

## Content

Title :	Policy Provisions for Public Liability Insurance Purchased by Operators of Mechanical Amusement Facilities <b>Ch</b>
Date :	2005.08.22
Legislative :	1. Full text of one Point adopted and issued jointly by the Financial Supervisory Commission and the Ministry of the Interior 22 August 2005 per Order No. Financial-Supervisory-Insurance-II-09402522131 of the Financial Supervisory Commission, Executive Yuan and Order No. Taiwan-Interior-Construction-0940090906 of the Ministry of the Interior
Content :	<p>Public liability insurance policy provisions (specifically for the operators of mechanical amusement facilities)</p> <p>Article 1 (Constitution of the insurance contract)</p> <p>These policy provisions, any attached endorsements, stamped endorsements, and the proposal for this insurance contract are all constituent parts of this insurance contract.</p> <p>Article 2 (Scope of coverage)</p> <p>When the insured is legally liable to provide indemnification for third-party bodily injury, death, or third-party property damage caused by any of the following accidents during the policy period and in connection therewith receives a claim, this company is liable to the insured for indemnification:</p> <p>(1) An accident that occurs on-site at the premises specified in this insurance policy due to an action taken by the insured or an employee to operate the business.</p> <p>(2) An accident that occurs with respect to a building, pathway, piece of machinery, or other work object at the premises of the insured.</p> <p>Article 3 (Obligation to make truthful representations; rescission of this contract)</p> <p>When applying for insurance the proposer shall make truthful representations in response to the written inquiries of this company in the proposal.</p> <p>If there is any substantive misrepresentation, nondisclosure, or concealment of any material fact sufficient to alter or diminish this company's assessment of the risk, this company may rescind this insurance contract; the same shall also apply after occurrence of an insured peril, provided that the above shall not apply where the proposer proves that occurrence of the insured peril was not due to any representation or lack thereof by the proposer.</p> <p>Article 4 (Duty of a good administrator)</p> <p>In selecting employees, the insured shall exercise the due care of a good administrator. It shall regularly inspect and carefully maintain the buildings, pathways, facilities, machinery, elevators, and other work objects at its premises and construction sites and take all necessary steps to prevent accidents.</p> <p>Article 5 (Payment of insurance premiums)</p>

The proposer shall, upon entering into this insurance contract, deliver payment of an insurance premium to this company at its place of business or another location designated thereby. Delivery of an insurance premium shall be evidenced by a receipt issued by this company.

#### Article 6 (Alteration of the contract)

When any item set forth in this insurance contract is to be altered, the proposer shall provide this company with advance notice. Such an alteration will not take effect until this company has given signed endorsement.

#### Article 7 (Notifications regarding this contract)

Unless specifically stipulated otherwise, the proposer or insured shall make any notification regarding this insurance contract in writing.

#### Article 8 (Termination of contract)

The proposer may terminate this insurance contract at any time through written notification to this company, upon which this company will refund any unearned premiums to the proposer according to applicable short rate provisions. This company may also terminate the contract by delivering written notification thereof 15 days in advance to the last mailing address provided by the proposer; this company will make a pro rata refund of any unearned premiums to the proposer, calculated as a per diem percentage of the full-year premiums.

#### Article 9 (Restrictions on indemnification liability)

When this company is liable under this insurance contract to indemnify the insured, its liability is limited to the insured amount indicated in the "Insured Amount" column in this insurance contract.

The phrase "insured amount for bodily injury liability per person" as used in this insurance contract means the maximum indemnification liability individually borne with respect to each person's injury or death in a single accident.

The phrase "insured amount for bodily injury liability per accident" as used in this insurance contract means the maximum total indemnification liability borne by this company with respect to all persons suffering injury or death in a single accident where the number of persons suffering injury or death exceeds one, provided that the restriction on "insured amount for bodily injury liability per person" still applies. The phrase "insured amount for property damage liability per accident" as used in this insurance contract means the maximum total indemnification liability borne with respect to all property damaged in a single accident.

The phrase "maximum indemnification amount during the policy period" as used in this insurance contract means the maximum cumulative indemnification liability borne by this company when there is more than one claim during the effective term of this insurance contract.

When more than one insured is covered under this insurance contract, the indemnification liability borne by this company is still limited to the insured amounts specified in this insurance contract.

#### Article 10 (Deductible)

The insured must first bear a deductible for the loss arising from each accident, while this company is only liable to indemnify the insured for that portion of the insured's loss exceeding the deductible, provided that the insured shall not bear any deductible for expenses incurred in any litigation, settlement, or other remedy proceeding.

#### Article 11 (Conditional exclusions)

This company does not indemnify against liability resulting from any of the following events:

- (1) Liability resulting from war, warlike operations (whether war be declared or not), enemy invasion, acts of foreign enemy, rebellion, civil disorder, forcible seizure, or expropriation.
- (2) Liability resulting from the effects of nuclear fission or radiation.
- (3) Liability resulting from strike, riot, or civil commotion.
- (4) Liability resulting from typhoon, windstorm, flood, lightning, thunderbolt, earthquake, volcanic eruption, tsunami, mudslide, rockfall, land subsidence, or other natural disaster.
- (5) Liability resulting from a deliberate act of the insured or an agent of the insured.
- (6) Liability resulting from the insured's operation or concurrent operation of a business not specified in this insurance contract, conduct of business for which it has not obtained approval from the competent authority, or engagement in illegal activity.
- (7) Liability resulting from pollution of any type.
- (8) Liability caused by any aircraft or watercraft, or by any automobile for which a license is legally required and which is owned, used, or controlled by the insured.

