

# Fire Insurance

## General Conditions

**Whereas the Policyholder** named in the Policy Schedule hereto has made to Fidelidade Macau – Insurance Company Limited (hereinafter called “the Company”) a written proposal by completing a questionnaire which, together with any other statements made in writing by the Policyholder for the purpose of this Policy, is deemed to be incorporated herein,

**Now this Policy of Insurance witnesses** that, subject to the Policyholder having paid or agreed to pay to the Company the premium mentioned in the Policy Schedule and subject to the terms, exclusions, limitations, provisions and conditions contained herein or endorsed hereon,

**The Company will indemnify** the Policyholder in the manner and to the extent hereinafter provided.

### CLAUSE 1 – DEFINITIONS

For the purpose of this Policy, the definitions of the terms used are listed below:

- a) **Accident**  
Any sudden, unforeseen and unexpected incident caused, solely, directly and independently of all other causes, by violent, external and visible means, which is beyond the control of the Policyholder.
- b) **Application**  
An application by the Policyholder for insurance coverage to be provided under this Policy, together with any attachments thereto.
- c) **Damage**  
Any accidental physical loss, destruction or damage of the Insured Property.
- d) **Deductible**  
Fixed or proportional amount of loss which must be paid by the Policyholder if the Company must pay a claim.
- e) **Explosion**  
The sudden, violent action caused by pressure or depression of gas or steam.
- f) **Fire**  
The accidental combustion developing into flames and not confined to a usual source of fire although it may originate there, and which spreads under its own means;
- g) **Insured**  
The person who has insurable interest in the property covered by this Policy and who is identified as Policyholder, unless stated otherwise in the Policy Schedule.
- h) **Insured Property**  
The land, building, contents, stocks, merchandise, machinery and boilers and other property which are insured under this Policy, when specifically mentioned in the Policy Schedule.
- i) **Lightning**  
The atmospheric discharge between cloud and ground consisting of one or more electrical impulses producing a characteristic light (ray) and which causes permanent mechanical deformation to the Insured Property;
- j) **Policy**  
The terms and conditions of this policy, the Application, the Policy Schedule, and any endorsements or riders issued by the Company relating to this policy.
- k) **Policyholder**  
The owner of this Policy, being the person or entity who establishes this insurance contract with the Company and is responsible for the payment of the premium, any additional premiums and any legal charges.
- l) **Policy Schedule**  
The schedule to this Policy issued by the Company containing the identity of the Policyholder, the sums insured, the amount of the premiums and other information of this Policy.
- m) **Premises of Risk**  
The location stated in the Policy Schedule where the property, values, interests or obligations that are the object of this Policy are located.

## **CLAUSE 2 – BASIS OF CONTRACT**

1. The entire contract between the Policyholder and the Company is constituted by this Policy with all its pages including these General Conditions, the Application, the Policy Schedule, and any attached endorsements or riders relating to this Policy. All of these documents should make reference in all honesty to all facts and circumstances as to the evidence of insurability. In the absence of fraud, all statements in the Application shall be deemed to be representations and not warranties.
2. If there is any fraud, material misstatement or concealment
  - (i) in any information provided in the Application or in any other written statements or declarations on which this Policy is based; or
  - (ii) in relation to any other matter affecting this Policy; or
  - (iii) in connection with the making of any claims under this Policy,the Company shall have the sole and absolute discretion to render this Policy null and void and forfeit and (if applicable) recover all benefits paid and/or payable in relation to the claims hereunder. Unless otherwise provided in this Policy, any premium paid by the Policyholder shall not be refundable and shall be forfeited in such circumstances, without affecting the fact that this Policy is null and void under the terms of this Clause.

