

Professional Liability

Specified Professions

Schedule

Policy Number:

ITEMS	
Policyholder	
Policyholder's Main Address	
Professional Services	
Policy Period	From: To: 12:01 A.M. at the Policyholder's Main Address
Limit of Liability (Aggregate)	
Retention (Each and Every Claim)	
Retroactive Date	
Premium	
Date Proposal Signed	
Insurer & Address	
Claims Notice	

Issued at > this > day of > 200

Signed by _____ for and on behalf of the **Insurer**.

 Authorised Signatory

Professional Liability

Specified Professions

Notice

This is a claims made insurance policy. This policy will only apply to **Claims** first made against the **Insured** by a **Third Party** and reported to the **Insurer** during the **Policy Period**. The limits of liability available to pay judgments or settlements shall be reduced by amounts incurred for legal defence. Further, please note that the amounts incurred for legal defence shall be applied against the **Retention amount**.

In consideration of the payment of the **Premium** and subject to all of the provisions of this policy, the **Insurer** agrees as follows.

Covers

All cover under this policy is afforded solely with respect to **Claims** first made against an **Insured** during the **Policy Period** and reported to the **Insurer** as required by this policy.

<i>Professional Liability</i>	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for any Breach of Duty of the Insured .
<i>Intellectual Property</i>	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for any Infringement .
<i>Defamation</i>	The Insurer will pay on behalf of any Insured all Damages resulting from any Claim for Defamation .
<i>Fraud/Dishonesty</i>	The Insurer will pay on behalf of any Insured , who is not the actual perpetrator, all Damages resulting from any Claim for Fraud/Dishonesty of any Employee .
<i>Defence</i>	The Insurer has the right to defend any Claim which this policy may respond to under its Covers or Extensions. The Insurer shall pay Defence Costs incurred in defending such Claim .

The **Insurer** is under no obligation to pay **Loss**, unless the **Wrongful Act**: (i) first takes place on or after the **Retroactive Date**; and (ii) is committed solely in the performance of or failure to perform **Professional Services**.

Extensions

Inquiry Attendance Expenses

The **Insurer** shall pay on behalf of any person described in i) and ii) below **Attendance Expenses** in an **Inquiry, Defence Costs** will include the following rates for each day on which attendance in court has been required:

- (i) for any principal, partner, or director **Insured**
HK\$5,000
- (ii) for any **Employee**
HK\$2,500

No **Retention** shall apply to this Extension.

Lost Documents

The **Insurer** will pay on behalf of the **Insured** all **Damages** resulting from any **Claim** for destruction or damage to, or loss, distortion, erasure or mislay of a **Third Party's Documents** for which an **Insured** is legally responsible, provided that:

- (i) the destruction or damage to, or loss, distortion, erasure or mislay of such **Third Party Documents** takes place during the **Policy Period** and
- (ii) occurs in the performance or non-performance of the **Professional Services**.

This Extension will be subject to a Sublimit of Liability of HK\$2,500,000. A separate retention of HK\$10,000 instead of the **Retention** will apply to each **Claim** covered under this Extension.

Automatic New Subsidiaries Coverage

Cover under this policy is extended to any **Subsidiary** which the **Insured** acquires or creates after the inception date of this policy provided that the **Subsidiary**:

- (i) has total gross revenues that are less than 10% of the total gross revenue of the **Insured** already notified to the Insurer and accepted for cover under this policy.
- (ii) does not have any revenue from the United States of America or Canada.
- (iii) undertakes the same **Professional Services** already notified to **Insurer** and accepted for cover under this policy.

If a newly acquired or created **Subsidiary** fails to meet any one of the above conditions (i), (ii) or (iii) the **Insured** may request an extension of this policy for such **Subsidiary** provided **Insurers** shall be entitled to amend policy terms and conditions.

