

**Explanatory Notes on Block Insurance Policy
for 2019/20 and 2020/21 School Years**

(This document provides only a brief description of the spirit of the Block Insurance Policy and does not form any part of the policy. It is subject to the interpretation of the original wording of the policy.)

1. The Block Insurance Policy (BIP) is an insurance policy arranged by the Education Bureau for aided and caput schools. It comprises 3 sections: (1) the public liability insurance; (2) the employees' compensation insurance; and (3) the group personal accident insurance.
2. Sections (1) & (2) are a kind of liability insurance to protect the schools against financial losses arising out of their business which results in accidental injury to any persons and employees; and/or accidental loss of or damage to any property. Section (3) is a nominal benefit provided to students out of grace. Further explanations of each section are provided below:
3. **Public Liability Insurance**
 - 3.1 The public liability insurance offers indemnity in respect of legal liability (not moral liability) of the school for accidental injury to any person (excluding Employees of Schools), or accidental loss of or damage to any property.
 - 3.2 In this context, "any person" means any "Third Party". The "Third Party" can be of students, parents, visitors, or the public who are injured or suffer loss due to school's negligence.
 - 3.3 When the "Third Party" which includes students suffers Injury as a result of a school's business, he or she may, under the common law process, claim compensation from the school. As required by law, the claimant has to prove that the school is negligent in causing the Injury or damage. It is the court to rule whether compensation is warranted and its amount. The word "Injury" includes :
 - i) bodily injury including (1) death, (2) disease and illness and (3) impairment of a person's physical condition caused by accident or otherwise;
 - ii) impairment of any person's mental condition caused by anguish, shock or trauma; and/or
 - iii) impairment of a Student's mental condition arising from counseling activities conducted by professional counselors (including without limitation social workers stationed at or otherwise assigned to an Insured School).
 - 3.4 If the court holds that the school is legally liable, the school has to pay the compensation regardless of whether the school has taken out a liability insurance policy or not.
 - 3.5 By the coverage of the policy, the insurance company will
 - i) provide services of defence;
 - ii) pay the legal costs. and
 - iii) pay the compensation as awarded by the Court to the claimant up to the policy limit.

- 3.6 The current policy limit is HK\$100 million for any one occurrence and unlimited for the Period of Insurance.
- 3.7 There may be out-of-court settlement in which case the insurance company may negotiate with the claimant on the amount of damages.
- 4. Employees' Compensation Insurance**
- 4.1 Under the Employees' Compensation Ordinance, it is compulsory for an employer to maintain an "Employees' Compensation Insurance Policy" with an authorized insurer to cover his full liabilities both under the Employees' Compensation Ordinance and Common Law.
- 4.2 The policy covers the legal liability of an employer which relates to death or injury by accident or disease sustained by an Employee arising out of and in the course of his/ her employment.
- 4.3 When an injury to an Employee is caused by the negligence act of an employer, the Employee may also sue for damages under Common Law. But the claimant has to establish evidence to prove negligence on the part of the employer (school). The amount of compensation is decided by the Court.
- 4.4 The current policy limit of indemnity for each school in respect of claims relating to any one event is HK\$100 million inclusive of all costs and expenses.
- 4.5 The employees' compensation insurance of the BIP covers the following employees:
- i) whose salaries are subvented by the Education Bureau; and
 - ii) who are in the employment of the Insured Schools under a contract of service or apprenticeship or who is an "employee" as defined in the Employees' Compensation Ordinance of an Insured School.
- Schools should arrange their own insurance for other employees, if any, not being covered by the BIP.
- 5. Group Personal Accident Insurance (for Students)**
- 5.1 Taking into consideration that there are accidents in which the school is not negligent and/or student-victims may have to go through complicated and long common law suit to prove negligence, if any, on the part of the school, the BIP includes a personal accident insurance for Students, providing some financial consolation to Students who suffer from Accidental Death or Permanent Disablement whilst participating in any school activities. The maximum benefit is HK\$200,000 per Student according to scale.
- 5.2 This is a nominal benefit to Students out of grace on top of any common law compensation Students may obtain and regardless of any proof of any parties' negligence. This cover should not be seen as a comprehensive personal insurance coverage.
- 5.3 If parents wish to have a comprehensive personal insurance coverage for their children, they may acquire it separately at their own costs from any insurance company.