



LONPAC INSURANCE BHD (307414-T)



TYPES OF COVER

ANY ONE OF THE FOLLOWING WILL APPLY:-

COMPREHENSIVE – Sections A & B of this Policy apply

THIRD PARTY ONLY – Only Section B applies

ALL ENDORSEMENTS, CLAUSES OR WARRANTIES THAT ARE SEPARATELY ATTACHED TO THIS POLICY SHALL ALSO APPLY.

OUR AGREEMENT

In consideration of You having applied to Us to insure Your Vehicle by a proposal and declaration which shall be the basis of this contract and having paid to Us the premium stated in the Policy Schedule in accordance with the laws of Malaysia, We will insure You against loss, damage or liability as described in this Policy occurring during the Period of Insurance subject to the terms, conditions, endorsements, clauses or warranties forming part of this policy.

SECTION A – LOSS OR DAMAGE TO YOUR VEHICLE

1. We will cover You if Your Vehicle is damaged or lost in the following circumstances:-

- (a) by accidental collision or overturning,
- (b) by collision or overturning caused by mechanical breakdown,
- (c) by collision or overturning caused by wear and tear,
- (d) by impact damage caused by falling objects provided no flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, landslide, landslip, subsidence or sinking of the soil/earth or other convulsion of nature is involved,
- (e) by fire explosion or lightning,
- (f) by burglary, housebreaking or theft,
- (g) by malicious act,
- (h) When in transit (including its loading and unloading) by:
 - (i) road rail inland waterway
 - (ii) direct sea route across the straits between the island of Penang and the mainland.

2. Basis of Settlement

- (a) We will at Our option
 - (i) pay the cost of repairs to Your Vehicle, or
 - (ii) pay in cash the amount of the loss or damage to Your Vehicle, or
 - (iii) reinstate or replace Your Vehicle.
- (b) The maximum amount We will pay is the market value of Your Vehicle at the time of the loss or the sum insured in the Policy whichever is the lower figure.
- (c) If Your Vehicle shall at the time of happening of any loss or damage be insured for a sum lesser than its market value then, You shall be considered as being Your own insurer for the difference and shall bear the rateable proportion of the loss accordingly. Provided always that this shall not apply unless the market value at the time of the loss exceeds the insured value by 10% or more.
- (d) The market value of Your Vehicle would be determined in the event of a dispute by the Head Office of the Franchise-holder and this value would be equal to the cost of purchasing a replacement vehicle of the same make, model and age of Your Vehicle at the time of loss.
- (e) In the event no Franchise-holder is available for the make of Your Vehicle, the market value of the vehicle would be determined by a Loss Adjuster licensed under the Insurance Act, 1996 and its subsequent legislation agreed to by both You and Us.
- (f) The valuation done by the relevant Head Office of the Franchise-holder or Loss Adjuster licensed under the Insurance Act, 1996 and its subsequent legislation, will be conclusive evidence in respect of the market value of Your Vehicle in any legal proceedings against Us.

3. Transportation of Damaged Vehicle

We will pay You up to a maximum of RM200.00 as Towing Charges for taking Your Vehicle to either the nearest Repairer or towing the vehicle by returning it to Your address as shown on the Schedule or towing it to a secure place for it to be garaged, provided Your Vehicle has been damaged by circumstances described in this section.

4. Exceptions to Section A

We will NOT pay for

- (a) consequential losses of any nature.
- (b) the loss of use of Your Vehicle.

- (c) depreciation, wear and tear, rust and corrosion, metal fatigue, mechanical or electrical or electronic breakdowns, equipment or computer malfunction, failures or breakages to Your Vehicle except breakage of windscreen, window or sunroof including lamination/tinting film, if any.
- (d) damage caused by over-loading or strain.
- (e) damage caused by explosion of any boiler forming part of or attached to or on Your Vehicle.
- (f) damage to Your Vehicle's tyres unless Your Vehicle is damaged at the same time.
- (g) any loss or damage caused by or attributed to the act of cheating/criminal breach of trust by any person within the meaning of the definition of the offence of cheating/criminal breach of trust set out in the Penal Code.
- (h) the Excess stated in the Schedule.
- (i) the failure or inability of any equipment or any computer program to recognise or correctly interpret or process any date as the true or correct date or to continue to function correctly beyond that date.

