



MOTOR INSURANCE POLICY

The present Contract is governed by the Insurance Law N° 11/90/PSA of November 29/1990 hereinafter called “the Law” and by the Decree N° 01/PM of January 1992 hereinafter called “the Decree” and also on the General and Special Conditions, as follow:

GENERAL CONDITIONS

SECTION I: PROVISIONS RELATING TO COVERS

The Contract Agreement, Territorial Limits and Definitions Relating to Insured Person and Vehicle

Article 1 THE CONTRACT AGREEMENT

1.1 In consideration of the Insured having applied to Tokojaya Lao Assurance Co., Ltd. (hereinafter referred to as “the Insurer”) to insure the vehicle by a Proposal and declaration which shall be the basis of this Contract Agreement and having paid the Premium stated in the Policy Schedule, the Insurer hereby cover loss, damage or liability as stated in the Policy Schedule, subject always to the Terms and Conditions of this Policy.

DAMAGES CAUSED TO THIRD PARTIES

- A. CIVIL LIABILITY WITH REGARDS TO ROAD TRAFFIC Art 6.1 – 6.29
- B. CIVIL LIABILITY OUTSIDE ROAD TRAFFIC Art 7.1 – 7.4

DAMAGES TO THE INSURED VEHICLE

- C. ALL ACCIDENTAL DAMAGES Art 8.1 – 8.20
- D. DAMAGES RESULTING FROM COLLISION Art 9.1 – 9.4
- E. PLATE GLASS Art 10.1 – 10.3
- F. FIRE Art 11.1 – 11.6
- G. THEFT Art 12.1 – 12.6
- H. DEFENCE AND RECOURSE Art 13.1 – 13.3
- I. DRIVER AND PASSENGERS Art 14.1 – 14.6

1.2 The coverage under this Insurance may be extended to include other risks by incorporating a particular appendix to be enclosed, which defines the Conditions for Insurance cover.

Article 2 TERRITORIAL LIMITS

This Contract Agreement insures against loss or damage that occurred within the Lao PDR territory. It may be extended to neighbouring countries by means of an extra Premium specified under the Policy Schedule, subject always to the Terms and Conditions of the Policy.

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Article 3 DEFINITION RELATING TO INSURED PERSON

THE POLICYHOLDER

- 3.1 The term “Policyholder” is deemed to refer to the person whose name is defined in the Policy Schedule or any person who could legally replace him/her as a result of an agreement reached by the parties concerned or as a result of the death of the preceding Policyholder.

THE INSURED

- 3.2 The term “Insured” shall be taken to include:-

- the voluntary driver of the Insured Vehicle;
- the Policyholder (or their legal representatives);
- the owner of Insured Vehicle; and
- the persons transported as non-fare-paying passengers (including the wage-earners or employees of the Policyholder or the owner of the Insured Vehicle)

from the moment they get into the Insured Vehicle indicated in the Policy Schedule until and including the moment when they get off, and including on their part any act of driving or repairing of the Insured Vehicle even when they are not in the designated vehicle; and

- the Permitted Driver, when occasionally sitting in a tourist vehicle not belonging to him, whether he is driving or not.

Necessary obligations for driver’s license and driver’s age

- 3.3 The aforementioned persons are only entitled to claims under the Provisions of this Policy provided at the time of the accident, the driver has fulfilled the requirements required by the regulations on the driving of said vehicle and any other rules and regulations in Lao PDR governing the ownership and use of said motor vehicle including possession of a valid driving license (not suspended nor expired) and of which the driver must be the valid holder, and be of the legal driving age.
- 3.4 If these requirements are not fulfilled, there will be no insurance even if the driver is having a driving lesson or is helped by another person who holds a valid driver’s license.
- 3.5 This Exclusion shall not be applicable to the driver who holds a valid driver’s license, having declared the fact to the Insurer at the moment of underwriting or renewal of the Contract Agreement, but due to the place or length of residence of its holder, is no longer valid.

ACCIDENT

- 3.6 The term “accident” shall refer to any unforeseen, unexpected, and unintentional event, independent of the Insured and involving the Insured Vehicle.

PERSONS CONSIDERED FOR COVER

- 3.7 The persons hereinafter mentioned with the exception of obligations with regards to the driver’s license and the driver’s age (Articles 3.3 and 3.4) are entitled to claims under the Provisions of this Policy.

a) *For insurance covers A to G*

The Policyholder, the owner of the Insured Vehicle and any others persons being authorised by the Policyholder or the owner of the Insured Vehicle to be in charge of guarding and driving the vehicle (garage keepers and those who normally carry out the brokerage, sales work, repair work, or checking the vehicle to be in good working order and their overseers as well, are not considered as beneficiaries of such authorisation, regardless of the vehicles entrusted to them in consideration of their duties).

b) For insurance cover A

The passengers of the Insured Vehicle (except for non-fare-paying passengers – refer to (d) below).

c) For insurance cover H

As regards to penal defence, the persons above-mentioned under insurance covers A to G.

As regards to recourse, these same persons, and any others passengers carried by the Insured Vehicle, who are non-fare-paying passengers.

d) For insurance cover I

Non-fare-paying passengers, being defined as any passenger carried without remuneration even if he, without making an actual payment, contributes of his own free will to the transport expense.

Article 4 DEFINITIONS RELATING TO THE VEHICLE

INSURED VEHICLE

4.1 The term “*Insured Vehicle*” shall refer to:-

- any motored land vehicle, or
- any vehicle (trailer or semi-trailer) built up to be attached to a motored land vehicle meant for transportation of persons or things

described in the Policy Schedule, which shall include the manufacturer’s standard options and accessories that the Policyholder had informed the Insurer and the Insurer having agreed in writing to cover; and

- any terrestrial apparatus (such as implements of husbandry or building-site machinery), when its usage is mentioned in the Policy Schedule.

UNAVAILABILITY OF THE INSURED VEHICLE

4.2 If the Insured Vehicle is unavailable for use during the Period of Insurance under any circumstances, the cover may be temporarily reassigned to a replacement vehicle, hired or borrowed by the Policyholder or the owner of the Insured Vehicle. The cover, when reassigned, shall be applicable as follow:

4.3 For insurance covers A, B and H

The cover will be provided from the moment a registered letter is received by the Insurer (proven by post office stamp) informing of the reassignment, provided that the Policyholder pays off, wherever applicable, any additional Premium calculated according to the rate in effect at the time of reassignment. For this purpose, the registered letter shall, under the penalty of the recalled sanctions from Article 15.5, bear mention to the differences between the replacement and the Insured Vehicle as regards to the elements indicated in Article 15.2(i).

4.4 For insurance covers C to G

The cover may be accorded only upon the Insurer’s written agreement validating the transfer.

Alternatively, the Insured may request for a suspension on the Insurance cover during the time when the Insured Vehicle is not available, for which a prorated Premium for the unexpired term shall be refunded, calculated according to the rate applicable to the Policy from the time of suspension.

Article 5 PAIRS AND SETS

5.1 Where any item consists of articles in a pair or set, the Company shall not be liable to pay more than the proportionate value of any particular part or parts which may be lost and/damaged, without reference to any special value which such article may have as part of such pair or set.