## **CLAUSE 3 – SCOPE AND OBJECT**

1. Basic Cover

Subject to the terms, conditions, provisions and exclusions of this Policy, the Company agrees that if the Insured Property at the Premises of Risk described in the Policy Schedule or any part thereof shall suffer any Damage, at any time during the period of insurance, caused by

  - (i) Fire or those means used to extinguish it;
  - (ii) Heat, smoke or steam resulting directly from fire;
  - (iii) Mechanical action of lightning;
  - (iv) Explosion of boilers or gas used for domestic purposes only;
  - (v) Removal or destruction carried out on the orders of the relevant authorities or for salvage purposes, if this is due to any of the events described in the preceding sub-paragraphs;

the Company will pay to the Policyholder the value of the Insured Property at the time of the happening of its loss or destruction or the amount of such Damage or at the Company's option reinstate or replace such Property or any part thereof

Provided that the liability of the Company in respect of any one loss or in aggregate in any one period of insurance shall in no case exceed:

  - (a) In the whole the total sum insured or in respect of any item its sum insured at the time of the Damage, stated in the Policy Schedule;
  - (b) If any other Damage shall have occurred during the same period of insurance, the sum insured remaining after payment for such Damage unless the Company shall have agreed to reinstate any such sum insured.

Provided further that the Policyholder shall maintain the Insured Property in a proper state of repair and take all reasonable precautions to prevent any Damage thereto.
2. This Policy does not cover the moral damage or estimated value, or any or all indirect effects, even if these are caused by Accident.

## **CLAUSE 4 – COMMENCEMENT AND TERMINATION**

1. This Policy shall become effective at Macau time 00:00 on the Policy Effective Date specified in the Policy Schedule.
2. This Policy shall automatically be terminated on the earliest of the following:
  - a) At Macau time 24.00 on the Policy Expiry Date specified in the Policy Schedule;
  - b) The date this Policy is terminated by the Insured pursuant to the provisions of paragraph 3;
  - c) The date this Policy is terminated by the Company pursuant to the provisions of paragraph 4;
  - d) The date this Policy terminates in case of non-payment of Premiums.
3. The Policyholder may, at any time, terminate this Policy by giving seven (7)-day notice writing to the Company. Provided no claim has arisen or been made during the period of insurance already covered by

the annual premium concerned, the Policyholder shall be entitled to a partial refund equal to the following percentages of the premium:

| <u>Policy Covered Period (not exceeding)</u> | <u>Refund%</u> |
|--|----------------|
| 1 month                                      | 80%            |
| 2 months                                     | 70%            |
| 3 months                                     | 60%            |
| 4 months                                     | 50%            |
| 5 months                                     | 40%            |
| 6 months                                     | 30%            |
| 8 months                                     | 20%            |
| Exceeding 8 months                           | 0%             |

4. The Company may, at any time, terminate this Policy by notifying the Policyholder by any means involving a written record, at least thirty (30) days prior to the date on which the cancellation is to take effect. This Policy shall remain in force during the notice period. The Policyholder shall then be refunded the entire Premium corresponding to the insurance period which has not yet lapsed.
5. Any cancellation of this Policy shall be effective at Macau time 24:00 of the day in which it occurs. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
6. The Company will not be liable for any claim made under this Policy on or after the effective time of termination of this Policy. However, termination of this Policy or any insurance coverage hereunder shall be without prejudice to any claim which occurs prior to the effective time of termination.
7. The payment by the Insured or acceptance by the Company of any premium subsequent to the termination of this Policy shall not create any liability on the Company, and the Company shall refund any such premiums paid or accepted without any interest.

#### **CLAUSE 5 - MODIFICATIONS**

1. No sales representative or any person except the Company's duly authorized representatives may make or change this Policy, make any binding promises about the benefits under this Policy, or change or waive any of the terms and conditions of this Policy on behalf of the Company. In any circumstances, amendments or waiver to any part of this Policy are subject to the discretion of the Company and any such act must be in writing and executed by the Company's duly authorized representatives in order to be valid and binding on the Company.
2. The Company may amend this Policy at any time by giving notice to the Policyholder if there are any changes to any laws, regulations or other statutory requirements applicable to this Policy and it is necessary to amend this Policy to comply with those changes.