SECTION B: LIABILITY TO THIRD PARTIES

1. **We will pay the amount which You or Your authorized driver are legally liable to pay (including claimants' costs and expenses) for accident caused by or arising out of the use of Your Vehicle or in connection with the loading or unloading therefrom for:-**
 - (a) death or bodily injury to any person except those specifically excluded under Exceptions to Section B
 - (b) damage to property as a result of an accident arising out of the use of Your Vehicle

provided Your authorised driver also complies with all the terms and conditions of the policy that You are subject to.
2. **Limits of Our Liability**

Our total liability under Section B(1)(a) is unlimited)	in respect of
)	any one claim
)	or series of claims
Our total liability under Section B(1)(b) is limited to RM3 million.)	arising out
)	of one event.
3. **Towing Disabled Vehicle**
We will cover the liabilities as specified in Section B(1)(a) and Section B(1)(b) above if Your Vehicle is used for towing any one disabled Motor Vehicle.
Provided that:-
 - (a) such towed vehicle is not towed for reward
 - (b) we are not liable for loss or damage to such towed vehicle or property being conveyed thereon
4. **Cover for Legal Representatives**
 Following the death of any person covered under this Policy We will indemnify that person's legal representatives for liability covered under this Section, provided such legal representatives comply with all the terms and conditions of the policy.
5. **Legal Costs**
 We will pay legal costs incurred up to a maximum of RM2,000.00 for defence of any charge including the charge of causing death by driving the Motor Vehicle (other than murder) if Our prior written agreement had been secured.

EXCEPTIONS TO SECTION B

We will NOT pay for :

- (a) death or bodily injury to any person or damage to property caused or arising outside the limits of any carriageway or thoroughfare in connection with the loading onto and unloading from Your Vehicle.
- (b) death or bodily injury to any person where such death or injury arises out of and in the course of the employment of such person by You or by Your authorized driver.
- (c) death or bodily injury to any person being carried in or upon or entering or getting on to or alighting from Your Vehicle (unless he/she is required to be carried in or on Your Vehicle by reason of or in pursuance of his/her contract of employment with You and/or Your authorised driver and/or his/her employer).
- (d) damage to property belonging to or in the custody of or control of or held in trust by You and/or Your authorised driver and/or any member of Your and/or Your authorised driver's household.
- (e) damage to any bridge, weigh bridge or viaduct or to any road or anything beneath by vibration or by the weight of Your Vehicle or of the load carried by Your Vehicle.
- (f) damage to property caused by or arising out of the explosion of a boiler forming part of attached to or on Your Vehicle.
- (g) death or bodily injury caused by or arising out of the explosion of a boiler forming part of attached to or on Your Vehicle except so far as is necessary to meet the requirements of the legislation.
- (h) any claims brought against any person in any country in courts outside Malaysia, the Republic of Singapore or Negara Brunei Darussalam.
- (i) all legal costs and expenses which are not incurred in or recoverable in Malaysia, the Republic of Singapore and Negara Brunei Darussalam.

NO-CLAIM-DISCOUNT

If no claim is made or arises from Your Policy and provided Your Vehicle is insured with Us for a continuous period of 12 months in each of the following instances, You are entitled to a No-Claim-Discount on renewal of Your Policy as follows:-

Period of Insurance	Discount
After the first year of insurance	15%
After the second year of insurance	20%
After the third or more years of insurance	25%

If We agree to a transfer of interest in this Policy the period during which the interest was in Your name, shall not accrue to the benefit of the new owner.

