

Motor Vehicle Policy against Loss, Damage and Third Party Liability

Whereas the Insured by a Proposal and Declaration which shall be the basis of this contract and is deemed to be an integral part of it, has applied to Oman Insurance Company (hereinafter called the "Company") for the insurance hereinafter contained, and has paid or agreed to pay the premium as consideration for such insurance.

Now this Policy witnesseth that in respect of accidents occurring during the period of insurance within United Arab Emirates and subject to the terms and conditions and exceptions contained herein or endorsed hereon (hereinafter collectively referred to as "Terms of this Policy")

Section One - Loss or Damage

- 1. The Company undertakes to indemnify the insured for Loss of or Damage to the Insured Vehicle, it's accessories and spare parts whilst thereon:
 - a.) If the loss or damage resulted from a collision, overturning or accident or due to an unexpected mechanical failure, or due to the wear and tear of the vehicle parts.
 - b.) By fire, external explosion, self ignition, lightning or thunderbolt
 - c.) By burglary or theft
 - d.) By malicious act of any third party
 - e.) Whilst in transit (including the process of loading and unloading incidental to such transit) by road, rail, inland waterway, lift or crane elevator, relating to the said transportation.
- 2. The Company will compensate the insured for the loss or damage in cash, or it will repair the vehicle and reinstate it, or replace it, or any part, accessories or spare parts thereof, however the liability of the company shall not exceed the value of replacement of the lost or damaged parts and the reasonable value for the installation of such parts, unless the insured requests the company to pay him this value in cash, in such case, the Company shall act according to the request of the Insured.

Where the insured requests the replacement of the damaged parts with new parts, or requests a cash payment (except taxis, and rent-a-car vehicles), the insured shall bear the rates of depreciations as shown in schedule No. (1) whereas for taxis and rent a car vehicles, the insured shall bear the rates of depreciation as shown in schedule No. (2)

Schedule No. (1)

Depreciation Rates "for other than for Taxis and Rent-A-Car Vehicles"

Year	Rate
First	0%
Second	5%
Third	10%
Fourth	15%
Fifth	20%
Sixth and above	30%

Schedule No. (2)

Depreciation Rates "for Taxis and Rent-A-Car Vehicles"

Year	Rate
Last Semester of the First Year	10%
Second	20%
Third	25%
Fourth	30%
Fifth	35%
Sixth and above	40%

- 3. The Insured has the right to repair the damage due to an accident covered under the policy provided the total cost of such repair does not exceed the Authorised Repair Limit mentioned in the Schedule attached to this Policy, and the Insured should forward to the Company without delay a detailed estimate of the cost.
- 4. If the Insured Vehicle sustain loss or damage which renders it a total loss, where the cost of repair exceeds 50% of its value before the accident, the agreed value between the Insured and the Company as specified in the policy schedule, shall form the basis of indemnity for loss or damage covered under the policy subject to deduction of depreciation not exceeding 20% of the agreed value stated in the policy schedule for the first year the vehicle is used on the road; taking into consideration the proportionate part of the year whilst calculating depreciation.

As of the second year of the vehicles' use, depreciation not exceeding 20% per annum shall be deducted from the agreed value of the vehicle stated in the policy schedule as follows:

- » 5% as of the beginning of the first month to the end of the third month
- » 10% as of the beginning of the fourth month to the end of the sixth month
- » 15% as of the beginning of the seventh month to the end of the ninth month
- » 20% as of the beginning of the tenth month to the end of the twelfth month

- 5. If the Vehicle is immobilized by reason of loss or damage insured under the policy the company will bear the reasonable cost of protection and removal to the nearest repairers and delivery to a garage within the country where the loss or damage was sustained.

Exceptions to Section One

The company shall not be liable to pay any compensation in respect of:

1. Consequential loss affecting the Insured Vehicle or decrease in the vehicle's value through usage, impairment or failure or breakdown of mechanical or electrical equipment
2. Damage resulting from overloading or carriage at any one time of a greater number of passengers than the number for which the Vehicle is licensed by the concerned authorities, provided that the overloading or excess passengers were the cause of the accident which resulted in the loss or damage to the vehicle.
3. Damage to tyres, unless it occurs at the same time as the damage to the Insured vehicle
4. Loss or damage caused to the Insured Vehicle as the result of the following:
 - a. Use for purposes other than those in accordance with the Limitations of Use

- b. If the Driver disobeys the law involving a criminal act or felony as per the definition provided for in Articles (28) and (29) of Penal code as issued in Federal Law no. (3) for 1987
5. Damage resulting to the vehicle from accidents which occur while it is being driven by an unlicensed driver as in accordance with the Traffic and Road Acts, or his driving license has been suspended by court or competent authorities or as per traffic laws
 6. Loss or damage to the Insured Vehicle or any part thereof arising out of any accident occurring due to its being driven whilst the driver is under the influence of alcohol, drugs or medicated drugs which affected his control over the vehicle, if it has been proved to the competent authorities or by admission of the driver
 7. Loss damage to the Insured Vehicle, as a result of the vehicle being driven by the Insured or any other person outside the road as per the definition of road as every passage open to public traffic, unless otherwise agreed in this Insurance policy.