SECTION II: EXPLANATION OF INSURANCE COVERS

Damages Caused to Third Parties

ARTICLE 6 COVER “A”: CIVIL LIABILITY WITH REGARDS TO ROAD TRAFFIC		
1)	Purpose of the cover	6.1 – 6.3
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3)	Special Conditions covering damages incurred by persons on board	6.17
a)	Nature of damages covered	6.18
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4)	Limits of liability	6.26 – 6.27
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ARTICLE 7 COVER “B”: CIVIL LIABILITY OUTSIDE ROAD TRAFFIC		
1)	Purpose of the cover	7.1 – 7.2
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Article 6 COVER “A”: CIVIL LIABILITY WITH REGARDS TO ROAD TRAFFIC

1) Purpose of the cover

6.1 The purpose of the cover is to meet:-

- the Insurance bond prescribed by the Decree, which decrees the principle of no-fault liability for compensation of bodily injury caused to the third party victims of a road traffic accident involving a motored land vehicle. This no-fault civil liability shall be limited to the attached Annex III;
- the extension of covers in the case of civil liability which the Insured may subscribe according to the scales “*Legal Civil Liability*”, “*Option III*” and “*Option IV*” stated in Annex IV and in the Policy Schedule, aimed at collecting special premiums.

The principle of no-fault liability cannot be extended beyond the obligatory coverage provided for in the Decree.

6.2 This coverage applies to the financial consequences the Insured may incur as his liabilities due to bodily injury and/or material damages caused to third parties in the course of or under road traffic circumstances the Insured Vehicle has met with, resulting from:-

- i. an accident, fire, or explosion brought about by the Insured Vehicle, the accessories and products used for its service, the objects and substances being carried therein or thereon;
- ii. loss of/or failure of these accessories, objects, substances or product; or
- iii. accidents occurring whilst the Insured Vehicle is hauling another vehicle, or is itself being hauled by another vehicle; however, damages to these vehicles are not covered.

6.3 In addition to third party liability cover, the Insurer shall be liable to reimburse the Insured on the actual expenses incurred for cleaning or reconditioning of the Insured Vehicle’s interior furniture, his clothes and those of the persons accompanying him when the Insured Vehicle is voluntarily used to transport person(s) injured as a result of a road traffic accident involving the Insured Vehicle. This reimbursement is covered without consideration of liability.

2) *Exclusions*

The following are not covered:

- 6.4 Losses suffered by the driver and any other non-fare-paying passengers (which should be appropriately covered under the “Driver and Passengers” section).
- 6.5 Damages caused by persons driving under the influence of alcohol or drugs.
- 6.6 Damages incurred by a vehicle transporting inflammables, explosives, corrosives or motor fuel, which could cause the aggravation of damages. This Exclusion, however, shall not be applicable for the transportation of oil, petrol or gas if the load does not exceed 500 kilograms or 600 litres (including the motor fuel or gas required for the engine).
- 6.7 Damages occurring during speed contests or other sports contests (or the trials thereof), even with prior government authorisation as prescribed by the regulations in effect, for which the Insured participates in the contests as a competitor, organiser or agent acting on behalf thereof.
Any Insured who would, without prior arrangement for special insurance, expose himself to the risks mentioned in this Article would be liable to the penalties provided for in the Law (Articles 44 - 45). If so required by the Insured, he may request for a special insurance to cover against these particular risks, subject always to the Insurer’s express agreement in writing.
- 6.8 Damages caused to real estates, things or animals hired or entrusted to a driver in any capacity; however, this Exclusion does not apply to financial consequences for which the Insured may be liable, in case of damages from fire or explosion caused to premises where the Insured Vehicle is parked.
- 6.9 Damages caused to goods and objects transported by the Insured Vehicle.
- 6.10 Damages provoked or aggravated by gunfire or instruments used for causing explosions using an atom nucleus structure modification or any nuclear fuel product or radioactive waste or by any other ionising radiation sources which exclusively engage the liability of the user of such nuclear installation.
- 6.11 Damages caused by foreign war or civil war.
- 6.12 Damages intentionally brought about by the Insured.
- 6.13 Damages caused by fires.
- 6.14 Damages caused by the Insured Vehicle when transporting ionising radiation sources to be used outside a nuclear installation, as from that moment, the said sources would have provoked or caused an aggravation of damages.
- 6.15 Damages caused by riots, mass demonstrations or planned group actions openly carried out.
- 6.16 Damages caused by the driving or operation of vehicles, machinery and/or equipment intended for the purpose of farming, construction, or other similar purposes, unless the vehicle, machinery and/or equipment is licensed for use on the road as evidenced by a license registration which shall be valid throughout the duration of this Insurance.

3) *Special Conditions covering damages incurred by persons on board*

- 6.17 Without being detrimental to the Provisions contained in Articles 6.1 to 6.16 concerning the liability of the Insured in respect of damages caused to all passengers, these coverage shall be subject further to the following:
 - a) *Nature of damages covered*
- 6.18 The above-mentioned coverage shall be applicable exclusively in respect of bodily injuries suffered by the passengers of the Insured Vehicle, and to their damaged garments but only if accompanied by such bodily injury.
 - b) *Conditions for transportation*

6.19 For 2- and 3-wheel vehicles

The Insured Vehicle must not carry more than one passenger only besides the driver (or two passengers when it has such additional seating capacity).

6.20 For motorcars (including convertibles), minibuses and buses

Only when the passengers are transported inside the Insured Vehicle.

6.21 For commercial vehicles

All passengers must be seated either inside the cabin or car fitted with slatted sides or inside a closed-body car.

6.22 For trailers and semi-trailers (as long as they are “Insured Vehicles” in the sense of Article 4.1)

The vehicle must be manufactured, for the purpose of transporting passengers, and the passengers must be seated inside the trailer or semi-trailer.

6.23 In addition to the Conditions provided for in paragraphs 6.19 to 6.22, the following shall be applicable:

- The number of passengers and/or carrying capacity must not exceed the seating and/or carrying capacity as specified by the manufacturer.
- Children under 10 years of age, for the purpose of this Condition, shall be considered as half a person.
- Breach of these Conditions pertaining to the seating capacity shall be subject to application of Article 15.5(b).
- No cover shall be given in the event of a breach of the conditions pertaining to carrying capacity as stated herein.

c) Persons on board excluded from cover

6.24 Unless stated to the contrary in the Policy Schedule, non-fare-paying passengers shall be excluded from cover.

6.25 In respect of Article 6.24, the Insured may, if such need arises, insure his exposure to such risk by requesting for special insurance coverage, subject always to the Insurer’s express agreement in writing.

4) Limits of liability

6.26 The limits of liability are specified in Annex IV:

“Legal Civil Liability”

“Option III”

“Option IV”

6.27 The cost of lawsuit of an acquittance and other settlement charges are not deducted from the total limit of liability. Nevertheless in case of condemnation to a higher amount the Insurer and the Insured will stand the cost, proportional to their relative part in the condemnation.

5) Insurance certificate

6.28 Within a period of 15 days following his application, the Policyholder can obtain an insurance certificate which the driver of the Insured Vehicle must, under penalty of fine, be ready to present in accordance with the Ministry of Finance Decree and also the Insurance Certificate as stated in Article 6 of the Decree.

6.29 On the delivery of the Insurance Certificate, the Insurer is not exempt from handing over, upon request, a separate receipt or tax invoice to the Policyholder.

Article 7 COVER “B”: CIVIL LIABILITY OUTSIDE ROAD TRAFFIC

1) Purpose of the cover

7.1 The cover is applicable to liability pertaining to financial consequences the Insured may incur due to bodily injury and/or material damages incurred to third parties which do not occur at the time of circulation and resulting from the fact as cited in Cover “A”.