If more than one Motor Vehicle is described in the Schedule, the No Claim Discount shall be applied as if a separate Policy had been issued in respect of each such Motor Vehicle.

AVOIDANCE OF CERTAIN TERMS AND RIGHTS OF RECOVERY

- Your rights or that of any other person to recover indemnity by virtue of the Legislation or Agreement executed between the Minister of Transport for the Government of Malaysia and the Motor Insurers' Bureau of West Malaysia on March 30, 1992 or the Agreement executed between the Government of Singapore and the Motor Insurers' Bureau of Singapore on February 22, 1975 shall not be affected in any way.
- However, in the event that We are liable to pay any monies as a result of the said Legislation or Agreement which We would not otherwise have been liable to pay, You shall repay to Us such monies paid by Us.

GENERAL EXCEPTIONS – THESE APPLY TO THE WHOLE POLICY

We will NOT pay for any liability under the following circumstances:-

- If You or any person with Your consent are not licensed to drive the vehicle except if You or any person with Your consent has held and is not disqualified from holding or obtaining such a licence to drive Your Vehicle under any required laws, by-laws and regulations.
- If You or Your authorized driver drive Your Vehicle whilst under the influence of drink or drug to such an extent as to be incapable of having control of Your Vehicle.
- Any loss, damage or liability caused by Your Vehicle being used for an unlawful purpose or being used otherwise than in accordance with the Limitations as to Use by You or by some other person with Your consent.
 - Any accident loss damage or liability caused, sustained or incurred whilst Your Vehicle, in respect of which indemnity is provided by this Policy, is being driven by any person other than an Authorised Driver or a person driving on Your order or with Your permission.
- If any loss or damage or liability is caused by invasion, war (whether war be declared or not), warlike operation, acts of foreign enemies, hostilities, civil war, acts of terrorism, strike, riot, civil commotion, mutiny, rebellion, revolution, insurrection, military or usurped power or by any direct or indirect consequences of any of the said occurrences.
- If the loss, damage or liability is directly or indirectly caused by or contributed to by or arising from flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, landslide, landslip, subsidence or sinking of the soil/earth or other convulsion of nature is involved.
- If Your Vehicle is used for or is being tested in preparation for any motor sport or competition (other than treasure hunts). This includes (but is not limited to) reliability trials, hill-climbing tests and rallies.
- If in the event of any accident or breakdown, Your Vehicle is left unattended without proper precautions being taken to prevent further loss or damage and if Your Vehicle is driven in an unroadworthy condition before the necessary repairs are effected, any extension of the damage or any further damage to Your Vehicle shall be excluded from the cover granted by this Policy.
- For any accident loss damage or liability caused sustained or incurred outside of Malaysia, the Republic of Singapore and Negara Brunei Darussalam.
- If any liability attaches by virtue of an agreement but for which We would not have been liable in the absence of such agreement.
- Any accident loss or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 - Any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exception combustion shall include any self-sustaining process of nuclear fission.
- Any accident loss damage or liability directly or indirectly caused by or contributed to by or arising from nuclear weapons and materials.

If a law or laws are named in the section of the policy entitled "Avoidance of certain terms and right of recovery" or in the Policy Schedule under the heading of "Legislation" all references to specific Sections of such laws are deemed to be deleted so that the references to such law or laws are left to apply to each law in its entirety.

CONDITIONS – THESE APPLY TO THE WHOLE POLICY

1. DUTY OF DISCLOSURE

If You fail to disclose to Us fully and faithfully, all the facts which You know or ought to know, or if You misrepresented any facts to Us before the Policy was entered into, We may avoid this Policy.

You must observe and fulfil the Terms, Conditions, Endorsements, Clauses or Warranties of the Policy.