*Extended Reporting
Period*

If the **Insurer** cancels or does not renew this policy, other than for non-payment of **Premium** or any other breach of the terms of this policy by an **Insured**, the **Policyholder** shall have the right to a period of 90 days following the date of cancellation or expiry in which to give notice of any covered **Claim** first made against the **Insured** during the **Policy Period**. That extended reporting period shall not apply if this policy or its cover has been replaced.

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Definitions

- “Attendance Expenses”** means any reasonable costs and expenses, including travel and incidental costs, incurred by any **Employee**, principal, partner, or director of the **Insured** with the **Insurer’s** prior written consent, associated with the legally compelled attendance at an **Inquiry** in connection with a **Claim** otherwise covered by this policy. **“Attendance Expenses”** does not mean wages, salaries and other remuneration or overheads incurred in connection with an **Inquiry**.
- “Bodily Injury”** means physical injury, sickness, disease or death; and if arising out of the foregoing, nervous shock, emotional distress, mental anguish or mental injury.
- “Breach of Duty”** means any actual or alleged breach of duty, negligent act, error, omission, misstatement, misleading statement, breach of warranty of authority committed in good faith, or breach of confidentiality which occurs in the performance of or failure to perform **Professional Services**.
- “Claim”** means any: (i) written demand against an **Insured** or (ii) civil or administrative proceeding brought against an **Insured**, that seeks **Damages** from **Wrongful Acts**.
- “Damages”** means any amount that an **Insured** shall be legally liable to pay to a **Third Party** in respect of judgments rendered against an **Insured**, or for settlements negotiated by the **Insurer** with the consent of either the **Insured** or the **Policyholder**.
- Specifically in respect of **Lost Documents** cover (and only in respect of **Lost Documents** cover) **Damages** shall also include costs and expenses reasonably incurred by the **Insured** in replacing or restoring such **Documents** provided that:
- (a) such loss or damage is sustained while the **Documents** are either: (1) in transit; or (2) in the custody of the **Insured** or of any person to whom the **Insured** has entrusted them;
 - (b) the lost or mislaid **Documents** have been the subject of a reasonable and diligent search by or on behalf of the **Insured**;
 - (c) the amount of any **Claim** for such costs and expenses shall be supported by evidence of expenditure that shall be subject to approval by a competent person to be nominated by the **Insurer** with the consent of the **Insured**; and
 - (d) the **Insurer** shall not be liable for any **Claim** arising out of wear, tear and/or gradual deterioration, moth and vermin, or other matters beyond the **Insured’s** control.
- “Defamation”** means any actual or alleged libel or slander committed without malice by reason of words written, spoken or broadcast in the course of providing **Professional Services**.
- “Defence Costs”** means reasonable fees, costs and expenses incurred by or on behalf of the **Insured** in the investigation, defence, adjustment, settlement or appeal of any **Claim**. **“Defence Costs”** shall not mean lost earnings, wages, salaries or other remuneration or benefits paid by the **Policyholder** to its principals, partners, directors, officers or **Employees**.
- “Documents”** means all documents of any nature whatsoever including computer records and electronic or digitized data; but does not include any currency, negotiable instruments [or records thereof.]

Definitions (Continued)

