

COMMERCIAL VEHICLE COMPREHENSIVE POLICY

WHEREAS the Insured by a proposal and declaration dated as stated in the Schedule which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Company for the Insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such Insurance in respect of accident loss or damage occurring during the period of insurance.

NOW THIS POLICY WITNESSETH:

That subject to the terms exceptions and conditions contained herein or endorsed or otherwise expressed hereon.

"SECTION I-LOSS OR DAMAGE"

1. The company will indemnify the Insured against loss of or damage to the Motor Vehicle and/or its accessories whilst thereon by:
 - (a) accident external means
 - (b) fire external explosion self-ignition or lightning or frost
 - (c) burglary house-breaking or theft
 - (d) Malicious act
 - (e) riot, Strike
 - (f) flood, hail, wind, hurricane, cyclone, tornado or typhoon,
 - (g) earthquake volcanic eruption or other convulsion of nature and
 - (h) whilst in transit by air, road, rail, inland waterway, lift or elevator.
2. The company shall not be liable to make any payment in respect of (a) consequential loss depreciation wear and tear mechanical or electrical breakdowns failures or breakages nor for damage caused by overloading or strain or by explosion of the boiler of the motor vehicle nor for loss of or damage to accessories by burglary house-breaking or theft unless such motor vehicle is stolen at the same time or (b) damage to battery unless such motor vehicle is damaged at the same time when the liability of the Company is limited to 50% of the cost of the replacement.
3. In the event of the motor vehicle being disabled by reason of loss or damage covered under this policy the company will bear the cost of protection and removal to the nearest repairers and of redelivery to the insured but not exceeding in all Rs. 500 in respect of any one accident.
4. The insured may authorize the repair of the motor vehicle necessitated by damage for which the Company may be liable under this policy provided „that: -
 - (a) the estimated cost of such repair does not exceed Rs. 750
 - (b) the Company is furnished forthwith with a detailed estimate of the cost and
 - (c) the insured shall give the Company every assistance to see that such repair is necessary and the charge reasonable.

SECTION 11—LIABILITY TO THIRD PARTIES

1. Subject to the Limits of Liability the Company will indemnify the Insured against all sums including claimant's costs and expenses which the Insured shall become legally liable to pay in respect of: -
 - (i) Death of or bodily injury to any person caused by or arising out of the use (including the loading and/or unloading) of the Motor Vehicle.
 - (ii) Damage to property caused by the use (including the loading and/or unloading) of the Motor Vehicle.

PROVIDED ALWAYS that: -

- (a) The Company shall not be liable in respect of death injury or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of the load to Motor Vehicle for loading thereon or the taking away of the load from the Motor Vehicle after unloading therefrom.
- (b) Except so far as is necessary to meet the requirements of Section 95 of the Motor Vehicles Act, 1939, the Company shall not be liable in respect of death of or bodily injury to any person in the employment of the Insured arising out of and in the course of such employment.
- (c) Except so far as is necessary to meet the requirements of Section 95 of the Motor Vehicle Act, 1939, in relation to liability under the Workmen's Compensation Act 1923, the Company shall not be liable in respect of death of or bodily injury to any person (other than a passenger carried by reason of or in pursuance of a contract of employment) being carried in or upon or entering or mounting or alighting from the Motor Vehicle at the time of the occurrence of the event out of which any claim arises.
- (d) The company shall not be liable in respect of damage to property belonging to be held in trust by or in the custody or control of the insured or a member of the Insured's household or being conveyed by the Motor Vehicle.
- (e) The Company shall not be liable in respect of damage to any bridge and/or weight bridge and/or viaduct and/or any road and/or anything beneath by vibration or by the weight of the Motor Vehicle and/or load carried by the Motor Vehicle.
The Company shall not be liable in respect of damage to property caused by sparks or ashes from the motor vehicle
- (f) or caused by or arising out of the explosion of the boiler of the motor vehicle.
- (g) The Company shall not be liable in respect of death or bodily injury caused by or arising out of the explosion of the boiler of the motor vehicle unless such death or injury is caused by or arises out of the use of the motor vehicle in a public place in Pakistan within the meaning of the Motor Vehicles Act, 1939.

