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Revised

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BY FAX
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Dear Miss SO,

Building Management (Third Party Risks Insurance) Regulation (L.N. 146)

We are scrutinising the legal and drafting aspects of the Regulation. We have the following points for your clarification.

Section 3(1)

What act or omission is attributable to the assured corporation? For example, an employee of the assured corporation, contrary to the safety caution of the assured corporation, spilled negligently some oil on the floor of the common parts of a building. A visitor slipped on the puddle of oil and suffered bodily injury. In such circumstance, is the assured corporation liable for the bodily injury of the visitor?

Section 3(2)(d)(i)-(iv)

Are these provisions related to the storage in the common parts of a building of, for example nuclear fuel (section 3(2)(d)(i)), nuclear installation (section 3(2)(d)(ii)), any weapon employing atomic fission (section 3(2)(d)(iii)) or any chemical (section 3(2)(d)(iv))? If yes, how common are those items found in the common parts of a building so as to warrant exclusion from the policy?

Section 7(4)

Would you give examples to distinguish an agreement from an understanding?

Section 6(7) & (8)

What is the relationship between these provisions?

Section 8(1)(b)

Would you give examples to illustrate the circumstances in which the insurance company could avoid or cancel the policy?

Section 8(3)

Is it necessary to give a power to the insurance company to recover the payment from the assured corporation?

Section 8(4)

In comparison with the draft Regulation, why is it necessary to add this new provision?

Section 9(1)

Who is required to give notice of the proceedings to the insurance company?

Under section 9(1), an insurance company is not required to pay any adjudged sum unless it had notice of the bringing of the proceedings within a specified period of time. How does section 9(1) reconcile with section 6(7) if the assured corporation failed to give notice to the insurance company as required by a condition in the policy about bringing of the proceedings under section 9(1)?

Section 9(3)

Would you give examples of "the policy was cancelled ... by virtue of any provision contained in it"?

It is appreciated that your reply in both languages could reach us at your earliest convenience.

Yours sincerely,

(Stephen LAM)
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c.c. DoJ

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