"Employee"	any natural person who is or has been expressly engaged as an employee under a contract of employment with the Policyholder or any Subsidiary . "Employee" shall not mean any: (i) principal, partner or director; or (ii) temporary contract labour, self-employed person or labour-only sub-contractor.
"Fraud/Dishonesty"	means fraudulent or dishonest conduct of an Employee : (i) not condoned, expressly or implicitly; and (ii) that results in liability to; the Policyholder or any Subsidiary .
"Infringement"	means an unintentional infringement of any intellectual property right of any Third Party , other than patents and Trade Secrets .
"Inquiry"	means a formal regulatory, administrative, civic, municipal, regional or national agency investigation into the affairs of the Policyholder , first made during the Policy Period and reported to the Insurer as required by this policy, expressly naming any Employee , principal, partner, or director of the Insured as being under investigation and which legally compels such an Insured attending a hearing.
"Insured"	means: (1) the Policyholder or any Subsidiary ; (2) any natural person, who is or has been a principal, partner or director of the Policyholder or any Subsidiary ; (3) any Employee ; (4) any consultant, independent contractor, temporary contract labour, self-employed persons, labour-only sub-contractors, solely under contract with, and under the direction and direct supervision of the Policyholder or any Subsidiary ; and (5) any estates or legal representatives of any Insured described in (2) and (3) of this definition; but only when providing Professional Services in the foregoing capacities.
"Insurer"	means the entity specified as such in the Schedule.
"Limit of Liability"	means the amount specified as such in the Schedule.
"Loss"	means Damages and Defence Costs . "Loss" shall not mean and this policy shall not cover any (1) taxes; (2) non-compensatory damages, including punitive, multiple, exemplary or liquidated damages; (3) fines or penalties; (4) the costs and expenses of complying with any order for, grant of or agreement to provide injunctive or other non-monetary relief; (5) benefits or overhead of, or charges or expenses incurred by any Insured ; (6) costs incurred by the Insured correcting or re-performing any Professional Services or (7) any matters which may be deemed uninsurable under the law governing this policy or the jurisdiction in which a Claim is brought.
"Policy Period"	means the period of time specified in the Schedule unless the policy is cancelled in which event the Policy Period will end on the effective date of the cancellation.
"Policyholder"	means the entity or natural person specified as such in the Schedule.

Definitions (Continued)

"Pollutants"	means, but is not limited to, any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including asbestos, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids, alkalis, nuclear or radioactive material of any sort, chemicals or waste. "Waste" includes, but is not limited to, material to be recycled, reconditioned or reclaimed.
"Premium"	means the amount specified as such in the Schedule and any premium adjustment reflected in an endorsement to this policy.
"Professional Services"	means the professional services of the Policyholder and any Subsidiary as specified in the Schedule.
"Property Damage"	means damage to or loss of or destruction of tangible property or loss of use thereof.
"Retention"	means the amount specified as such in the Schedule.
"Retroactive Date"	means the date specified as such in the Schedule.
"Subsidiary"	means companies in which the Policyholder, either directly or indirectly through one or more of its subsidiaries; (i) controls the composition of the board of directors; (ii) controls more than half of the voting power; or (iii) holds more than half of the issued share capital. For any Subsidiary or any Insured thereof, cover under this policy shall only apply to Wrongful Acts committed while such entity is a Subsidiary of the Policyholder.
"Third Party"	means any entity or natural person; provided, however, Third Party does not mean: (i) any Insured ; or (ii) any other entity or natural person having a financial interest or executive role in the operation of the Policyholder or any Subsidiary .
"Trade Secret"	means information that derives independent economic value, actual or potential, from not being generally known and not being readily ascertainable through proper means by other persons who can obtain economic advantage from its disclosure or use.
"Wrongful Act"	means any Breach of Duty, Infringement, Defamation or Fraud/Dishonesty .

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Exclusions

This policy shall not cover **Loss** in connection with any **Claim**:

<i>Antitrust</i>	arising out of, based upon or attributable to any actual or alleged antitrust violation, restraint of trade or unfair competition;
<i>Bodily Injury/ Property Damage</i>	arising out of, based upon or attributable to Bodily Injury or Property Damage unless: i) arising from an actual or alleged failure to achieve the legally required standard of care, diligence and expertise in performing Professional Services; ii) arising solely from an actual or alleged Defamation, which is covered under this Policy. This exclusion shall not apply, in so far as Property Damage is concerned, in respect of <i>Lost Documents</i> cover;
<i>Contractual Liability/ Performance Guarantees</i>	arising out of, based upon or attributable to any: i) contractual liability or other obligation assumed, that goes beyond the duty to use such skill and care as is ordinarily applied to the Professional Services provided; or ii) guarantee or warranty;
<i>Costs Assessment</i>	arising out of, based upon or attributable to any failure by any Insured or other party acting for the Insured to make an accurate pre-assessment of the cost of performing Professional Services ;
<i>Infrastructure</i>	arising out of, based upon or attributable to: (i) mechanical failure; (ii) electrical failure, including any electrical power interruption, surge, brown out or black out; or (iii) telecommunications or satellite systems failure, unless such failure arises from a Breach of Duty by an Insured.
<i>Insolvency</i>	arising out of, based upon or attributable to the insolvency, administration or receivership of the Insured ;
<i>Intentional Acts</i>	arising out of, based upon or attributable to any deliberate or reckless Breach of Duty ;
<i>Joint Ventures</i>	arising out of, based upon or attributable to work carried out by the Insured for and in the name of any association or joint venture of which an Insured forms part;
<i>Misdeeds</i>	arising out of, based upon or attributable to any act which a judge, jury or other official tribunal or panel finds, or which an Insured admits, to be a criminal, dishonest or fraudulent act; and in such event, the Insurer shall be reimbursed for all Loss paid in connection with such Claim ; provided, however, that this exclusion shall not apply to the Fraud/Dishonesty Cover;
<i>Patent/Trade Secret</i>	arising out of, based upon or attributable to the breach of licences concerning, infringement of or misappropriation of any Third Party patents or Trade Secrets ;

Exclusions (Continued)

<i>Pollution</i>	arising out of, based upon or attributable to: (i) the actual, alleged or threatened presence, discharge, dispersal, release, migration or escape of pollutants , or (ii) any direction, request or effort to: (a) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise Pollutants , or (b) respond to or assess the effects of Pollutants ;
<i>Prior Claims/Circumstance</i>	(i) made prior to or pending at the inception of this policy; or (ii) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any Insured to give rise to a Claim ;
<i>Trade Debts</i>	arising out of, based upon or attributable to any: (i) trading debt incurred by an Insured or (ii) guarantee given by an Insured for a debt;
<i>U.S.A./Canada</i>	made or pending within; or to enforce a judgment obtained in, the United States of America, Canada, or any of their territories or possessions;
<i>War/Terrorism</i>	arising out of, based upon or attributable to any war (declared or otherwise), terrorism, warlike, military, terrorist or guerrilla activity, sabotage, force of arms, hostilities (declared or undeclared), rebellion, revolution, civil disorder, insurrection, usurped power, confiscation, nationalisation or destruction of or damage to property by or under the order of, any governmental, public or local authority or any other political or terrorist organisation.

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Claims

Notification of Claims

The **Insured** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any **Claim** first made against the **Insured** as soon as practicable and during the **Policy Period**. All notifications must be in writing or by facsimile, and addressed as required in the Claims Notice Item on the Schedule.

Related Claims

If notice of a **Claim** against an **Insured** is given to the **Insurer** pursuant to the terms and conditions of this policy, then: (i) any subsequent **Claim** alleging, arising out of, based upon or attributable to the facts alleged in that previously noticed **Claim**; and (ii) any subsequent **Claim** alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged in that previously noticed **Claim**, shall be considered made against the **Insured** and reported to the **Insurer** at the time notice was first given. Any **Claim** or **Claims** arising out of, based upon or attributable to (i) the same cause, or (ii) a single **Wrongful Act**, or (iii) a series of continuous, repeated or related **Wrongful Acts**, shall be considered a single **Claim** for the purposes of this policy.

Circumstances

During the **Policy Period**, an **Insured** may become aware of circumstances which may reasonably be expected to give rise to a **Claim**. In such event, an **Insured** may report the circumstances in writing to the **Insurer**. If in doing so, the **Insured** provides: (i) the reasons for anticipating the **Claim**, and (ii) full particulars as to dates, acts and persons involved; then any **Claim** which is subsequently made against an **Insured** and reported in writing to the **Insurer** alleging, arising out of, based upon or attributable to such circumstances, or alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged or described in the previously notified circumstances, shall be considered first made against the **Insured** and reported to the **Insurer** at the time the facts or circumstances were first reported, if accepted by the **Insurer**.