2. The Company will pay all costs and expenses incurred with its written consent.
3. In terms of and subject to the limitations of the indemnity which is granted by this Section to the Insured the Company will indemnify any driver who is driving the motor vehicle on the insured's order or with his permission provided that such driver:
 - (a) is not entitled to indemnity under any other policy.
 - (b) shall as though he were the Insured observe fulfil and be subject to the terms exceptions and conditions of this Policy in so far as they can apply.
4. The Company may at its own option (A) arrange for representation at any Inquest or fatal Inquiry in respect of any death which may be the subject of indemnity under this Section and (B) undertake the defence of proceedings in any Court of Law in respect of any act or alleged offence causing or relating to any event which may be the subject of indemnity under this Section.
5. in the event of the death of any person entitled to indemnity under this policy the Company will in respect of the liability incurred by such person indemnify his personal representatives in the terms of and subject to the limitations of this policy provided that such personal representatives shall as though they were the Insured observe fulfil and be subject to the terms exceptions and conditions of this policy in so far as they can apply.

SECTION III - TOWING DISABLED VEHICLES

This policy shall be operative whilst the Motor Vehicle is being used for the purpose of towing any one disabled mechanically-propelled Vehicle and the indemnity provided by Section II of this Policy shall subject to its terms and limitations be extended to apply in respect of liability in connection with such towed Vehicle.

PROVIDED ALWAYS that.

- (a) Such towed Vehicle is not towed for reward.
- (b) The Company shall not be liable by reason of this Section of the Policy in respect of damage to such towed Vehicle or property being conveyed thereby.

AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

Nothing in this Policy or any Endorsement hereon shall affect the right of any person indemnified by this Policy or any other person to recover an amount under or by virtue of the provisions of the Motor Vehicles Act, 1939 Section 96.

BUT the insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the said provisions.

APPLICATION OF LIMITS OF INDEMNITY

In the event of any accident involving indemnity to more than one person any limitation by the terms of this Policy and/or of any Endorsement hereon of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.

GENERAL EXCEPTIONS

The Company shall not be liable under this Policy in respect of: -

- (1) Any accident loss damage and/or liability caused sustained or incurred outside the Geographical Area.
- (2) any claim arising out of any contractual liability.
- (3) any accident loss damage and/or liability caused sustained or incurred whilst the Motor Vehicle is
 - (a) being used otherwise than in accordance with the Limitations as to Use or
 - (b) being driven by any person other than a Driver.
- (4) (a) any accident loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss:
 - (b) any liability of whatsoever nature: directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purposes of this exception combustion shall include any self-sustaining process of nuclear fission
- (5) any accident loss damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.
- (6) any accident loss damage and/or liability caused sustained or incurred after any variation in or termination of the Insured's interest in the Commercial Vehicles.

The Company shall not be liable in respect of any accident loss damage and/or liability directly or indirectly proximately or remotely occasioned by contributed to by or traceable to or arising out of or in connection with war invasion the act of foreign enemies hostilities or war like operations (whether before or after declaration of war) civil war mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising rebellion revolution insurrection military or usurped power or any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence or by any direct or indirect consequences of any of the said occurrences and except under Section 11-1 (i) of this Policy whilst the Insured or any person driving with the general knowledge and consent of the Insured is under the influence of intoxicating liquor or drugs and in the event of any claim hereunder the insured shall prove that the accident loss damage and/or liability arose independently of and was in no way connected with or

occasioned by or contributed to by or traceable to any of the said occurrences of any consequence thereof and in default of such proof the Company shall not be liable to make any payment in respect of such a claim.

CONDITIONS

This Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear the same meaning wherever it may appear.

1. Notice shall be given in writing to the Company immediately upon the occurrence of any accident or loss or damage and in the event of any claim, and thereafter the Insured shall give all such information and assistance as the Company shall require. Every letter claim writ summons and/or process shall be forwarded to the Company immediately on receipt by the insured. Notice shall also be given in writing to the Company immediately the Insured shall have knowledge of any impending prosecution Inquest or Fatal Inquiry in respect of any occurrence which may give rise to a claim under this Policy. In case of theft or other criminal act which may be the subject of 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.