7.2 However, damages caused by accessories and products serving the Insured Vehicle and those caused by the objects and substances carried therein or thereon are only covered as long as they are not a separate body or are part of the containing vehicle.

2) Exclusions

7.3 The Exclusions mentioned in paragraphs 6.4 to 6.16 are applicable to Cover “B”.

3) Limits of liability

7.4 The limits of liability of the cover are specified in Articles 6.26 and 6.27.

Damages to the Insured Vehicle

ARTICLE 8 COVER “C”: ALL ACCIDENTAL DAMAGES		
1)	Purpose of the cover	8.1 – 8.4
2)	Exclusions	8.5 – 8.19
3)	Sum insured	8.20
ARTICLE 9 COVER “D”: DAMAGES RESULTING FROM COLLISION		
1)	Purpose of the cover	9.1 – 9.2
2)	Exclusions	9.3
3)	Sum insured	9.4
ARTICLE 10 COVER “E”: PLATE GLASS		
1)	Purpose of the cover	10.1
2)	Exclusions	10.2
3)	Sum insured	10.3
ARTICLE 11 COVER “F”: FIRE		
1)	Purpose of the cover	11.1 – 11.3
2)	Exclusions	11.4 – 11.5
3)	Sum insured	11.6
ARTICLE 12 COVER “G”: THEFT		
1)	Purpose of the cover	12.1 – 12.3
2)	Exclusions	12.4 – 12.5
3)	Sum insured	12.6
ARTICLE 13 COVER “H”: DEFENCE AND RECOURSE		
		13.1 – 13.3
ARTICLE 14 COVER “I”: DRIVER AND PASSENGERS		
1)	Purpose of the cover	14.1
2)	Exclusions	14.2 – 14.4
3)	Non-accumulation of “Death” compensation with “Disability” compensation	14.5
4)	Medical expenses	14.6

Article 8 COVER “C”: ALL ACCIDENTAL DAMAGES

1) Purpose of the cover

- 8.1 The cover is applicable to damages to the Insured Vehicle resulting from a collision with a stationary or mobile body or the overturning of the Insured Vehicle with reservation to the specific Exclusion under paragraph 8.19. The additional coverage specified within Articles 10 to 12 in respect of Plate Glass, Fire, and Theft are also incorporated within the scope of this cover, subject to the respective Exclusions and/or Conditions detailed therein.
- 8.2 The cover extends to damages incurred whilst in transit (including its loading and unloading) on land or waterway within Lao PDR.
- 8.3 This Insurance shall cover damages resultant from pneumatic tyres, consequently causing an accident and affecting other part(s) of the Insured Vehicle.
- 8.4 The Insurance covers all the component parts of the Insured Vehicle, including accessories, repair equipments and spare parts when these are to be delivered at the same time as the vehicle and without any additional cost for the considered model. However, when parts or accessories necessary for repairing the vehicle cannot be found locally or when they are from an outdated model, the pertaining indemnity for these parts or accessories shall not be higher than the latest price quoted by the local franchise holder.

The Insurer shall have the option to pay the cost of repairs on the Insured Vehicle or pay in cash the amount of the loss or damage to the Insured Vehicle or reinstate or replace the Insured Vehicle.

2) Exclusions

The following are not covered:

- 8.5 Damages intentionally brought about by the Insured.
- 8.6 Damages incurred by the Insured Vehicle whilst driven by the Insured under the influence of alcohol or narcotics at the time of the accident.
This Exclusion shall not be applicable if there is sufficient evidence to prove that the accident was independent of the condition of the Insured and is applicable only to the driver in question.
- 8.7 Damages incurred by the Insured Vehicle whilst transporting inflammables, explosives, corrosives or fuel, which could have provoked or aggravated the accident. This Exclusion, however, shall not be applicable for the transportation of oil, petrol or gas if the load does not exceed 500 kilograms or 600 litres (including the motor fuel or gas required for the engine).
- 8.8 Damages of any kind caused to the Insured Vehicle when requisitioned by the police, army, or by authorities.
- 8.9 Damages caused to the Insured Vehicle by goods or other objects transported therein or thereon.
- 8.10 Damages resulting from the loading or unloading of goods onto or from the Insured Vehicle.
- 8.11 Damages occurring during speed contests or other sports contests (or the trials thereof), even with prior government authorisation as prescribed by the regulations in effect, for which the Insured participates in the contests as a competitor, organiser or agent acting on behalf thereof.
- 8.12 Damages provoked or aggravated by gunfire or instruments used for causing explosions using an atom nucleus structure modification or any nuclear fuel product or radioactive waste or by any other ionising radiation sources which exclusively engage the liability of the user of such nuclear installation.
- 8.13 Damages caused by the Insured Vehicle when transporting ionising radiation sources to be used outside a nuclear installation, as from that moment, the said sources would have provoked or caused an aggravation of damages.
- 8.14 Damages conditioned by acts of God, including but not limited to earthquakes, volcanic eruptions, tidal waves, flood, typhoons, hurricanes, tornados, cyclones.

- 8.15 Expenses incurred for relocating or hauling the Insured Vehicle to the nearest qualified workshop of repairs and other related garage expenses as a result of an accident involving the Insured Vehicle
Provided that the cost of these expenses shall not exceed 20% of the actual cost of repairs for which the Insurer is liable, and the Insurer's maximum liability shall not be exceeded by virtue of the provisions under this Article.
If in the event of any accident or breakdown, the vehicle is left unattended without proper precautions being taken to prevent further loss or damage or if the vehicle is driven in an unroadworthy condition before the necessary repairs are effected, any extension of the damage or any further damage to the vehicle shall be excluded from cover.
- 8.16 Indirect damages such as deprivation of usage, lack of interest gained and depreciation in the condition of the vehicle.
- 8.17 Damages resulting from the consequence of a maintenance defect, wear and tear, imperfection or defect in the vehicle construction, unevenness of or bad ground conditions affecting the running of the Insured Vehicle and loss of accessory(ies) fitted within or onto the Insured Vehicle.
- 8.18 Damages arising whilst the Insured Vehicle is loaded beyond its designated seating and/or carrying capacity as specified by the manufacturer, regardless of whether this would have contributed to the damage or otherwise.
- 8.19 In the event of the overturning of the Insured Vehicle, the only damages covered are those directly resulting from shock due to said overturn. Thermal shocks produced by the vehicle's engine due to its submersion are excluded.

3) *Sum insured*

- 8.20 This Insurance covers against each damage, up to the amount of the vehicle's monetary value on the day when the damage occurred, less any deduction for the deductible provided for in the Policy Schedule.

Article 9 COVER "D": DAMAGES RESULTING FROM COLLISION

1) *Purpose of the cover*

- 9.1 The cover is applicable to damages resulting from a collision taking place outside the garages, sheds or property occupied by the Insured, with any vehicle or animal or pedestrian, except when the Insured is the owner of the vehicle or the animal or the pedestrian concerned.
- 9.2 The Insurance covers all the component parts of the Insured Vehicle, including accessories, repair equipments and spare parts when these are to be delivered at the same time as the vehicle and without any additional cost for the considered model. However, when parts or accessories necessary for repairing the vehicle cannot be found locally or when they are from an outdated model, the pertaining indemnity for these parts or accessories shall not be higher than the latest price quoted by the local franchise holder.