2. ACCIDENTS AND CLAIMS PROCEDURES

- (a) We must be notified in writing with full details as soon as possible after an event which may become the subject of a claim under this Policy.
- (b) In the event that Your Vehicle is collided into by a Third Party vehicle, You may refer the claim for cost of repairs to Us. Your NCD entitlement will continue unaffected if We decide that You are not at fault. Such determination of fault shall be at Our entire discretion. Provided always that such Third Party vehicle is insured, identifiable and/or not a vehicle used for carriage of passengers for hire or reward (for example taxis, hire cars, public buses, stage buses, school buses and factory buses for hire), not a vehicle insured by non-Malaysian insurers and there is no personal injury claim involved.
- (c) All accidents must be reported to the Police as required by the Law.
- (d) Every communication, writ, summons and/or process from other parties must be sent to Us immediately. You must also tell Us if You know of any impending prosecution, inquest or fatal inquiry without delay. In case of theft or other act which may give rise to a claim under this Policy, You must without undue delay make a report to the Police and co-operate with Us in securing the convictions of the offender.
- (e) No negotiation, admission or repudiation of any claim may be entered into without Our prior written consent.
- (f) We shall have full discretion in the conduct, defence and/or settlement of any claim.
- (g) No repairs may be authorized to Your Vehicle without Our prior written consent.
- (h) In the event Your Vehicle is involved in an accident and gives rise to a claim, Your Vehicle must be removed to a PIAM Approved Repairer for repairs. Failure to remove Your Vehicle to a PIAM Approved Repairer would be a breach of this condition and We shall have the right to decline liability under Section A of the policy.
- (i) In any event giving rise to a claim or series of claims under Section B1(b) of this Policy, We may pay to You the full amount of Our liability under Section B1(b) and relinquish the conduct of any defence, settlement or proceeding and We shall not be responsible for any damage alleged to have been caused to You in consequence of any alleged action or omission by Us in connection with such defence settlement or proceeding or by Us relinquishing such conduct nor shall We be liable for any cost or expenses how whatsoever incurred by You or any claimant or any person after We have relinquished such conduct.

3. CANCELLATION

- (a) You may cancel this Policy at any time by notifying Us in writing.
- (b) We may also cancel this Policy by giving You 14 days written notice by registered post to Your last known address.
- (c) You shall within seven days from the date of cancellation under paragraph (a) or (b) above, surrender the certificate of insurance to Us or, if it has been lost or destroyed or it is not received by You, to provide Us with a statutory declaration to that effect.
- (d) In case of cancellation requested by You (provided no claim has arisen during the then current Period of Insurance), You shall be entitled to a refund premium based on Our customary short-period rates calculated from the date of receipt by Us of the certificate or the statutory declaration in the event that the certificate is lost or destroyed or not received by You as follows:-

Period of Insurance	Refund of Premium %
Not exceeding 1 week	87.5 of the annual premium
Not exceeding 1 month	75.0 of the annual premium
Not exceeding 2 months	62.5 of the annual premium
Not exceeding 3 months	50.0 of the annual premium
Not exceeding 4 months	37.5 of the annual premium
Not exceeding 6 months	25.0 of the annual premium
Not exceeding 8 months	12.5 of the annual premium
Exceeding 8 months	No refund of premium allowed.

- (e) In case of cancellation by Us, You shall be entitled to a pro-rata refund of the unexpired premium calculated from the date of receipt by Us of the certificate or the statutory declaration in the event that the certificate is lost or destroyed or not received by You.
- (f) No refund of premium for any cancellation of policy if premium is charged on minimum premium.

4. OTHER INSURANCE

You must give Us written notice if You have any other insurance covering Your Vehicle. If at the time any claim arises under this Policy, there is any other existing policy covering the same loss damage or liability, We shall only pay Our rateable proportion of any loss, damage, compensation, costs or expenses. However, nothing in this Condition shall impose on Us any liability from which We would not have been subject to.

5. SUBROGATION

We shall be entitled if We so desire to take over conduct at our own expense in Your name the defence or settlement of any claim or to prosecute in Your name for our benefit any claim for indemnity or damages or otherwise. We shall have absolute discretion in the conduct of any proceedings and in the settlement of any claim and You shall give all such information and assistance as We may require.