Defence/Settlement

The **Insurer** does not assume any duty to defend, and the **Insured** shall defend and contest any **Claim** made against them unless the **Insurer**, in its sole and absolute discretion, elects in writing to take over and conduct the defence and settlement of any **Claim**. If the **Insurer** does not so elect, it shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the **Insurer**. The **Insurer** has the right at any time after notification of a **Claim** to make a payment to the **Insured** of the unpaid balance of the **Limit of Liability**, and upon making such payment, all obligations of the **Insurer** to the **Insured** under this policy, including, if any, those relating to defence, shall cease.

Insurer's Consent

As a condition precedent to cover under this policy, no **Insured** shall admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any **Defence Costs** without the prior written consent of the **Insurer**. Only those settlements, judgments and **Defence Costs** consented to by the **Insurer**, and judgments resulting from **Claims** defended in accordance with this policy, shall be recoverable as **Loss** under this policy. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to exercise all of its rights under the policy.

Claims (Continued)

Insured's Consent

The **Insurer** may make any settlement of any **Claim** it deems expedient with respect to any **Insured**, subject to such **Insured's** written consent. If any **Insured** withholds consent to such settlement, the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Insurer** could have settled such **Claim**, plus **Defence Costs** incurred as of the date such settlement was proposed in writing by the **Insurer**, less coinsurance (if any) and the applicable **Retention**.

Cooperation

The **Insured** will at their own cost: (i) render all reasonable assistance to the **Insurer** and co-operate in the defence of any **Claim** and the assertion of indemnification and contribution rights; (ii) use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any **Loss** under this policy; (iii) give such information and assistance to the **Insurer** as the **Insurer** may reasonably require to enable it to investigate any **Loss** or determine the **Insurer's** liability under this policy.

Allocation

In the event that any written demand is made or civil or administrative proceeding is brought against the **Insured** that involves matters that are covered under this policy and matters that are not covered under this policy, then the **Insurer** shall only pay such amount to the **Insured** as fairly and properly reflects the amount of **Loss** arising from the covered matters. The **Insurer** shall calculate this amount by:

- (i) comparing the amount being claimed in respect of the covered **Claim** with the amount being claimed in respect of the matters which are not covered;
- (ii) comparing the legal merit of the covered **Claim** with the legal merit of the matters which are not covered; and
- (iii) comparing the complexity of defending any covered **Claim** with the complexity of defending the matters which are not covered.

If the **Insured** disagrees with the amount which the **Insurer** has calculated in accordance with this provision, then the dispute will be resolved in accordance with the "*Dispute Resolution*" provision in this policy set out below.

Fraudulent Claims

If any **Insured** shall give any notice or **Claim** cover for any **Loss** under this policy knowing such notice or **Claim** to be false or fraudulent as regards amounts or otherwise, such **Loss** shall be excluded from cover under the policy, and the **Insurer** shall have the right, in its sole and absolute discretion, to avoid its obligations under or void this policy in its entirety, and in such case, all cover for **Loss** under the policy shall be forfeited and all **Premium** deemed fully earned and non-refundable.

Purchase and Administration

Policy Purchase

In granting cover to the **Insured**, the **Insurer** has relied upon the material statements and particulars in the proposal together with its attachments and other information supplied. These statements, attachments and information are the basis of cover and shall be considered incorporated and constituting part of this policy. If the **Insurer** becomes entitled to avoid this policy from inception or from the time of any variation in cover, the **Insurer** may at its discretion maintain this policy in full force but exclude the consequences of and any **Claim** relating to any matter which ought to have been disclosed before inception or any variation in cover.

Administration

The **Policyholder** has acted and shall act on behalf of each and every **Insured** with respect to: (1) negotiating terms and conditions of, binding and amending cover; (2) exercising rights of **Insureds**; (3) notices; (4) **Premiums**; (5) endorsements; (6) dispute resolution; and (7) payments to any **Insured**.