The Insurer shall have the option to pay the cost of repairs on the Insured Vehicle or pay in cash the amount of the loss or damage to the Insured Vehicle or reinstate or replace the Insured Vehicle.

2) *Exclusions*

- 9.3 The Exclusions provided for in paragraphs 8.5 to 8.19 are applicable to the insurance Cover "D".

3) *Sum insured*

- 9.4 This Insurance covers against each damage, up to the amount of the vehicle's monetary value on the day when the damage occurred, less any deduction for the deductible provided for in the Policy Schedule.

Article 10 COVER “E”: PLATE GLASS

1) Purpose of the cover

10.1 This Insurance cover is applicable to pay for the cost of reinstating any damaged glass in the windscreen, window, side-mirror and sunroof of the Insured Vehicle, whether resulting directly from an accident or otherwise.

2) Exclusions

10.2 The Exclusions provided for in paragraphs 8.5 to 8.19 are applicable to the insurance Cover “E”.

3) Sum insured

10.3 The Insurance covers the cost of reinstating the glass, including lamination/tinting film, if any.

Article 11 COVER “F”: FIRE

1) Purpose of the cover

11.1 The Insurance cover is applicable to damages resulting from fire, lightning strikes, or explosion.

11.2 Damages caused by electrical apparatus are not covered unless these damages are resultant from the malfunctioning of the said apparatus.

11.3 The Insurance covers all the component parts of the Insured Vehicle, including accessories, repair equipments and spare parts when these are to be delivered at the same time as the vehicle and without any additional cost for the considered model. However, when parts or accessories necessary for repairing the vehicle cannot be found locally or when they are from an outdated model, the pertaining indemnity for these parts or accessories shall not be higher than the latest price quoted by the local franchise holder.

2) Exclusions

In addition to the Exclusions provided for in paragraphs 8.5 to 8.19, the following are excluded:

11.4 Damages caused by any explosives transported in or on the Insured Vehicle.

11.5 Damages which cannot be considered as resulting from a fire, especially burns produced by excessive heat without flames and accidents caused by smokers.

3) Sum insured

11.6 This Insurance covers against each damage, up to the amount of the vehicle’s monetary value on the day when the damage occurred, less any deduction for the deductible provided for in the Policy Schedule.

Article 12 COVER “G”: THEFT

1) Purpose of the cover

12.1 This Insurance cover is applicable to damages resulting from the disappearance or deterioration of the Insured Vehicle following a theft or attempted theft of the vehicle. With the Insurer’s agreement, the expenses accounted for or moderately taken on by the Insured in order to recuperate his stolen vehicle are also covered.

12.2 The Insurance covers all the component parts of the Insured Vehicle, including accessories, repair equipments and spare parts when these are to be delivered at the same time as the vehicle and without any additional cost for the considered model. However, when parts or accessories necessary for repairing the vehicle cannot be found locally or when they are from an outdated model, the pertaining indemnity for these parts or accessories shall not be higher than the latest price quoted by the local franchise holder.

12.3 Nevertheless, theft of any components on the exterior of the Insured Vehicle is not covered, unless the theft should take place in the garage or shed, via a break in, use of skeleton keys, climbing over the wall or assault.

2) Exclusions

In addition to the Exclusions provided for in paragraphs 8.5 to 8.19, the following are excluded:

12.4 Thefts committed by the Insured's employees during their working hours.

12.5 Thefts committed by members of the Insured's family who live together with the Insured or with their connivance.

3) Sum insured

12.6 This Insurance covers against each damage, up to the amount of the vehicle's monetary value on the day when the theft occurred, less any deduction for the deductible provided for in the Policy Schedule.

Article 13 COVER "H": DEFENCE AND RECOURSE

Within the limits of indemnity per damage incident as determined in the Policy Schedule, and provided that the usage of the Insured Vehicle was in accordance to that specified in the Policy Schedule, the Insurer engages to:-

13.1 provide for the expenses for the defence of the Insured before the courts as specified in paragraph 3.7(c), if the Insured is prosecuted for breach of law and regulations committed at the time of accident against which is covered by the present Policy; and

13.2 provide for the expenses for the financial repairs according to the fixed provisions in paragraphs 19.15 to 19.19 concerning:-

- i. bodily injuries suffered by the Insured, as described in paragraph 3.7(c); and
- ii. physical damages caused to the Insured Vehicle along with the objects contained therein insofar as these are not covered by any other insurance.

13.3 The "recourse" cover is only at stake when these damages are brought about by any person other than the Insured, as specified in paragraph 3.7(c).

Article 14 COVER "T": DRIVER AND PASSENGERS

1) Purpose of the cover

14.1 In the context of this Contract Agreement, the Insurer shall provide financial compensation, the insurance and amount of which are stipulated in the Policy Schedule, pertaining to bodily injuries suffered by the Insured.

2) Exclusions

14.2 The Exclusions provided for in paragraphs 8.5 to 8.19.

14.3 In the event of death of the Insured resulting from the Insured's road traffic accident, incurred within 24 months following the date of the accident and which is covered by this Insurance, the Insurer shall pay the surviving spouse the capital sum insured specified in the Policy Schedule, failing that his heir/heirress or his entitled party for which the Insurer shall have no involvement in the division of such payment. On his part, the Policyholder may nevertheless nominate a beneficiary.

14.4 In case the Insured becomes permanently disabled, whether total or partial, the Insurer provides a capital payment according to the disability rate determined in accordance with the scale in Annex I. The maximum payment, which is determined by the Policy Schedule, may be reduced in proportion to the infirmity.

This compensation may be called for only after a final recognition of the injuries.

Nevertheless, when the consequences of an accident become more serious as a result of negligence on the part of the Insured or from an empiric medical treatment, the compensation will be calculated according to the effect that the accident would have incurred on a person with a clean bill of health, subjected to a rational medical treatment.

14.5 **Non-accumulation of “Death” compensation with “Disability” compensation**

The total compensation already paid for each covered accident with regard to permanent disability shall be deducted from the capital sum insured to be paid out in the event of death.

On no account should the Insurer be liable for the consequences of an accident already settled on the basis of this present Contract Agreement and for which a formal receipt will have been given out to him.

14.6 **Medical expenses**

1) *Nature of damages covered, upon documentary evidence*

If the “medical expenses” cover is subscribed, the Insurer reimburses, to the extent of the sum indicated in the Policy Schedule, the cost of the medicine, pharmaceuticals, medical examinations, orthopaedics and functional rehabilitation, and dental cares and prosthesis resulting from the covered road traffic accident.

2) *Repayment transactions*

The compensation to be paid to the Insured shall not exceed the expenses actually incurred and shall not be more than the Sum Insured.

SECTION III: POLICYHOLDER’S AND INSURER’S LIABILITY

Information on the Risk

Article 15 POLICYHOLDER’S DECLARATION UPON UNDERWRITING AND DURING THE CONTRACT AGREEMENT IMPLEMENTATION, SANCTIONS

1) *Upon underwriting of the Contract Agreement*

15.1 The Contract Agreement is established according to the Policyholder’s declaration and the Premium is determined accordingly. The Subscriber shall, under penalty of sanctions provided hereinafter, give an exact declaration of all circumstances to his knowledge and which are likely to help the Insurer appreciate the risks he is liable for.