6. ARBITRATION CLAUSE

All differences arising out of this Policy shall be referred to an Arbitrator who shall be appointed in writing by You and Us. In the event that You and We are unable to agree on who is to be the Arbitrator within one month of being required in writing to do so then You and We shall be entitled to appoint an Arbitrator each who shall proceed to hear the differences together with an Umpire to be appointed by both Arbitrators. However this is provided that any disclaimer of liability by Us for any claim hereunder must be referred to an Arbitrator within twelve calendar months from date of Our disclaimer to You.

7. OTHER MATTERS

This Policy will only be operative if:-

- (a) Any person claiming protection has complied with all its Terms, Conditions, Endorsements, Clauses or Warranties.
- (b) You have taken all reasonable precautions to maintain Your Vehicle in an efficient roadworthy condition.
- (c) You have taken all reasonable precautions to safeguard Your Vehicle from loss or damage.
- (d) You must grant Us free access at all reasonable times to examine Your Vehicle.

DEFINITION OF WORDS HIGHLIGHTED IN THE POLICY

1. We/Us/Our refer to the Insurance Company.
2. You/Your/Yourself refer to the Policyholder and/or Insured.
3. Your Vehicle refers to the vehicle, and its accessories, including those described in the Policy Schedule.
4. Accessories refer to the standard tools of a motor vehicle including air-conditioners and spare tyres and may include radio/cassette player/compact disc player and the like if specified in the schedule.
5. Repairer refers to a motor repair workshop under PIAM approved Repairers Scheme.
6. Your household refers to all members of Your immediate family (i.e. Spouse, Children including legally adopted Children, Parents, Brother and Sister).
7. Cheating as defined in the Penal Code is as follows:-
Whoever, by deceiving any person, whether or not such deception was the sole or main inducement:-
 - (a) fraudulently or dishonestly induces the person so deceived to deliver any property to any person, or to consent that any person shall retain any property; or
 - (b) intentionally induces the person so deceived to do or omit to do anything which he would not do or omit to do if he were not so deceived and which act or omission causes or is likely to cause damage or harm to any person in body, mind, reputation, or property,
is said to "cheat".
8. Criminal breach of trust as defined in the Penal Code is as follows:-
Whoever, being in any manner entrusted with property, or with any dominion over property either solely or jointly with any other person, dishonestly misappropriates, or converts to his own use, that property, or dishonestly uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or wilfully suffers any other person so to do, commits "criminal breach of trust".
9. Acts of terrorism
means an act, including but not limited to the use of force of violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public, in fear.

WARRANTIES/ENDORSEMENTS/CLAUSES WHERE APPLICABLE AS STATED IN THE POLICY SCHEDULE

ENDORSEMENT 1 – EXCESS ALL CLAIMS

You are responsible for the first amount as stated in the Schedule of each and every claim payable (including costs and expenses and expenditure incurred by Us in the conduct, defence and settlement of any claim) under Section A this Policy in addition to any other excess that may be applicable.

If the expenses incurred by Us includes the amount for which You are responsible, such amount shall be repaid to Us.

Subject otherwise to the Terms and Conditions of this Policy.

N.B. The amount of Excess mentioned herein shall be held to apply in addition to any other Excess that may be applicable to this Policy.

ENDORSEMENT 3 (p) – THIRD PARTY ONLY

The cover provided for in this policy is limited to Third Party only i.e.

Section B (LIABILITY TO THIRD PARTIES).

Section A (LOSS OR DAMAGE TO YOUR VEHICLE) is cancelled.

Subject otherwise to the Terms and Conditions of this Policy.