Section Two - Third Party Liability

1. The Company shall be liable to compensate the Insured in the event of accident caused by or arising out of the use of the vehicle subject to the limits specified in this policy , against all sums which the insured shall become legally liable to pay as compensation for:
 - a. Death of or bodily injury to any person including the passengers in the Vehicle except the Insured or the driver at the time of the accident and their families - spouse, parents and children and the employees of the Insured if they are injured during the work hours or as result of their work, and they are considered to be as passengers whether inside the Vehicle or mounting or dismounting from it.
 - b. Damages to material and property, except those owned by the Insured or the driver at the time of the accident or property held in their trust or in their custody or control.
2. The insurance mentioned in this Section is extended, in accordance with the provisions and conditions herein, to cover the liability of each licensed driver while driving the Insured vehicle provided that he fulfils and complies with the terms and conditions of this policy and obeys it as if he was the Insured himself
3. Subject to the Limits specified in the attached Schedule to this policy, the company shall be liable to pay court orders or judgments upto whatever amount is awarded to the plaintiff including judicial expenses and charges (except penalties and/ or fines) the company shall pay compensation to the rightful claimant as and when the court order becomes mandatorily implementable.
4. In the event of death of any person entitled, to indemnify under this section the company will in respect of the liability towards such person indemnify his heirs in accordance with the Terms and Conditions and Exceptions of this policy, provided that such heirs shall as though they were the insured, observe fulfill and be subject to the terms of this policy on so far as applicable.
5. In the event of any accident involving indemnity under this policy Section to more than one person the Limits of Liability specified to this policy shall apply to the aggregate amount if indemnity due to all persons
6. The Company will pay all costs and expenses incurred with its prior consent
7. The Company may arrange for representation of the Insured at any inquest or inquiry in respect of any accident which may be the subject of indemnity under this section, and undertakes to defend the Insured

in any court of law in respect of any event which may be the subject of indemnity under this section,

General Exceptions

1. This policy does not cover loss or damage or Third Party Liability arising from accident involving the Insured Vehicle in the following cases

- a. Accidents which take place outside the Geographical Area specified in this policy
 - b. Accidents which happen directly or indirectly, proximately or remotely occasioned by, contributed, to by or traceable to or arising out of or in connection with flood, storm, hurricane volcanic eruption, earthquake or other convulsion of nature, invasion , act of foreign enemies, hostilities or warlike operations, whether war be declared or not, civil war strike, riot, civil commotion, mutiny rebellion, revolution insurrection, military or usurped power, confiscation or nationalization or ionizing radiation, contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel direct or indirect with any of the aforementioned causes.
2. This Insurance does not cover any liability due to an agreement made by the Insured where no liability would arise but for that agreement.

General Conditions

1. The Policy and the schedule shall be considered as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy and schedule shall bear such specific meaning wherever it may appear.

2. Every notice or communication to be given or made under this policy shall be delivered to the Company in writing.

3. The Insured shall take all reasonable steps to safeguard the Insured vehicle from loss or damage and to maintain the Insured vehicle in a roadworthy condition. The Company shall have at all time the right to free and full access to examine such Vehicle or any part thereof. In the event of any accident or breakdown such Vehicle shall not be left unattended without proper precautions being taken to prevent further loss or damage and if such Vehicle is driven before the necessary repairs are effected, any extension of the damage to such vehicle shall be excluded from the scope of indemnity granted by this policy

4. The Insured shall remain throughout the validity of this Policy the sole and absolute owner of the Vehicle and shall not make any agreement to let out the Insured Vehicle or enter into any agreement restricting his absolute control and possession of the Insured Vehicle without the written permission of the Company having first been obtained.

5. In the event of any occurrence which may give rise to a claim under this policy, the insured shall give immediate notice to the competent authority and the company with all relevant information. The Insured shall submit to the company any claim or warning or notice of summon immediately upon their receipt. The Insured should also notify the company immediately when he has knowledge of any impending prosecution or investigation into a fatal accident in connection with any such occurrence. In case of theft or other criminal act which may give rise to a claim under this policy, the Insured shall give immediate notice to the police and co-operate with the company in securing the conviction of the offender.

6. No admission offer promise or payment shall be made by or on behalf of the Insured without the written consent of the company which shall be entitled, if it so desires, to take over and conduct in the

name of the Insured the defence or settlement of any claims and the Insured shall give such information and assistance as the company may require.