2) *During Contract Agreement implementation*

15.2 The Policyholder, or failing that the Insured, shall declare to the Insurer by registered letter, all modifications affecting:-

i. the characteristics of the vehicle enumerated below:

- capacity;
- body;
- attachment of a side-car to a two-wheeled vehicle;
- live load and dead weight (for commercial vehicles); and
- any transformation and/or modification affecting the performance of the Insured Vehicle.

ii. the use of Insured Vehicle, even in case of temporary modification.

iii. for any new customary driver: the sex, age, date of their driving license.

15.3 This declaration shall be completed prior to the modification if the latter results from the act of the Policyholder or the Insured and in other cases, within eight days from the moment when one or the other is aware of it.

- 15.4 When this modification constitutes an aggravation such that, if the new state of affairs had existed at the time of the Contract Agreement underwriting, the Insurer would not have contracted or would only have done so by means of a higher Premium, the declaration shall be made under penalty of sanctions described hereinafter, and by virtue of the Provisions stated in the Decree, the Insurer may either terminate the Contract Agreement by means of a prior notice of ten days, or propose a new Premium.

In case of refusal of the new Premium by the Policyholder, the Insurer may terminate the Contract Agreement by means of a prior notice of ten days.

3) Sanctions

- 15.5 Any concealment, intentional false declaration, omission or inaccuracy in the circumstances or aggravations above-mentioned is sanctioned, regardless whether these having any direct or indirect influence upon the accident, in the following cases:

- a. by contract nullification, in case of dishonesty on the part of the Policyholder or the Insured, or their representatives.
- b. by a proportional reduction of the damage indemnity from the Premium paid against the Premium which would have been due if the declaration of risk had been accurate and complete, in the case where the Policyholder or the Insured is able to prove their apparent lack of dishonest intentions but declaration of risks had nonetheless not been accurate or complete.

The rate taken as basis of the reduction is, according to the case, either that applicable at the time of the Contract Agreement underwriting, or on the day of the risk aggravation or if this day cannot be determined, at the last falling due preceding the damage.

4) Other insurance

- 15.6 If the risks covered by this Contract Agreement are covered by any other insurance, the Policyholder shall declare the fact to the Insurer in writing.
- 15.7 In case of accident, the Provisions in paragraph 19.20 shall apply.

Premiums

Article 16 PREMIUM PAYMENTS BY THE POLICYHOLDER, CONSEQUENCES OF DELAY IN PAYMENT, TAXES

- 16.1 The Premium or in the case of Premium fractioning, the amount of which is stipulated by the Contract Agreement as well as the taxes on insurance contracts are payable at the Insurer's head office or at the Company agent's residence.
- 16.2 In default of a Premium (or a Premium fraction) payment within ten days of its falling due, the Insurer may, regardless of his right to prosecute the Contract Agreement execution before court, suspend the insurance cover after twenty days following the date a registered letter is sent to the Policyholder or the person in charge of paying the Premium, at their last known residence.
- 16.3 As for the insurance Contract Agreement suspended in conformity with Article 43 of the Law, should the Policyholder submit a proposal in the form of a registered letter or letter of remittance signed for the purpose of extending, modifying or putting in force again the suspended Contract Agreement, and provided that the Insurer does not refuse to accept such proposal within 15 days from the day of receiving said letter, the Insurer shall then be deemed as having accepted such proposal.
- 16.4 After the period of twenty days has lapsed as mentioned in Article 16.2 above, the Insurer has the right then to terminate the Contract Agreement after a further 10 days by means of a registered letter of summons to the Policyholder.

- 16.5 When the annual Premium is fractioned, the suspension of the Insurance cover enforced for non-payment of one of the Premium fractions will continue to have an effect until the end of the annual period concerned, without exempting the Policyholder from the obligation of paying for the Premium fractions due for payment.

Article 17 PREMIUM MODIFICATION

- 17.1 Should the Insurer modify the rates applicable to the risks covered by the present Contract Agreement, the Premium is modified in the same proportion on any payment date which follows this modification.
- 17.2 In case of an increase in the Premium, the Policyholder will have the right to revoke the Contract Agreement within fifteen days following the day on which he becomes aware of the increase.
- 17.3 The revocation will take effect one month after the receipt of a registered letter or after the notification against acknowledgement of the letter; thereafter the Policyholder will be liable for a Premium fraction calculated according to the preceding Premium on the basis of the time elapsed between the last day of payment and the day when the revocation comes into effect.

Accidents

ARTICLE 18	DECLARATION OF THE ACCIDENT BY THE POLICYHOLDER	18.1 – 18.4
ARTICLE 19	ACCIDENT SETTLEMENT	
1)	Provisions applicable to Civil Liability cover	
	a) Procedure and transactions	19.1 – 19.3
	b) Safeguard of victim’s rights	19.4 – 19.5
2)	Provisions applicable to Damages to the Insured Vehicle	
	a) Damage assessment, expert evaluation	19.6 – 19.8
	b) Indemnity determination	19.9 – 19.12
	c) Settlement of Indemnity	19.13
3)	Provisions applicable to Defence and Recourse cover	
	a) Defence	19.14
	b) Recourse	19.15 – 19.19
4)	Common provisions relating to other insurance	19.20
ARTICLE 20	DELAY OF INDEMNITY PAYMENT	20.1 – 20.2
ARTICLE 21	SUBROGATION AND CLAIMS AFTER ACCIDENTS	21.1 – 21.2

Article 18 DECLARATION OF THE ACCIDENT BY THE POLICYHOLDER

- 18.1 In case of accident, the Policyholder, or failing that the Insured, shall:-
- a. give notice of the accident to the Insurer, under penalty of forfeiture, except under extreme situations or circumstances, as soon as he becomes aware of the accident, and at the latest within five days after the occurrence of the accident. Preferably notice of the accident shall be given via a registered letter or verbally against acknowledgement of receipt.
- Should such accident be classified as theft, notification to the Insurer must be made within 36 hours after the theft took place.

- b. forward a conciliatory certified report along with the declaration of claim or when impossible, a later declaration made as soon as possible, bearing mention of the nature and circumstances of accident, its presumed or known causes, and when necessary, the name and address of the driver at the time of accident, the persons injured and the eyewitnesses, if possible.
 - c. forward to the Insurer, upon receipt of any notices, letters, summons, appointment, extra-judiciary acts and procedure documents which would be sent, delivered or meant for himself or his agents, concerning the accident putting the Contract Agreement at stake.
No negotiation, admission or repudiation of any claim may be entered into, without the Insurer's prior written consent. The Insurer shall have full discretion in the conduct, defence and/or settlement of any claim.
 - d. in case of damage caused to the Insured Vehicle (Covers C to G), inform the Insurer of the place where these damages can be verified, without proceeding with or undertaking any repairs prior to verification by the Insurer. This obligation terminates if verification has not taken place within fifteen days from the day when the Insurer was informed of the accident, after which the Insured may send a bill to the Insurer justifying the expenses incurred.
 - e. in case of accident suffered whilst the Insured Vehicle is being transported, the Insured shall send a notice of exception to the carrier and all concerned parties via registered mail, as well as extending such notification to the Insurer in the form of a registered letter within 3 days, for the pursuit of recovery against the parties liable.
 - f. in case of theft of the Insured Vehicle, immediately inform the local police and the office where the Certificate of Registration was issued. If the vehicle is recovered, the Insured must notify the Insurer within eight days, and if so requested by the Insurer, to lodge a complaint to the prosecution department.
- 18.2 Failure on the part of the Policyholder or the Insured to comply with the obligations provided for in paragraphs 18.1(a) to 18.1(f), except for accidental case or force majeure, the Insurer has the absolute right to reduce his indemnity payment in proportion to the damages brought about by that failure.
- 18.3 When an accident gives rise to the death of the Policyholder or the Insured, it is the duty of the rightful claimant of one or the other, once he is aware of the said accident, to notify the Insurer according to the timeframe and form mentioned in 18.1(a) and to generally comply with various obligations above-mentioned, with reservation on the part of the Insurer to reduce the indemnity payment proportional to the damage caused by that failure, except for mere chance or force majeure.
- 18.4 Should the Policyholder or the Insured or the entitled party of one or the other make a false declaration on the nature, causes, events and/or consequences of the accident, he/she would have entirely forfeited his/her rights to claim against that accident.

