

## **Building Management Ordinance (Cap. 344)**

### **Section 28      Matters regarding insurance**

(1) A corporation shall procure and keep in force in relation to the common parts of the building and the property of the corporation, such policy of insurance with an insurance company in respect of third party risks as complies with any requirement prescribed for the purposes of this section.

(2) In the event of a contravention of subsection (1), every member of the management committee shall be guilty of an offence and shall be liable on conviction to a fine at level 5 unless he proves —

- (a) that the offence was committed without his consent or connivance; and
- (b) that he exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in the circumstances.

(3) A corporation may insure and keep insured with an insurance company the common parts of the building and the property of the corporation to the reinstatement value thereof against fire and other risks.

(4) Where a corporation has effected any policy of insurance with an insurance company by virtue of this section the management committee shall permit the Authority, an authorized officer, the tenants' representative, an occupier, an owner, a registered mortgagee or any person duly authorized in writing in that behalf by an occupier, an owner or registered mortgagee, to inspect the policy of insurance and any receipt for the premium in respect thereof at any reasonable time.

(5) Where any person (other than the Authority or an authorized officer) referred to in subsection (4) requests the corporation to supply him with copies of the policy of insurance and any receipt for the premium in respect of that policy, the treasurer of the management committee shall, on the payment of such reasonable copying charge as the management committee may determine, supply such copies to that person.

(6) The treasurer of the management committee shall, if requested by the Authority or an authorized officer and without raising any charge, supply the copies referred to in subsection (5) to the Authority or that officer.

(6A) The secretary of the management committee shall, within 28 days after the corporation has effected a policy of insurance under subsection (1), give notice of the name and address of the insurance company and the period covered by the policy of insurance to the Land Registrar in such form as the Land Registrar may specify.

(7) In this section and in section 41, "insurance company" ( )—

- (a) means an insurer authorized under section 8 of the Insurance Companies Ordinance (Cap. 41) or deemed under section 61(1) or (2) of that Ordinance to be so authorized, to carry on insurance business;
- (b) means the society of underwriters known in the United Kingdom as Lloyd's; and
- (c) means an association of underwriters approved by the Insurance Authority.