ENDORSEMENT 15 – HIRE PURCHASE

We have noted and agreed that the Hire Purchase Company as stated in the Schedule (hereinafter referred to as the Owners) are the Owners of Your Vehicle under a Hire Purchase Agreement made between the Owners and You. Any payment for the loss or damage to Your Vehicle (which loss or damage is not made good by repair reinstatement or replacement) under Section A of this Policy will be paid to the Owners so long as they are the Owners of Your Vehicle. Their receipt shall be a full and final discharge to Us in respect of such loss or damage. This Policy is issued to You as the principal party and not as agent or trustee for the Owners nor as an assignment by You to the Owners of your rights, benefits and claims under this Policy. You shall not assign your rights, benefits and claims under this Policy without prior written consent from Us.

Subject otherwise to the Terms and Conditions of this Policy.

ENDORSEMENT 19 – PASSENGER RISK

(Not applicable to "Act" Policies)

We agree that Exception (c) of Section B of this Policy is cancelled.

*Provided that in the event of an accident occurring whilst the Motor Vehicle is carrying more than the number of persons as permitted under any legislation (in addition to the attendant/conductor if any and the driver) You shall repay Us a rateable proportion of the total amount payable by Us.

Provided however that in totalling the number of persons concerned for the purposes of the preceding proviso such adjustments shall be made as are permitted under any legislation applying to the carriage of children in the Motor Vehicle.

Subject otherwise to the Terms and Conditions of this Policy.

ENDORSEMENT 89 – BREAKAGE OF GLASS IN WINDSCREEN, WINDOW OR SUNROOF

In consideration of the payment of additional premium by You to Us, We will pay the cost of reinstating any glass in the windscreen, window or sunroof including lamination/tinting film, if any, of Your Vehicle following breakage of such glass (provided there is no further damage to Your Vehicle) up to an amount not exceeding the amount as stated in the Schedule.

Any claim under this endorsement shall not affect the No Claim Discount and You shall not be liable for any excess as stated in the policy.

Upon settlement of any claim under this extension, this benefit shall automatically be terminated unless reinstated by payment of a further additional premium.

Subject otherwise to the Terms and Conditions of this Policy.

ENDORSEMENT 95 – LEASING

We have noted and agreed that:-

- 1) the leasing company as stated in the Schedule (hereinafter referred to as the Lessors) are the owners of Your Vehicle which is the subject of a Leasing Agreement made between the Lessors and Yourself of the other part.
- 2) any payment made in respect of loss or damage (which loss or damage is not made good by repair reinstatement or replacement) pursuant to any legal liability on Our part to You under Section A of this Policy shall be made to the Lessors as long as they are owners of Your Vehicle and their receipt shall be a full and final discharge to Us in respect of such loss or damage.
- 3) Regardless of any provision in the Leasing Agreement this Policy is issued to You as the principal party and not as agent or trustee of the Lessors. You cannot assign to the Lessors (whether legal or equitable) Your rights benefits and claims under this Policy.
- 4) Nothing herein shall be construed as creating and vesting any right in the Onwer/Lessor to sue Us in any capacity whatsoever for any breach of Our obligations.

Subject otherwise to the Terms and Conditions of this Policy.

FORFEITURE CLAUSE 001

If the Insured shall make any claim knowing the same to be false or fraudulent this Policy shall become void and all claim hereunder shall be forfeited.

WARRANTY NO. 1 – WARRANTY ON OVERLOADING OF VEHICLE (APPLICABLE TO ALL COMMERCIAL VEHICLES INCLUDING PRIVATE BUSES AND VANS)

Warranted that We shall not be liable under Section A of this Policy in the event that at the time of accident giving rise to a claim under this Policy Your Vehicle carries a load in excess of the permitted weight and/or number of passengers as specified in the registration book of Your Vehicle. Provided always that this warranty shall not apply unless overloading exceeds by 10% of the permitted weight (for goods carrying vehicles).

Subject otherwise to the terms and conditions of this policy.

Notes: For the purpose of calculating the number of persons where children are carried, such adjustments shall be made as are permitted under any legislation applying to the carriage of children in the Motor Vehicle.