7. At any time after the happening of any event giving rise to a claim or series of claim under clause 1(b) of Section Two of this policy, the company may pay to the Insured the full amount of the Company's liability under the above mentioned Clause and relinquish the conduct of any defence, settlement or proceedings, and the Company shall not be responsible for any damage alleged to have been caused to the Insured in consequence of any alleged action or omission of the company in connection with such defence, settlement or proceedings, or of the company in connection with such defence, settlement or proceedings, or of the Company relinquishing such conduct. Also the company shall not be liable for any costs or expense whatsoever incurred by the Insured or any claimant or other person after the company shall have relinquished such conduct.

8. (a) The Company may revoke the provision of chapter 1 of the present Policy, provided there are serious reasons that call for such an action during the policy's effective period, and that by virtue of a notice sent to the Insured by registered mail to his last known address, thirty days prior to the date set for the revocation. The Company shall also report the grounds of the revocation to the ministry. In this case, the company shall refund the premium which the Insured would have paid, having deducted the part of corresponding to the period when the policy was still effective. The Insured may revoke the provisions of the first chapter of the present policy, as well by virtue of a written notice sent to the company by registered mail, seven days prior to the date set for the revocation, provided no claim has been made during the Policy's effective period. In this case, the company shall refund the paid premium to the Insured, having deducted the part corresponding to the period when the policy was still effective as per the short term categories.

(b) Neither the company nor the Insured has the right to cancel Section Two of this Policy during its period of validity as long as the Vehicle's license is valid. In case the policy is cancelled before its expiry date because of cancellation of the Vehicles Permit, or presentation of a new Policy due to change in details of the vehicle or transfer of its ownership, the company will refund to the Insured the paid premiums less the short period premium provided no claim has been made during the Policy's effective Period

The Company shall pay to the Insured, in all cases of cancellation, the balance premium due prior to the expiry of notice period.

9. If at the time when any claim arises under this policy there be any other Insurance covering the same loss damage or liability, the company shall not be liable to pay or contribute more than its rateable proportion of any such loss or damage or compensation or costs or expenses.

10. The due observance and fulfillment of the Terms & Conditions of this Policy in so far as they relate to anything to be done or not to be done by the Insured and the truth of all statements and declarations expressed by the Insured in the Proposal shall be conditions precedent to any liability of the Company to make any payment under the policy. Furthermore any notice of claim is to be full in accordance with the requirements of clause 2 and 5 of the General Conditions of this policy.

11. The company may claim back from the Insured and/or the driver of the vehicle the value of what has been paid as compensation by the company in the following cases.

a. If it is proved that the Insurance contract has been made on the basis of false statements by the Insured or if he has concealed relevant information which affects the acceptance of this insurance by the Company or otherwise affects the premium or the Terms of the Policy.

b. Using the vehicle for other purposes than stipulated in the policy or exceeding the permitted number of passengers, overloading more than the permitted limit, or the load not stowed correctly, or exceeding the dimensions of width and length of height permitted.

c. If the Driver disobeys the law involving a criminal act or felony as per the definition provided for in Articles (28) and (29) of Penal code as issued in Federal Law No.(3) for 1987.

d. If the driver whether the Insured or a person driving with his permission, has no driving license for the type of vehicle involved as in accordance with the Traffic and Roads Acts, or his driving license has been suspended by court or competent authorities or as per traffic laws.

e. If it is proved that the accident, death or bodily injury has resulted from an intentional act by the insured.

The right of recourse for Company under this General Condition as well as the Terms and Conditions of this policy, will not affect the right of Third Parties towards the Insured.

f. If it is proved to any competent authorities or upon confession of the driver, that the accident occurred as result of the vehicle being driven by the Insured or any other person driving with his consent under the influence of drugs or alcohol or any other drugs which cause loss of control of the vehicle.

g. If it is proved that accident occurred, as a result of the vehicle being driven by the Insured or any driver outside the road as per the definition of road as every passage open to public traffic, unless otherwise been agreed in the Insurance Policy

12.Nothing in this Policy or in any endorsement on it will affect the rights of any person entitled to compensation by virtue of this policy, or any other person's right to recover any due amount by virtue of the law.

13.Any claim under this Policy shall be time barred after three years from the date of the incident, occurrence date, or of the beneficiaries' knowledge of such event, and no claim will be accepted.

14.It is possible that the Company and the Insured by virtue of additional endorsements attached to this policy and within the limits of its provision and conditions, agree that the Company will cover other damages and injuries which are not mentioned in this Policy, especially the following:

14/1 Insurance against accidents which may occur to the Insured or his family and the driver at the time of accident and persons working for the Insured including the medical expenses due to bodily injury to any one of them.

14/2 Insurance against damage to property owned by the Insured or the driver at the time of the accident or whatever is under their custody and control.

15.Any dispute arising out of this policy falls within the jurisdiction of United Arab Emirates Courts