Article 19 ACCIDENT SETTLEMENT

1) Provisions applicable to Civil Liability cover

a) Procedure and transactions

- 19.1 In case of an inquiry into question pertaining to the liability covered by this Contract Agreement, the Insurer has the right, within the limits of this Insurance, to the following proceedings:
- Before public or administrative jurisdictions: the option to assume the defence of the Insured in directing a lawsuit, or exercise any remedy at law.
 - Before penal jurisdictions: with the Insured's prior approval, the option of directing the penal defence of or joint defence of the Insured, when the victim is not liable for the accident. In the absence of an approval by the Insured, the Insurer may nonetheless assume defence of the Insured's civil interest.

The Insurer may make appeals on behalf of the Insured, including the petition at the Supreme Court when the Insured's penal interest is not involved; otherwise he must acquire the prior agreement of the Insured.

19.2 Only the Insurer, within the limits of this cover, has the right to come to terms with the injured persons or their entitled parties.

19.3 Any liability recognition, any transaction with persons other than the Insurer shall not be binding on the Insurer. Such acts of liability recognition or acknowledgement of material facts, if performed, shall be construed solely as assistance towards the victims in the manner for which every person has the legal or moral duty to accomplish.

b) *Safeguard of victims' rights*

19.4 The following shall not invalidate the rights of the victims or their entitled parties:

- a. the Exclusions provided for in the Contract Agreement;
- b. the forfeitures, with the exception of a formal suspension of this Contract Agreement for the non-payment of Premium;
- c. the reduction of the indemnity in the case of inaccurate or incomplete accident declaration.

19.5 In each of these cases, the Insurer shall be bound to make indemnity payments to the victims, up to the limit of cover, on account of the Insured's liability. Thereafter, the Insurer may recover from the Insured the payment of all sums he has thus paid off or put aside for the Insured.

2) ***Provisions applicable to Damages to the Insured Vehicle***

a) *Damage assessment, expert evaluation*

19.6 If the extent of damages cannot be determined by mutual consent, a conciliatory survey shall be called for, subject to the respective rights of the parties. Each of the parties selects one assessor; should the assessors thus nominated not be in agreement, a third assessor may be called upon. The three assessors shall work together by means of majority of vote.

19.7 Failure of one of the parties to nominate its assessor, or of the two assessors in agreeing on the extent of damage or in selecting the third assessor, the presiding judge of the people's tribunal shall carry out the nomination within the scope of the accident occurrence. This nomination takes place upon a simple request of the most active party.

19.8 Each party is liable for the costs and fees for his assessor, and should the case arise, half of the cost and fees for the third assessor.

b) *Indemnity determination*

19.9 Without being detrimental to the Provisions in paragraphs 15.1 to 15.7 regarding the declarations to be made by the Policyholder at the time of underwriting and during implementation of the Contract Agreement, the repayment of an indemnity, owed by the Insurer will correspond to:-

- a. when the Insured Vehicle is entirely destroyed or out of use or stolen: the monetary value of the said vehicle on the day of the accident, with appropriate deductions to be made in consideration for salvage and/or any expenses incurred in locating or recovering the stolen vehicle, if any.
- b. when the damages are partial: the cost of repair or replacement of deteriorating component parts within the limits of the monetary value of the Insured Vehicle on the day of the accident.

19.10 This indemnity is based on the assessment provided for in paragraphs 19.6 to 19.8. It may not, in any case, be higher than the Sum Insured as specified in the Policy Schedule.

19.11 If the Sum Insured is less than the market value of the Insured Vehicle, the Insured will not receive full compensation for the damage to the Insured Vehicle in the unfortunate event of an accident. The maximum amount payable by the Company shall be determined in accordance with the following formula:

$$\text{Maximum amount payable by the Company} = \frac{\text{Sum Insured}}{\text{Market Value}} \times \text{Value of loss / damage}$$

19.12 All deductibles as specified in the Policy Schedule, if any, will be deducted from the final indemnity amount.

c) *Settlement of Indemnity*

19.13 The Policyholder, owner of the Insured Vehicle or any other persons having his express agreement will be directly indemnified by the Insurer upon presentation of the invoice.

3) *Provisions applicable to Defence and Recourse cover*

a) *Defence*

19.14 The Insurer takes in hand the defence of the Insured in the presence of the criminal courts or a committee in charge of withdrawing driving licenses, to which the Insured would be summoned following the occurrence of an accident caused by the Insured Vehicle.

b) *Recourse*

19.15 The Insurer agrees to enter into negotiations with or to prosecute in court any third parties held liable for the accident, in pursuit of recovering financial compensation for bodily injuries and/or material damages incurred to the Insured.

19.16 In these two cases the Insurer pays for the cost and fees for the investigation, expert and attorney, and the cost of lawsuit, but not for the additional fine and cost of the lawsuit.

19.17 The amount of the claim for damages is determined by an agreement between the Insured and the Insurer, who reserves the right not to prosecute the third party or to terminate the proceedings when he considers the claim untenable or the lawsuit destined for failure and also when he deems the defendant's transaction offers reasonable.

19.18 Any contradictions relating to paragraph 19.17 shall be resolved by arbitration. An independent arbitrator shall be nominated by common consent or, failing that, by the presiding judge of the local court where the Insured resides. Each of the parties accounts for half of the arbitrator's fees.

19.19 Should, despite the arbitrator's inferable notice, the Insured plead on his own accord and gets a more favourable outcome than that of the arbitrator, the Insurer shall repay him, upon documentary evidence and within the time limit prescribed by the Special Conditions, the expenditures accounted by him and which were not recoverable from the opponent.

4) *Common provisions relating to other insurance*

19.20 Should there be any other existing insurance covering the same loss, damage or liability, the Insurer shall only pay the rateable proportion of any loss, damage, compensation, costs or expenses.

Article 20 DELAY OF INDEMNITY PAYMENT

20.1 The Insurer must present an indemnity offer within six months from the day of accident. In the event of the victim's death, this timeframe is reduced to 30 days as stipulated in Article 58 of the Law.

Theft

20.2 In case of theft, the payment may only be demanded for by the Insured after a period of 30 days following the declaration of the theft.

When the Insured Vehicle is recovered after the theft, the proceedings for indemnity shall comply with the following rules:

- a. When the vehicle is recovered prior to the end of the period of 30 days above-mentioned: the Insured is bound by the Contract Agreement to take back the stolen vehicle, whereas the Insurer only pays for the cost for the damages and other specified expenses.