Limit and Retention

Limit of Liability

The total amount payable by the **Insurer** under this policy shall not exceed the **Limit of Liability**. Sublimits of Liability, Extensions and **Defence Costs** are part of that amount and are not payable in addition to the **Limit of Liability**. The **Limit of Liability** for the period provided in the Extended Reporting Period Extension is part of, and not in addition to, the **Limit of Liability** for the **Policy Period**. The inclusion of more than one **Insured** under this policy does not operate to increase the total amount payable by the **Insurer** under this policy. The Lost Documents Extension Sublimit of Liability shall be part of and not in addition to the **Limit of Liability**.

Retention

The **Insurer** shall only pay for the amount of any **Loss** which is in excess of the **Retention**. For the avoidance of doubt, the **Retention** also applies to **Defence Costs**. The **Retention** is to be borne by the **Insured** and shall remain uninsured. A single **Retention** shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act**. The **Insurer** may, in its sole and absolute discretion, advance all or part of the **Retention**, and, in that event, such amounts shall be reimbursed to the **Insurer** by the **Insureds** forthwith.

Other Insurance/ Indemnification

Unless otherwise required by law, cover under this policy is provided only as excess over any self-insurance or other valid and applicable insurance, unless such other insurance is written only as specific excess insurance over the **Limit of Liability**. If such other insurance is provided by the **Insurer** or any member company or affiliate of American International Group, Inc. ("AIG"), then the maximum amount payable by AIG under all such policies shall not exceed the limit of liability of that policy referred to above which has the highest applicable limit of liability. Nothing contained herein shall be construed to increase the **Limit of Liability** of this policy. To the extent that another insurance policy imposes upon an insurer a duty to defend a **Claim**, **Defence Costs** arising out of such **Claim** shall not be covered under this policy.

General Provisions

<i>Assignment</i>	This policy and any rights under or in respect of it cannot be assigned without the prior written consent of the Insurer .
<i>Cancellation</i>	
<i>By Policyholder.</i>	This policy may be cancelled by the Policyholder at any time only by mailing written prior notice to the Insurer or by surrender of this policy to the Insurer or its authorised agent. In such case, if no Claim has been made and no circumstance has been notified prior to such cancellation, the Insurer shall retain the customary short rate proportion of the Premium (being the earned amount of Premium plus a portion of unearned amount of Premium to reflect the handling charges which have been incurred as calculated by reference to the "short rate table" which the Insurer applies at the time of cancellation). Otherwise, Premium shall not be returnable and shall be deemed fully earned at cancellation.
<i>By Insurer.</i>	This policy may be cancelled by the Insurer delivering to the Policyholder by registered, certified, other first class mail or other reasonable delivery method, at the address of the Policyholder set forth in the Schedule, written notice stating when, not less than thirty (30) days thereafter (ten (10) days in the event of cancellation for non-payment of Premium), the cancellation shall be effective. Proof of mailing or delivery of such notice shall be sufficient proof of notice and this policy shall be deemed cancelled as to all Insureds at the date and hour specified in such notice. In such case, the Insurer shall be entitled to a <i>pro-rata</i> proportion of the Premium . Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
<i>Dispute Resolution</i>	All disputes or differences concerning the construction or interpretation of the provisions of this policy, whether arising before or after termination of this policy, shall be submitted to arbitration and the following shall apply: (i) this provision is or is to be treated as an international arbitration agreement notwithstanding the provisions of the Arbitration Ordinance Chapter 341 of the Laws of Hong Kong (ii) the arbitration shall be conducted in accordance with the UNCITRAL Arbitration Rules under the Hong Kong International Arbitration Procedures for the Administration of International Arbitration in force at the date this policy issued; (iii) the place of arbitration shall be in Hong Kong at the Hong Kong International Arbitration Centre; (iv) there shall be three arbitrators (v) the language of the arbitral proceedings shall be English (vi) In the event that separate disputes arise between the Insurer and several Insureds on related matters, these shall be resolved together or consecutively as the arbitrators shall consider appropriate.
<i>Insolvency</i>	Insolvency, receivership or bankruptcy of any Insured shall not relieve the Insurer of any of its obligations hereunder.