#### **CLAUSE 6 - ASSIGNMENT OF RIGHTS**

1. If ownership of the Insured Property or the Policyholder's interest in the same is assigned or sold, the Company must be informed in written of such transfer by the Policyholder or his legal representatives, and the Company must agree to maintain cover of this Policy and to issue the respective endorsement in order for the cover to continue.
2. If the transfer of ownership of the Insured Property is due to death of the Policyholder, the Company's responsibility shall continue with reference to his heirs so long as the respective premiums continue to be paid.
3. If the Policyholder is declared insolvent or bankrupt, the Company's responsibility shall continue with reference to the liquidators, under the same conditions, for a period of sixty (60) days, and after this period this Policy shall no longer be effective unless the parties reach an agreement.

#### **CLAUSE 7 - CHANGE OF RISK**

1. The Policyholder undertakes to inform the Company within a period of eight (8) days from learning of the facts, by any means involving a written record, of all alterations to the risk, which increase the Company's liability.
2. If there is no written notification under the terms of the preceding paragraph, or if the declarations made by the Policyholder are inaccurate, this Policy will still take effect but, if there is a Claim, the final

indemnity will be reduced in proportion to the difference between the premium charged by the Company and that which would have been charged for the increased risk.

3. If bad faith on the part of the Policyholder can be proven in the case provided for in the preceding paragraph, or if the inaccurate declarations could have influenced whether or not this Policy was maintained, it shall automatically be considered null and void as from the date on which the notification should have been made to the Company or the date on which the false declarations were made, whichever comes earlier.
4. Unless expressly agreed otherwise, this Policy shall come into full effect for increased risk between the date on which it was increased, under the terms of the preceding paragraphs, and the date on which this Policy is terminated by either party.
5. The Company has thirty (30) days counted from the date of notification of the increased risk, to accept or refuse it.
6. If the Company accepts the increased risk, it shall inform the Policyholder of the new conditions within the period stated in the preceding paragraph, and shall record them on an endorsement to this Policy.
7. If the Company refuses the increased risk, it shall inform the Policyholder that it is cancelling this Policy, within a period stated in paragraph 5 above.
8. In the case foreseen in paragraph 6 above, the Policyholder equally has a period of thirty (30) days from notification to cancel this Policy if he does not accept the new conditions.
9. Alterations shall be regarded as tacitly accepted if either of the parties fails to indicate the contrary within the periods stated in this Clause.

#### **CLAUSE 8 - AVERAGE (UNDERINSURANCE)**

If at the time of Damage, the Insured Property be collectively of greater value than the sum insured thereon, the Policyholder shall bear a share of the Damage corresponding directly to the proportion of underinsurance. Every item, if more than one, of the Insured Property shall be separately subject to this condition.

#### **CLAUSE 9 - CONTRIBUTION**

If, at the time of any Damage, happening to the Insured Property, there be any other subsisting insurance or insurance whether effected by the Policyholder or by any other person or persons, covering either such loss or any part of it or the same property, the Company shall not be liable to pay or contribute more than its rateable proportion of such loss or Damage.

#### **CLAUSE 10 - ALTERATIONS AND REMOVALS**

Unless the Policyholder has obtained the consent of the Company in writing before the occurrence of any Damage, this Policy ceases to attach regarding the property affected under any of the following circumstances:

- a) If the trade or business nature carried on by the Policyholder be altered, or if any circumstances affecting the Premises of Risk be changed in such way as to increase the risk of Damage other than by an excluded cause; or
- b) If the Premises of Risk becomes unoccupied and so remains for a period of more than thirty (30) days; or
- c) If the Insured Property is removed from the Premises of Risk; or
- d) If the interest in the Insured Property passes from the Policyholder otherwise than by will or operation of law.