- b. When the vehicle is recovered prior to indemnity payment but by the end of the period of thirty days following the declaration of the theft: if upon the Insured's inquiry for an indemnity, the payment of which has not been executed by the Insurer, the Insured may either take back the vehicle in conformity with the previous paragraph 20.2(a), or leave the vehicle to the Insurer who shall pay the Insured the whole Sum Insured in respect of Cover "G" – Theft.
- c. When the stolen vehicle is recovered after the indemnity payment, the Insured may, within 30 days following the day when he becomes aware of the recovery, decide to take the vehicle back by means of indemnity repayment, with a deductible of a sum corresponding to the cost of damages and other specified expenses.

Article 21 SUBROGATION AND CLAIMS AFTER ACCIDENTS

- 21.1 The Insurer is subrogated up to the amount of an indemnity paid by him, in the rights and actions of the Insured, against any person liable for the accident.
- The Insurer may not, however, put in any claim against the ancestors and descendants, direct relatives, employees or any person usually living at the Insured's residence, except in case of malevolence committed by one of these persons.
- 21.2 Should subrogation be no longer exercisable by the Insurer, due to an act or omission of act by the Policyholder and/or the Insured and/or their representatives, the cover may be terminated even when the subrogation could have been exercised.

SECTION IV: PROVISIONS RELATING TO THE CONTRACT AGREEMENT

Article 22 ESTABLISHMENT AND ENFORCEMENT OF THE CONTRACT AGREEMENT

- 22.1 An Insurance proposal is not a contract agreement between the parties. The Insurance Policy Schedule and/or a cover note shall constitute evidence of the contract agreement.
- 22.2 The insurance Contract Agreement is completed after being duly signed by both parties concerned.
- The Contract shall commence from the Inception Date and Time and remain in force until the Expiry Date, as specified in the Policy Schedule.
- 22.3 The same Provisions apply to any modifications or additional clauses of the Contract.

Article 23 CONTRACT DURATION

- 23.1 The Contract Agreement expires according to the duration stipulated in the Policy Schedule.
- 23.2 The Insurer shall not be bound to accept any renewal and it shall not be incumbent on the Insurer to provide notice for renewal of this Policy nor any subsequent renewals, and the Insurer shall not be liable for losses which occur after the expiry of this Policy.

Article 24 CONTRACT REVOCATION

The Contract may be revoked prior to its normal expiry date under the following circumstances:

- 24.1 By the Policyholder or the Insurer
- a. Each year, on the anniversary of the day of enforcement of the Contract Agreement, by means of at least one month prior notice.
 - b. In case of transfer of the Insured Vehicle.

- c. In case of occurrence of one of the following events: change of residence, change of marital status, change of the type of ante nuptial settlement, change of profession, retirement or definite termination of professional activity, concerning the Policyholder or Insured.
- 24.2 By the Inheritor or the Insurer
- a. In case of transfer of ownership of the Insured Vehicle as a result of death of the Policyholder or the owner of the Insured Vehicle.
- 24.3 By the Insurer
- a. In case of non-payment of Premium.
 - b. In case of risk aggravation.
 - c. In case of omission or inaccuracy in the risk declaration at the time of underwriting or during enforcement of the Contract.
 - d. In case of revocation by the Policyholder of another contract between the Policyholder and the Insurer after an accident.
 - e. In case of liquidation or insolvency of the Policyholder by judiciary regulation.
- 24.4 By the Policyholder
- a. In case of disappearance or aggravation of a case stated in the Insurance policy, where the Insurer does not agree to the reduction of the corresponding Premium.
 - b. In case of cessation of commerce or dissolution of the Insurer.
 - c. In case of revocation by the Insurer of another contract between the Policyholder and the Insurer after an accident.
 - d. In case of Premium modification according to the Provisions in Article 16 of this Contract.
- 24.5 By the Policyholder's mass of creditors
- a. In case of liquidation or insolvency of the Policyholder by judiciary regulation.
- 24.6 By right
- a. In case of total loss of the Insured Vehicle as a consequence of a non-covered risk.
 - b. In case of transfer of the Insured Vehicle.
 - c. In case of withdrawal of the Insurer's acceptance.
 - d. In case of requisition of the Insured Vehicle by the authorities in conformity with the regulations provided for by the law in force.
- 24.7 In case of Contract revocation during an Insurance period, the Policyholder shall not be liable to pay for the Premium fraction relating to the portion of the period subsequent to the revocation. Should this Premium fraction be paid in advance, the prorated Premium shall be refunded to the Policyholder.
- 24.8 The Policyholder or the inheritor has the right to revoke the Contract as he thinks suitable, either by a registered letter or by notification against acknowledgement at the Insurer's head office or at the agent office of which the Contract is dependant, or by an extra-judiciary act.
- Should the Insurer revoke the Contract, he shall notify the Policyholder by means of a registered letter.
- 24.9 Under revocation circumstances provided for in:-
- Article 24.1(a) – Revocation on the anniversary date of the enforcement of the Contract;
 - Article 24.3(a) – Revocation in case of non-payment of the Premium;
 - Article 24.4(d) – Revocation by the Policyholder upon modification of the Premium by the Insurer, the timeframe stipulated under these notices shall commence from the day of dispatching the notification.

24.10 Under all other revocation circumstances provided above, the revocation shall take effect 30 days from the date of notification being sent from the party requesting for such revocation, or an earlier date if so agreed in writing by the counterparty.

Article 25 TRANSFER OF VEHICLE OWNERSHIP

1) Death of the Policyholder

25.1 In the event of the death of the Policyholder, the Insurance shall, by default, be assigned to the person who inherits the vehicle. In case of revocation of the Contract Agreement by the inheritor, the latter shall pay the Insurer an amount equal to the Premium fraction relating to the period prior to the revocation.

2) Vehicle transfer

25.2 In case of transfer of the vehicle, the Contract shall, by default, be revoked.

25.3 The Policyholder or the Insured shall inform the Insurer of the date of transfer by means of a registered letter or direct written notification to the Insurer.

Article 26 REGULATIONS

26.1 All acts resulting from this present Contract are prescribed for three years, in conformity with the provisions in Article 47 of the Law, from the date of the event giving rise to them.

Article 27 JURISDICTION

27.1 The court which has the jurisdiction to settle the dispute between the Insured and the Insurer is the local court where the Insured resides.

For property damage insurance, it is the court where the property is situated.

For accident insurance, it is the court where the accident occurred.

SECTION V: ANNEXES

ANNEX I

I SCALE FOR PERMANENT TOTAL DISABILITY (100%)

- Accidental death
- Loss of both legs
- Loss of both hands, or of all fingers and both thumbs
- Total loss of sight of both eyes
- Loss of arm at shoulder
- Loss of arm between shoulder and elbow
- Loss of arm at elbow
- Loss of arm between elbow and wrist
- Loss of hand at wrist
- Loss of leg at hip
- Loss of leg between knee and hip
- Loss of leg below knee

- Loss of whole eye
- Incurable mental disorder resulting directly and exclusively from a covered accident

II SCALE FOR PERMANENT PARTIAL DISABILITY

- Total loss of thumb and forefinger 30%
- Total loss of three fingers, including thumb or forefinger 25%
- Total loss of three fingers, besides thumb or forefinger 20%
- Total loss of thumb and one finger besides forefinger 25%
- Total loss of forefinger and one finger besides thumb 20%
- Total loss of only one thumb 20%
- Total loss of only one forefinger 15%
- Total loss of middle finger, ring finger or little finger 10%
- Total loss of ring finger and little finger 15%
- Ablation of lower jaw 30%
- Half reduction of binocular sight of an eye 25%
- Complete deafness in both ears 40%
- Complete deafness in one ear 10%
- Non-consolidated fracture of one leg or one foot 25%
- Non-consolidated fracture of one kneecap 20%
- Abridgment of at least 5 cm of one lower limb 15%
- Total loss of one big toe 10%
- Total loss of another toe 5%

Infirmities not enumerated above, even of a lesser importance, are indemnified proportionally to their gravity compared to that of the enumerated cases without taking into account the physical occupation of the victim.