#### Article 12 (Outright exclusions)

This company does not indemnify against any of the following types of liability:

- (1) Liability for consequential loss of any nature. The term "consequential loss" as used in the preceding sentence means an indirect loss resulting from property loss directly caused by a peril.
- (2) Any indemnification liability that the insured has assumed under a contract or agreement unless such liability would have attached to the insured even in the absence of such contract or agreement.
- (3) Any indemnification liability arising out of loss to property leased by or in the custody, care, or control of the insured.
- (4) Any indemnification liability arising out of the practice by the insured, or by any employee of the insured, of medicine, law, accountancy, architecture, or other professions.
- (5) Any indemnification liability incurred outside the territory of the Taiwan area of the Republic of China (including Kinmen, Matsu, and other areas subject to the government's rule).
- (6) Any indemnification liability arising out of or in relation to the sale or supply of products or goods by the insured or by an employee or agent of the insured.
- (7) Any indemnification liability arising out of damage to or loss of the building, land, or other property of a third party caused in the process of the insured's business operations by vibration at work or weakness or shift of a supporting structure.
- (8) Any indemnification liability arising out of bodily injury, death, or property damage to a family member or an on-duty employee of the insured.
- (9) Any indemnification liability arising out of third-party bodily injury or death, or out of damage to or loss of third-party property, caused by an elevator (including an escalator or hoist) owned, used, or controlled by

the insured.

(10) Any indemnification liability arising out of bodily injury, death, or property damage or loss caused by an indoor accident at the domicile or residence of an inhabitant or tenant of a residential building while the insured is the management organization for the building.

#### Article 13 (Notification and handling of insured events)

In the event of any occurrence during the effective term of this insurance contract of indemnification liability covered under this insurance contract, the insured shall:

(1) Give notice to this company within five days from the day a claim is made against the insured.

(2) Promptly take all necessary and reasonable steps to avoid or diminish any loss, or, where necessary, institute any legal proceedings beforehand to protect its own entitled rights and interests.

(3) Upon having knowledge of any legal action or claim instituted or made against the insured, deliver to this company a photocopy of the received notice of claim, court order, summons, or complaint.

(4) Provide relevant information, documents, or certificates, attend court as a witness, assist with an assessment or court investigation, or conduct such other necessary investigation or activities, as this company may require of the insured when it deems necessary.

#### Article 14 (Requirements for claims)

The insured shall do as required below with respect to any indemnification liability covered under this insurance contract:

(1) Except for necessary first-aid expenses, the insured may not, vis-à-vis any third party, admit to, settle, or indemnify for any liability without the participation or prior consent of this company. The same does not apply, however, where upon notice by the proposer or insured this company unreasonably refuses to participate or delays under pretext.

(2) Upon receipt of a settlement agreement, a final and unappealable court judgment, or an arbitration award and the associated receipt(s), the insured may file claim with this company for indemnification. This company may, upon notice by the insured, pay the indemnity directly to the relevant third party.

(3) Where the insured is legally entitled to raise legal defense or to otherwise exercise a right with the aim of elimination or reduction of liability, this company will not indemnify for any liability incurred or increased as a result of the insured's negligent failure to exercise such rights.

(4) If a third party is legally liable to indemnify for an accident, this company, after paying the loss, shall be subrogated to all rights of recovery of the insured against that third party.

If the insured waives without authorization the aforesaid rights of recovery or otherwise does anything prejudicial to the exercise of such rights by this company, then this company is exempted from the indemnification liability to the extent to which its exercise of such rights is prejudiced. If this company has discharged its indemnification liability, it may demand a refund from the prejudicing insured to the extent to which its exercise of such rights is prejudiced.

#### Article 15 (Defense and litigation)

Where any legal action or claim is instituted or made against the insured as a result of an accident covered under this insurance contract:

(1) This company may, as requested by the insured and to the extent to which civil matters are concerned, furnish assistance to the insured in the process of defense or settlement, all fees and expenses arising therefrom to be borne by this company, provided that where the damages payable exceed the insured amount, if they are not a result of any deliberate intent or negligence on the part of this company, this company will only pay such proportion of the fees and expenses as the insured amount bears to the amount of damages payable; upon request by this company, the insured is obligated to attend court for questioning and to assist in seeking relevant evidence and witnesses.

(2) Where requested by the insured to conduct defense or settlement, in so far as litigation is concerned, this company may not waive any right, accept any liability, withdraw any proceeding, or enter into any settlement without the written agreement of the insured.

(3) This company will reimburse the insured for all fees and expenses arising from the handling of a civil claim for damages or from a civil lawsuit, if approved by the company in advance, provided that where the damages payable exceed the insured amount, this company will only reimburse such proportion of the fees and expenses as the insured amount bears to the amount of damages payable.

(4) The insured is solely responsible for all its fees and expenses arising from criminal liability; this company is not liable to reimburse for that part.

#### Article 16 (Other insurance)

If any indemnification liability covered under this insurance contract is also covered under another insurance contract, the indemnification liability of this company shall be limited to such proportion as the insured amount under this insurance contract bears to the combined total of all insured amounts.

#### Article 17 (Arbitration)

Any dispute arising out of interpretation of provisions hereof or handling of insurance claims hereunder may be submitted to arbitration upon agreement by both the insured and this company. The procedures and fees for arbitration shall be subject to the Arbitration Act and other applicable acts and regulations.

#### Article 18 (Governing law)

For matters on which this insurance contract is silent, the Insurance Act and other applicable acts and regulations of the Republic of China shall govern.