#### **CLAUSE 11 - EXCLUSIONS**

This Policy does not cover:

- a) Damage occasioned by or through or in consequence of directly or indirectly, any of the following:
  - (i) Fire or explosion resulting from earthquake, volcanic eruption or other convulsion of nature;
  - (ii) The Insured Property's own spontaneous fermentation or heating;
  - (iii) The Insured Property undergoing any process involving the application of heat;
  - (iv) Burning whether accidental or otherwise of forests, bush, prairie, pampas or jungle, and the clearing of lands by fire;
  - (v) Riot, civil commotion, strikers or locked-out workers;
  - (vi) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war. Permanent or temporary dispossession resulting from confiscation, commandeering or

requisition by any lawfully constituted authority. Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege;

- (vii) Theft during or after the occurrence of an insured peril;
  - (viii) Explosion other than of boilers or gas used for domestic purposes only;
  - (ix) Damage caused by or arising from any wilful act or wilful negligence on the part of the Policyholder or any person acting on his behalf;
  - (x) Permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person;
  - (xi) The destruction of property by order of any public authority.
- b) Damage to any electrical machine, apparatus, or any portion of the electrical installation arising from or occasioned by its own over-running, excessive pressure, short-circuiting, self-heating, arcing or leakage of electricity arising from whatever cause (Lightning included);
- c) Goods held in trust or on commission, bullion, precious metals, unset precious stones, collections of any kind, lottery tickets, pawn tickets, credit bills, letters of credit, works of art, antiques, rarities, manuscripts, plans, drawings or designs, matrices, patterns, models, moulds, securities, obligations, documents, photographs, stamps, coined or paper money, cheques, books of accounts, business books, computer system records, explosives;
- d) Consequential Damage of any kind or description.
- e) Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with
- (i) Any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
  - (ii) Any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism. For the purpose of this exclusion 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 organization(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.
- If the Company alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the Insured and/or Policyholder.
- In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- f) Loss or damage due to contamination, pollution, soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease or due to any limitation or prevention of the use of objects because of hazards to health, except if such loss or damage arises as a direct consequence of the perils covered under Clause 3 of this Policy. If a peril not excluded from this Policy arises directly from pollution and/or contamination any loss or damage arising directly from that peril shall be covered.
- g) 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 the Insured Property shall be covered.
- h) 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.
- i) Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with nuclear energy or radioactivity of any kind including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
- (i) Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
  - (ii) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
  - (iii) Any weapon or other device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

- j) Any benefit or any claim to the extent that the provision of such benefit or payment of such claim 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 States of America or the People's Republic of China/ Macau SAR.

#### **CLAUSE 12 – PAYMENT OF PREMIUMS**

1. The Policyholder is responsible for the payment of premiums while this Policy is in force.
2. The Company provides a grace period of thirty (30) days for payment of any premiums due within which period this Policy shall remain in force.
3. If a Claim occurs within the grace period, any premium then due and unpaid shall be deducted from any indemnity payable under this Policy.
4. If any due premium is still unpaid at Macau time 24:00 of the last day of the grace period, this Policy will automatically terminate.

#### **CLAUSE 13 – LIMITS OF LIABILITY**

1. The value of indemnity due according to the provisions of this Policy shall have as maximum limit the values declared and set in the Policy Schedule.
2. For any Claim under the provisions of this Policy, an amount corresponding to the Deductible shall always be deducted from the indemnity which the Company must eventually pay out. Such amount of the Deductible and the corresponding calculation method are stated in the Policy Schedule.  
Warranted that during the currency of this Policy the Policyholder shall not effect insurance in respect of the amount of Deductibles stated in the Policy Schedule.

#### **CLAUSE 14 – OBLIGATIONS OF THE COMPANY**

The inquiries and appraisal required for verifying a Claim and assessing the Damage shall be carried out by the Company in a prompt and diligent manner, or else the Company shall be liable for loss or Damage. The indemnity must be paid as soon as the investigations and appraisal required for verifying the Claim has completed, without affecting payments to be paid whenever these are acknowledged as necessary. If sixty (60) days have elapsed and the Company has failed to fulfil his obligations without justified cause or through his own fault even though he had all the essential information for repairing the Damage or paying the agreed indemnity, he shall be regarded as being in arrears and the indemnity shall accrue interest at the legal rate in force.