Plurals, Headings and Titles

The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this policy, words in **bold** typeface have special meaning and are defined. Words that are not specifically defined in this policy have the meaning normally attributed to them.

General Provisions (Continued)

Scope and Governing Law

Where legally permissible and subject to the U.S.A./Canada Exclusion, this policy shall apply to any **Claim** made against any **Insured** anywhere in the world. Any interpretation of this policy relating to its construction, validity or operation shall be made in accordance with the laws of Hong Kong and in accordance with the English text as it appears in this policy.

Subrogation

If any payment is to be made under this policy in respect of a **Claim**, the **Insurer** shall be subrogated to all rights of recovery of the **Insured** whether or not payment has in fact been made and whether or not the **Insured** has been fully compensated for its actual loss. The **Insurer** shall be entitled to pursue and enforce such rights in the name of the **Insured**, who shall provide the **Insurer** with all reasonable assistance and co-operation in doing so, including the execution of any necessary instruments and papers. The **Insured** shall do nothing to prejudice these rights. Any amount recovered in excess of the **Insurer's** total payment shall be restored to the **Insured** less the cost to the **Insurer** of such recovery. The **Insurer** agrees not to exercise any such rights of recovery against any **Employee** unless the **Claim** is brought about or contributed to by the dishonest, fraudulent, intentional criminal or malicious act or omission of the **Employee**. In its sole discretion, the **Insurer** may, in writing, waive any of its rights set forth in this Subrogation Clause.

Validity

This policy is not binding upon the **Insurer** unless it is countersigned on the Schedule by an authorised representative of the **Insurer** or its general agent.

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Delete Fraud / Dishonesty Endorsement

END 015

1. The *Fraud/Dishonesty* Insurance Cover is deleted from the policy:
2. The **Misdeeds** Exclusion is deleted from the policy and replaced with the following:

Misdeeds

This policy shall not cover **Loss** in connection with any **Claim** arising out of, based upon or attributable to any act which a judge, jury or other official tribunal or panel finds, or which an **Insured** admits, to be a criminal, dishonest or fraudulent act; and in such event, the **Insurer** shall be reimbursed for all **Loss** paid in connection with such **Claim**.

All other terms conditions and exclusions remain unchanged.

Sexual Misconduct Exclusion

The following Exclusion is added to the policy:

Sexual Misconduct

Arising out of, based upon or attributable to any actual or alleged physical contact of a sexual nature, attempt threat or proposal.

However, the **Insurer** shall reimburse the **Insured** for **Defense Costs** resulting from a **Claim** from any **Third Party** in connection with alleged molestation or sexual abuse provided that such **Claim** is dismissed or otherwise results in a judicial finding of no-fault or no-culpability.

All other terms conditions and exclusions remain unchanged.

Treatment Exclusion

The following Exclusion is added to the policy:

<i>Treatment</i>	arising out of, based upon or attributable to any actual or alleged medical, surgical, dental, x-ray or nursing service or treatment including the dispensing of drugs or medical, dental or surgical supplies;
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All other terms conditions and exclusions remain unchanged.

Amend Definition of Claim

The definition of **Claim** is deleted from the policy and replaced with the following:

“Claim”

Means any:

- (i) written demand against an **Insured**; or
- (ii) civil, administrative, disciplinary or investigatory proceeding against an **Insured** that seeks **Damages** from **Wrongful Acts**.

All other terms conditions and exclusions remain unchanged.

Amend Inquiry Attendance Expenses Endorsement

The *Inquiry Attendance Expenses* extension is deleted and replaced with following:

*Inquiry Attendance
Expenses*

The **Insurer** shall pay on behalf of any **Insured** listed under Endorsement One **Attendance Expenses** in an **Inquiry, Defence Costs** will include the following rates for each day on which attendance in court has been required:

(i) for any **Insured**

HK\$5,000

No **Retention** shall apply to this Extension.