2. No admission offer promise payment or indemnity shall be made or given 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 claim or to prosecute in the name of the Insured for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

3. At any time after the happening of any event giving rise to a claim under Section II of this Policy the Company may pay to the Insured the full amount of the Company's Liability under that section 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 the Company relinquishing such conduct: nor shall the Company be liable for any costs or expenses whatsoever incurred by the Insured or any claimant or other person after the Company shall have relinquished such conducts.

A. The Company may at its own option repair reinstate or replace the Motor Vehicle or part thereof and/or its accessories or may pay in cash the amount of the loss or damage and the liability of the Company shall not exceed the actual value of the parts damaged or lost plus the reasonable cost of fitting and shall in no case exceed the insured's estimate of the value of the Motor Vehicle (including accessories thereon) as specified in the Schedule or the value of the Motor Vehicle (including accessories thereon) at the time of the loss or damage whichever is the less.

5. The Insured shall take all reasonable steps to safeguard the Motor Vehicle from loss or damage and to maintain it in efficient condition and the Company shall have at all times free and full access to examine the Motor Vehicle or any part thereof or any driver or employee of the Insured. In the event of any accident or breakdown the Motor Vehicle shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the Motor Vehicle be driven before the necessary repairs are effected any extension of the damage or and further damage to the Motor Vehicle shall be entirely at the Insured's own risk.

6. The Company may cancel this Policy by sending seven day's notice by registered letter to the Insured at his last known address and in such event will return to the Insured the Premium paid less the pro rata portion thereof for the period the Policy has been in force or the Policy may be cancelled at any time by the Insured on seven day's notice and (provided no claim has arisen during the then current period of Insurance) the Insured shall be entitled to a return of premium less premium at the Company's Short period rates for the period the Policy has been in force.

7.. If at the time any claim arises under this Policy, there is any other existing insurance covering the same loss damage or liability the Company shall not be liable to pay or contribute more than its rate able proportion of any loss damage compensation costs or expenses. Provided always that nothing in this Condition shall impose on the Company any liability from which but for this condition it would have been relieved under provision (a) of Section II-3 of this Policy.

8. If any difference arises as to the amount to be paid under this Policy (Liability being otherwise admitted) such difference Shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an Award shall be a condition precedent to any right of action against the Company.

9. The due observance and fulfilment of the terms conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the said proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.

NO CLAIM BONUS:

In the event of no claim being made or arising under this Policy during a period of insurance specified below immediately preceding the renewal of the Policy the renewal premium for such part of the insurance as is renewed shall be reduced as follows

PERIOD OF INSURANCE		REDUCTION	
1.	The Preceding year ... ..	...	5% ' 1
2.	The Preceding two consecutive years ... ..	...	10%
3.	The Preceding three consecutive ... ..	...	15%

	years					
4.	The Preceding four consecutive years	...	...	...	...	20%
	The Preceding five or more consecutive					
5.	years ...	...	...	...	...	25%

If the Company shall consent to a transfer of interest in this Policy, the period during which the interest was in the Transferor shall not accrue to the benefit of the Transferee.

If more than one vehicle is described in the schedule the No Claim Bonus shall be applied as if a separate policy had been issued in respect of each such motor vehicle.

LOSS OF NO CLAIM BONUS:

Where an insured at the commencement of the current period of insurance was entitled to No Claim Bonus, in the event of one or more claim occurring thereafter in that period of insurance the No Claim Bonus at next renewal will be reduced by two stages for each claim until the basic premium is reached, which would then be the premium payable at renewal.

SCHEDULE OF LOADINGS:

If the Insured is not entitled to No Claim Bonus at the commencement of the current period of insurance and makes one or more claim (s) during that period of insurance, the basic premium at next renewal shall be loaded in accordance with the under noted scale. If following the imposition of such a loading the Insured does not make any claim during that policy year, the premium only at next renewal will apply.

PERIOD OF INSURANCE

LOADINGS

One Claim in Preceding Period of Insurance	10% of Basic Premium
Two Claims in Preceding Period of Insurance	15% of Basic Premium
Three Claims in Preceding Period of Insurance	20% of Basic Premium
Four Claims in Preceding Period of Insurance	25% of Basic Premium

The insured is requested to read this Policy. If any error miss description be found the Policy should be returned to the issuing Branch Office or Agency for correction.