#### **CLAUSE 15 – OBLIGATIONS OF THE POLICYHOLDER**

1. If any event giving rise to or likely to give rise to a Claim under this Policy comes to his knowledge, the Policyholder must meet the following obligations or become liable for Damage:
  - a) Employ all means possible to minimise or avoid increasing the Damage arising from the Accident, and to safeguard the Insured Property, such expenditure reasonably made to this end being included in calculating the Claim up to the sum insured;
  - b) Not remove or alter any vestiges of the Accident, or consent to their removal or alteration, without prior approval from the Company;
  - c) Safeguard, preserve and repair salvaged goods;
  - d) Give notice to the police in the event of theft or suspected theft or wilful or malicious damage;
  - e) Inform the Company within seven (7) days in writing from becoming aware of the facts, indicating the date, time, known or presumed cause, nature and probable amount of Damages, and any other information required for correctly describing the occurrence;
  - f) Supply the Company with all evidence requested, and all reports or other documents which he owns or obtains, together with a declaration on oath or in other legal form of the truth of the Claim and of any matters connected therewith;
  - g) Comply with safety requirements imposed by law, regulations or the clauses of this Policy.
2. The Policyholder shall be liable for loss and Damage for:
  - a) Voluntarily increasing the consequences of the Accident or intentionally obstructing the salvaging of the Insured Property;

- b) Extracting, withholding, concealing or selling the salvaged goods;
  - c) Preventing, obstructing or not co-operating with the Company in assessing the cause of the Accident, or in preserving, repairing or selling the salvaged goods;
  - d) Exaggerating the value of Damage, or falsely indicating things Damaged by the Accident;
  - e) Using fraud, deceit, falsehoods or any other criminal means, including false documents, to justify his Claim.
3. The Policyholder undertakes to inform the Company of the existence of other insurance with the same object and guarantees, or risk being made responsible for loss and Damage.

#### **CLAUSE 16 – DETERMINING THE VALUE OF INDEMNITY**

1. In the case of an Accident, even if the indemnity is to be paid to a third party, the assessment of the Insured Property and Damages shall be done by the Policyholder and the Company, observing exclusively the criteria established in the following paragraphs for determining the sum insured.
2. Both at the time of incepting this Policy and at all times while it is in effect, the amount of the sum insured for building should correspond to the market cost of the respective reconstruction, taking into account the type of construction and other factors which could influence this cost, or the original cost in the case of building which is to be expropriated or demolished. The Company shall not pay any indemnity for the excess cost, or increased cost of repairing or reconstructing insured buildings as a result of changes to the alignment or modifications to be made in the building features.
3. The sum insured for contents (furniture, fixtures and fittings) shall be assessed at their replacement cost at the time of the accident, and respective Damage by the cost of repairs if these can be done satisfactorily, or, if this is impossible, by their replacement value.
4. In the event of Damage to any object that is part of a collection or set, the Company shall be limited to compensating the value of the object destroyed or damaged, and shall not be liable for any loss or depreciation that its absence or Damage caused to the respective collection.
5. Raw materials, merchandise and goods shall be assessed by the current purchase price for the Policyholder at the time and in the place of the Accident, and the respective Damages shall be set according to the degree of depreciation caused by the Accident.
6. Machines, equipment and industrial utensils shall be assessed at their cost new at the time of the Accident, minus the depreciation inherent to the use to which they were put, and their condition, and any respective Damages shall be set at their cost of repair if this can be done satisfactorily or by the above-mentioned method for calculating their value.
7. Manufactured products or products in the process of being manufactured shall be assessed at the cost of the respective materials plus expenses already incurred in producing them, although this may not exceed the potential purchase value of these products at the time of the Accident nor the current sale price minus the Policyholder's usual profit. Damage to these products shall be assessed according to the degree of depreciation caused by the Accident;
8. If at the time of the Accident there is a shortfall or excess in the sum insured by this Policy, the provisions of Clause 8 ("Average (underinsurance)") shall be applied.

