained or incurred:

(1) outside the Geographical Area;

(2) 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;

(ii) 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:

(1) 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;

(2) strike riot civil commotion;

(3) detention seizure confiscation or any attempt thereof;

or by any direct or indirect consequences of any of the said occurrences;

(iii) any liability which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;

(iv) 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 and from any nuclear waste from the combustion of nuclear fuel and, for the purpose of this sub-paragraph 17(a)(iv), combustion shall include any self-sustaining process of nuclear fission;

(v) any accident loss damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapon materials; and

(vi) any accident loss damage or liability caused sustained or incurred when the Motor Car is being driven for police purposes by, or under the direction of, any police officer.

In any action suit or other proceedings where the Company alleges that by reason of sub-paragraph 17(a)(ii), 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.

(b) 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:

(i) 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

(ii) 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

(iii) 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.

(c) War and Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this insurance or any endorsement hereto it is agreed that this insurance exclude loss, damage, cost or expense 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:

- (i) 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
- (ii) 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 to (i) and/or (ii) above.

If the Company 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.

(d) Terrorism Exclusion Clause for Contamination and Explosives

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

- (i) biological or chemical contamination;
- (ii) missiles, bombs, grenades, explosives

due to 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 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 (i) "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 Company 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.

(e) I.T. Clarification Clause

Property damage covered under this insurance shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused

by a deletion, a corruption or a deformation of the original structure.

Consequently the followings are excluded from this Policy:

- (i) Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.
- (ii) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

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. 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) 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 as specified hereunder for the period the Policy has been in force:

Periods of Insurance Already Covered	Refund Premium
Not exceeding One month	80% of premium paid
2 months	70% of premium paid
3 months	60% of premium paid
4 months	50% of premium paid
5 months	40% of premium paid
6 months	30% of premium paid
8 months	20% of premium paid
Over 8 months	No refund

- (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 Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall 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 FREE EXTRA BENEFITS

[Applicable to Policy with Comprehensive Insurance Cover ONLY]

(a) Driver's Life Protection

In the event of the death of the Insured or the Named Driver specified in the Schedule caused by a traffic accident in Hong Kong whilst driving the Motor Car, the Company will pay a cash benefit to the estate of the deceased provided that:

- (i) the death is a direct and proximate result of the traffic accident during the Period of Insurance occurring within twelve calendar months of the date of the traffic accident;
- (ii) the liability of the Company under this Benefit shall not exceed HK\$100,000 any one occurrence and in aggregate during any one period of insurance;
- (iii) no compensation will be payable if the Insured or the Named Driver was:
 - (1) under the influence of intoxicants or drugs (unless under medical supervision) or alcohol;
 - (2) committing or attempting to commit suicide or intentionally inflicting self-injury; or
 - (3) engaging in racing.

(b) "New For Old" Replacement Vehicle

In the event of the Motor Car having sustained a total loss or damage beyond economic repair, the Company agrees to replace the Motor Car by new vehicle of the same make and model without deducting any depreciation provided that:

- (i) the Insured is the first registered owner;
- (ii) the loss occurs within the first twelve months of the first registration of the Motor Car with the Transport Department;
- (iii) the first registration of the Motor Car with the Transport Department must be made within the twelve months from the date of manufacture thereof;
- (iv) the make and model of the Motor Car is available in Hong Kong;
- (v) the modifications, if any, are deducted;
- (vi) additional accessories and equipment are excluded;
- (vii) the net purchase price of the replacement car does not exceed the Insured's Estimated Value of the Motor Car as specified in the Schedule; and
- (viii) written consent of the Company must be obtained before replacement.

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

(c) No Claim Discount Protection

If the total claims incurred under any section of the Policy in any one period of insurance does not exceed HK\$60,000 or 15% of the Insured's Estimated Value of the Motor Car as specified in the Schedule after the application of any excess whichever is the lesser amount, the Insured will, upon renewal with the Company immediately subsequent, be entitled to the same percentage of No Claim Discount as under the current Policy.

It is hereby noted and agreed that all claims settlement will be accounted for in the event the No Claim Discount is to be transferred to any other insurance company.

(d) Motor Assistance Service

24-Hour Assistance Service Hotline

2861 9299

(for service in the HKSAR only)

• Upon calling, the Insured must provide his policy details •

The Company, through the service of Inter Partner Assistance Hong Kong Limited ("IPA"), will provide assistance to the Insured or the Named Driver in case of the following vehicle emergency situations:

(i) 24-Hour Emergency Roadside Assistance

If the Motor Car is immobilised, unfit or unsafe to be driven due to an accident or Mechanical Breakdown, the Company, at the request of the Insured or the Named Driver, will arrange through the service of IPA and pay up to HK\$2,000 for the emergency roadside repair service excluding the costs of any parts or accessories and fuel.