Permanent total loss of use of member shall be treated as loss of member.

Total indemnity due to several infirmities resulting from the same accident is obtained by addition within the limit of the integral Sum Insured in the case of permanent total disability.

The aggregate of all percentages payable in respect of any one accident shall not exceed 100%.

ANNEX II

NO-CLAIMS DISCOUNT (NCD)

Article 28 DEFINITIONS

28.1 The No-Claims Discount (NCD) is a bonus clause intended to reward policyholders who do not file for a claim within a given policy period, by way of a reduction in Premium payable for the renewal insurance policy.

The NCD structure is set out as below:

Year / Period	0 (new)	1	2	3	4	5	6	7
NCD rate	0%	15%	25%	35%	40%	45%	50%	55%

- 28.2 For the purpose of determining NCD rates, a “claim” shall be defined as a notification of accident or other similar incidents giving rise or possible rise to a claim submitted to the Insurer, accompanied by payment outlay or possible payment outlay for unresolved claims on the part of the Insurer regardless of the amount of outlay.
- 28.3 An exception to this classification is for claims submitted under the *no-fault principle*, which is defined as the mandatory payments made to third party or parties, as set out in Article 57 of the Law, for an incident in which the policyholder was deemed not to be the party at fault.

Article 29 DETERMINATION OF NO-CLAIMS DISCOUNT

- 29.1 Upon the expiry of an Insurance policy, the Policyholder’s NCD rate upon renewal will be reviewed as follows:
- a) In the event that no claims occurred during the preceding period of cover, the Policyholder’s NCD rate will move up by one (1) scale, up to the highest rate of 55% NCD.
 - b) Each claim occurrence during the preceding period of cover will cause the Policyholder’s NCD rate to drop by one (1) scale, but shall not fall below 0% NCD.
 - c) For the purpose of this Article, any claim incidents that were resolved with no settlement outlay on the part of the Insurer, or where full recovery of all outlays had been obtained from a third party or parties shall be taken into consideration and the Policyholder’s NCD rate shall not be prejudiced by such claim incidents.
- 29.2 Should there be one or more unresolved claims involving the Insured Vehicle at the time of policy renewal, the NCD rate to be granted to the Policyholder upon renewal will be based on the lowest rate, taking into assumption that all unresolved claims shall be prejudiced against the Policyholder according to Article 28.2. Nevertheless, if one or more of these claims shall be invalidated by virtue of Article 29.1(c) or is in fact a no-fault claim, the corresponding changes will be rectified and the policyholder will be reinstated to his/her rightful NCD rate, along with a refund of the Premium difference.
- 29.3 For the purpose of determining NCD rates, claims shall be recognised based on the date of accident as opposed to the date of settlement. All entitlements to reinstatements of NCD and/or refund of Premium difference for subsequent renewal policies shall be backdated to the date of the original claim accordingly.
- 29.4 Increases in NCD rates based on Article 29.1(a) shall only be granted for policies that were in force for a minimum coverage period of nine (9) calendar months. For policies that were in force for a time period lesser than as mentioned, and provided that no claims were made during this time, the NCD rate upon renewal shall remain.
- 29.5 Any claim incidents during a given period of cover regardless of the length of coverage period shall be considered as a full claim and treated as such according to Article 29.1(b).
- 29.6 A claim under any one section of the Insurance policy shall be construed as a claim under the entire policy, and a similar NCD rate shall be effected upon all applicable sections of the policy. Nevertheless, claims under different sections of the Insurance policy but arising out of one claim incident shall be recognised as one claim incident.

Article 30 TRANSFERRING OF NO-CLAIMS DISCOUNT ENTITLEMENT

- 30.1 This Policy allows the Policyholder to freely revise, add, delete, or otherwise modify his/her coverage options from one Period of Insurance to another without prejudice to the NCD rate.
- 30.2 A Policyholder may, at his/her option, transfer his/her NCD entitlement to another vehicle to be insured under his/her name, subject to all of the above-mentioned. If the original vehicle is to remain insured with the Company, then the Company shall be entitled to the difference in Premium on the original vehicle as if it had a starting 0% NCD, but pro-rated from the date of such transfer of NCD.
- 30.3 Should a policyholder surrender his/her old insurance policy with another registered insurance company in Lao PDR, and this same insurance policy shall bear any existing NCD (or otherwise similar discount schemes), the

Policyholder shall then be entitled to the next higher NCD rate as if the previous insurance policy were issued by the Insurer, and with no prejudice to be made with regards to prior claims history by the Policyholder.

For the purpose of this Article, a valid quotation for the renewal policy shall be considered proof of the Policyholder's NCD (or otherwise similar discount scheme) entitlement with the other registered insurer in Lao PDR.

ANNEX III

NOTION OF NO-FAULT LIABILITY

This present Annex covers, within the limits of Articles 57 and 59 of the Law, the civil liability of physical or moral persons using a motored land vehicle as well as trailers and semi-trailers.

The notion of no-fault liability (Article 57 of the Law) will be applicable when the Insured is not liable and covers bodily injuries only. The Insurer ensures the payment to the victim according to the actual damage but not exceeding the amount prescribed by the schedule below.

Coverage	Amount (in Lao Kip)
Bodily injury, <i>maximum per accident</i>	10,000,000
- Death or total permanent disability, <i>maximum per victim</i>	3,000,000
- Medical expenses, <i>maximum per victim</i>	1,800,000
(including contractual indemnity for hospitalisation exceeding 24 hours)	100,000

If so desired by the Insured, he/she may offer additional amounts to the victim beyond these limits, for which the difference shall be borne by himself/herself.

ANNEX IV

LEGAL CIVIL LIABILITY, OPTION III, OPTION IV

This present Annex is complementary to the Annex III – Notion of No-Fault Liability by increasing the limits of cover as follows:

Coverage	Amount (in Lao Kip)		
	Compulsory	Option III	Option IV
Bodily injury, <i>maximum per accident</i>	104,000,000	175,000,000	450,000,000
- Death or total permanent disability, <i>maximum per victim</i>	12,000,000	25,000,000	25,000,000 – 50,000,000
- Medical expenses, <i>maximum per victim</i>	1,800,000	2,100,000	2,500,000
(including indemnity for hospitalisation exceeding 24 hours)	100,000	160,000	200,000
Property damage, <i>maximum per accident</i>	5,200,000	17,500,000	50,000,000

Remarks: this present Annex IV is pursuant to the Notice of Finance Minister N^o 0772/MoF dated 24/04/2009, replacing any earlier schedules providing the same coverage.

NOTICE TO POLICYHOLDER

Please examine the Insurance Policy to ensure that it meets your requirement.

To avoid misunderstanding, it is very important that the Policy, Schedule and any Endorsements attached therein be read thoroughly.