#### **CLAUSE 17 – BURDEN OF PROOF**

The Policyholder shall be responsible at his own expense for proving the truth of the Claim and his legitimate interest in the Insured Property, and the Company may demand all appropriate means of proof from the Policyholder which are within his possibilities.

#### **CLAUSE 18 – FORFEITURE OF BENEFITS**

All benefits under this Policy shall be forfeited:

- a) If any claim made be in any respect fraudulent;
- b) If any fraudulent means or devices are used by the Policyholder or any one acting on his behalf to obtain benefit under this Policy;
- c) If any Damage is caused by the wilful act or with the connivance of the Policyholder and/or the Insured;
- d) If the Policyholder or any person acting on his behalf shall hinder or obstruct the Company in the exercise of its rights;
- e) In respect of any claim made and rejected if an action or suit be not commenced within twelve (12) months after such rejection;

- f) In respect of any claim where arbitration takes place pursuant to paragraph 3 of Clause 26 of this Policy and an action or suit be not commenced within twelve (12) months after the making of an arbitration award;
- g) In respect of any claim, unless such claim is the subject of pending legal action or arbitration, after the expiration of twelve (12) months from the happening of the Damage or, if later, three months from the date on which payment shall have been made or liability admitted by the Company.

#### **CLAUSE 19 - AUTOMATIC REDUCTION OF SUM INSURED**

After a Claim and until this Policy expires, the amount corresponding to the value of the indemnity paid shall automatically be deducted from the sum insured, without reducing the premium, and the sum insured can only be restored to its original value if the Policyholder pays the corresponding additional premium.

#### **CLAUSE 20 - SUBROGATION**

If the Company become liable for any payment under this Policy in respect of Damage, the Company shall be subrogated, to the extent of such payment, to all the rights and remedies of the Policyholder against any party in respect of the Damage and shall be entitled at their own expense to sue in the name of the Policyholder. The Policyholder shall give the Company all such assistance in his power as the Company may require to secure their rights and remedies and at the Company's request, shall execute all documents necessary to enable the Company effectively to bring suit in the name of the Policyholder. The Company shall be entitled to all recoveries from any third party up to the amount of their outlay including their own costs and expenses.

#### **CLAUSE 21 - OPTION TO REINSTATE**

The Company may at its option, repair or replace the Property Damaged, or any part thereof, instead of paying the amount of the Damage, or may join with any other persons, companies or insurers in so doing, but the Company shall not be bound to repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in repair than it would have cost to repair such Property as it was at the time of the occurrence of such Damage, nor more than the sum insured thereon.

If the Company so elects to repair or replace any property the Policyholder shall, at his own expense, furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require, and no acts done, or caused to be done by the Company with a view to repair or replace shall be deemed an election by the Company to repair or replace.

If in any case the Company shall be unable to repair or replace the Insured Property, because of any law or regulations in force affecting the alignment of streets, or the construction of buildings, or otherwise, the Company shall, in every such case, only be liable to pay such sum as would be required to repair or replace such Property if the same could lawfully be repaired to its former condition.

#### **CLAUSE 22 - POSSESSION RIGHTS**

On the happening of Damage in respect of which a Claim is made:

- (a) The Company and any person authorised by the Company may without hereby incurring any liability or diminishing any of the Company's rights under this Policy:
  - (i) Enter, take or keep possession of the building or premises where such Damage has occurred;
  - (ii) Take possession of or require to be delivered to the Company the respective Insured Property and deal with such property for all reasonable purposes and in any reasonable manner;
  - (iii) Sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this condition shall be exercisable by the Company at any time until notice in writing is given by the Policyholder that he makes no Claim under this Policy or, if any Claim is made, until such Claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the Policyholder or diminish its rights to rely upon any of the conditions of this Policy in answer to any Claim.

If the Policyholder or any person acting on his behalf shall not comply with the requirements of the Company, or shall hinder or obstruct the Company in the exercise of its powers hereunder, all benefit under this Policy shall be forfeited.

