

*INSURANCE COVERAGE
IN THE CONTEXT OF BMO*

1. To buy a proper insurance – Preventive measure

- Mandatory insurance since 1st January 2011 for \$10M.
- Buy a proper coverage :
 - Public liability insurance is in fact for fire only.
 - Property-All-Risk :

1. To buy a proper insurance – Preventive measure (Cont'd)

- Reinstatement value embraces the infrastructure re-construction value only. Professional valuer to give advice.
- Chattels be properly valued, otherwise pro-rata compensation.

1. To buy a proper insurance – Preventive measure (Cont'd)

- I.O. and Manager named as beneficiary in public liability insurance
- Uberrimma fides – utmost good faith
- Amount of coverage, usual \$30M due to : Ta Xuong v. I.O. of Sun Hing Building (HCPI 496/95, 30.10.97)

2. Routine and regular maintenance – Ongoing measure

- Warning notice to all owners and offending owners
- withdraw previous consent to offending owners
- Owner meeting to discuss whether to sue all offending owners.
- Routine visual inspection, 1 month ? 3 months ? – unsure.
- Condition survey to check safety and any illegal structure.

2. Routine and regular maintenance – Ongoing measure (Cont'd)

- Ask insurer to include “additions and alteration” in insurance everytime – Possible?
- Before new insurance policy, invite insurer to site inspection.
- More CCTV for shopping arcade.
- Complaint to B.D.
- Catchfan to receive falling objects.

3. What to do if an accident just happens – Aftermaths measure

- Don't sign anything.
- Don't admit anything.
- Don't give any incident report.
- Report to insurer as soon as possible, usual 7 days, whenever there is potential claim – a timid manager.
- Take photos, statements from staff and personal contact of witnesses.
- To maintain the status quo, except with good reason.

3. What to do if an accident just happens – Aftermaths measure (Cont'd)

- Refer to solicitor.
- Not bureaucratic, but the only way to preserve the insurance protection.
- No separate own claim against wrong-doer unless consent of insurer to claim is given :
the right of insurer to subrogate – common mistake

4. Conclusion

- After all, a matter of luck



Thank you !

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15th May 2010

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