Under this circumstance, the Motor Car must not be left unattended prior to the arrival of the provider of the repair service.

In the event of adverse conditions beyond the control of the Company, the Company reserves the right to suspend the services provided under this Benefit.

(ii) 24-Hour Emergency Towing Assistance

If the Motor Car is immobilized, unfit or unsafe to be driven and is beyond repair at the roadside due to an accident or Mechanical Breakdown, the Company will arrange through the service of IPA and pay up to HK\$2,000 for the Motor Car to be towed to the nearest repairer or to a place nominated by the Insured or the Named Driver.

In the event of adverse conditions beyond the control of the Company, the Company reserves the right to suspend the services provided under this Benefit.

(iii) Windscreen Protection

In respect of isolated damage (excluding any defects of the manufacturer) of the front windscreen only of the Motor Car where the repair cost thereof does not exceed HK\$4,000, the Company will pay for the costs of repair or replacement of the front windscreen waiving of any claims excesses that may be applicable provided that the repair or replacement is done by a service provider nominated and arranged by IPA.

It is hereby noted and agreed that any claim under this Benefit will not be, for the purpose of applying No Claim Discount Protection, taken into account in the calculation of the total claims settlement in any one period of insurance. However, all claims settlement will be accounted for in the event that the No Claim Discount is to be transferred to any other insurance company.

(iv) Alternate Vehicle

In the event of the Motor Car is:

- (1) immediately immobilized, unfit and unsafe to be driven due to an accident (other than Mechanical Breakdown or any repair) to the Motor Car which requires a repair exceeding 48 repairing hours; or
- (2) discovered stolen and is not found within 48 hours after such discovery;

the Company, at the request of the Insured, will arrange and pay for the supply of an alternate vehicle of similar make and model through an independent car rental company nominated by IPA provided that:

- (a) in the event of immobilisation case, the towing of the Motor Car subsequent to an accident must be directly arranged by IPA or the Insured must obtain the prior consent from IPA before arranging the towing of the Motor Car by any other party;
- (b) in the event of the Motor Car being stolen, immediate notification to the Company is required and the Police Report confirming the date and time of loss shall be produced;
- (c) the make and model of the alternate vehicle are at the discretion of IPA and may not be identical to the Motor Car;
- (d) the Company or IPA is not responsible for the delivery of the alternate vehicle;
- (e) only the Insured or the Named Driver specified in

the Schedule can be registered as the driver of the alternate vehicle. If the Insured is not a natural person, its authorised driver can be registered as the driver of the alternate vehicle;

(f) the Insured or the Named Driver shall upon claiming for this Benefit comply with the terms and conditions of the car rental company;

(g) the Insured or the Named Driver is responsible for 20% of the car rental expense.

This Benefit will terminate whenever the repair of the Motor Car is duly completed or the stolen Motor Car is recovered in normal condition and handed over to the Insured.

The maximum liability of the Company under this Benefit is HK\$5,000 each and every case with a daily limit not exceeding HK\$1,000. Any collision damage charge, optional addition insurance or cost of fuel shall be borne by the Insured or the Named Driver directly and entirely.

(v) 24-Hour Claim Advisory Service

The Insured may call the 24-Hour Assistance Service Hotline to report claim or to get advice on general claim procedures.

(vi) 24-Hour Legal Advisory Service

The Insured may call the 24-Hour Assistance Service Hotline to obtain general information on Hong Kong traffic regulations. However, IPA is not liable to provide information or advice beyond its capacity or for any loss or damage resulting therefrom.

For the purpose of this Motor Assistance Service specified above, Mechanical Breakdown shall mean any unforeseen and unavoidable malfunction of the engine of the Motor Car and does not include any breakdown of the security system.

No responsibility shall be held by the Company or IPA for any act or failures to act on the part of the professionals such as, and not limited to, garages and towing companies.

20 CLAUSES AND WARRANTIES

The following Clause will not have effect unless specially indicated in the Schedule of the Policy or by Endorsement subsequently attached hereto:

M022A – Anti-Theft Alarm Clause

It is a condition precedent to liability of the Company for theft loss under Section (I) of this insurance that:

- (a) the Motor Car must be fitted with an anti-theft alarm system approved by the Company, and that no withdrawal, alteration or variation of the system, or any structural alteration which may affect the system, shall be made without the consent of the Company;
- (b) the anti-theft alarm system shall have been put into full and effective operation at all times when the Motor Car is left unattended;
- (c) the anti-theft alarm system shall have been maintained in good order throughout the currency of this insurance.