(b) No property may be abandoned to the Company whether taken possession of by the Company or not.

#### **CLAUSE 23 – INSPECTION OF INSURED PROPERTY**

1. The Company can order an inspection of the Insured Property by a qualified agent, to verify whether the conditions of this Policy have been met, and the Policyholder undertakes to provide the information requested of him.
2. Unjustified refusal by the Policyholder or his representative for the above inspection shall entitle the Company to cancel this Policy by any means involving a written record, giving at least thirty (30) days notice.

#### **CLAUSE 24 – MORTGAGEE CLAUSE**

1. In the event of loss or damage, the Company will pay the mortgagees or said assignees to the extent of their interest and that this Policy, in so far as concerns the interest therein of the mortgagees or said assignees only, shall not be invalidated by any act or neglect of the mortgagor or owner of the Insured Property, nor by anything whereby the risk is increased being done to, upon or in any building hereby insured, without the knowledge of the mortgagees or said assignees.
2. Whenever the Company shall pay the mortgagees or said assignees any sum for loss or damage under this Policy, and shall claim that as to the mortgagor or owner no liability therefore existed the Company shall at once be legally subrogated to all rights of the mortgagees or said assignees to the extent of such payment and the mortgagees or said assignees shall do and execute all such further or other acts, deeds, transfers, assignments, instruments and things as may be necessary or be reasonably required by the Company for the purpose of better effecting such subrogation, but such subrogation shall not impair the right of the mortgagees or said assignees to recover the full amount of their claim. Provided that as between the Company and the mortgagor or owner of the Insured Property nothing contained in this clause shall in any way constitute or be deemed to constitute any waiver of or prejudice or affect any rights which the Company and the mortgagor or owner of the Insured Property, or lessen any obligations which may be imposed on the mortgagor or owner of the Insured Property either by or under this Policy or by law, and such rights and obligations shall as between the Company and the mortgagor or owner of the Insured Property remain in full force and effect.
3. The Company reserves the right to cancel this Policy at any time as provided by the terms thereof, but in such case this Policy shall continue in force for the benefit only of the mortgagees or said assignees for 10 (ten) days after notice to the mortgagees or said assignees of such cancellation, and shall then cease, and the Company shall have the right on like notice to cancel this agreement.

#### **CLAUSE 25 – HORIZONTAL OWNERSHIP PROPERTY**

1. When the Insured Property is an independent apartment within the real property described in the Policy Schedule, this Policy shall be subsidiary to the principal insurance contract which may be made by the building's management, and this Policy shall enter into force only if the principal insurance proves to be lacking or insufficient.
2. The value insured also includes the Policyholder's part of the common areas of the Building.

#### **CLAUSE 26 – MISCELLANEOUS**

1. Correspondence  
Any letter or advice between the parties provided for in this Policy shall be deemed valid and fully effective if made by any means involving a written record sent to the last known address of the Policyholder as it appears on this Policy, or to the head office of the Company.
2. Arbitration  
All disagreements which may arise in relation to the application of the terms of this Policy may be resolved through arbitration.
3. Legal Action  
No action at law or in equity shall be brought to recover under this Policy prior to the expiration of sixty (60) days after sufficient proof of claims has been filed in accordance with the requirements of this Policy, nor shall such action be brought at all unless such action is commenced within three (3) years from the commencement of the time within which proof of claims is required.

4. Clerical Error

A clerical error by the Company shall not invalidate this Policy otherwise validly in force, nor validate any insurance which is otherwise invalid.

5. Policy Currency

Premiums and benefits payable under this Policy shall be in the currency shown in the Policy Schedule.

**CLAUSE 27 - GOVERNING LAW AND JURISDICTION**

This Policy shall be governed by and interpreted in accordance with the laws of the Macau Special Administrative Region. The Company and all relevant parties are bound by this Policy and shall be subject to the exclusive jurisdiction of the courts of Macau SAR. In the event that a dispute arises with regard to the terms and conditions, legal proceedings (if any) are to be conducted in the courts of Macau SAR.