

## Motor Insurance Policy (Third Party)

Please read the policy carefully. If you have any clarification, please don't hesitate to contact us.

For more clarification please contact our customer service team on the following number .

### Customer Service

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## Motor Insurance Plan

WHEREAS The policyholder has made an application to Medgulf – The Mediterranean and Gulf Cooperative Insurance & Reinsurance Company S.J.S.C. (herein called the Company) to his vehicle against the risks described herein and in consideration of the premium defined hereafter.

THIS POLICY WITNESSED that the company has agreed to hold the policyholder covered as long as payment of the premium is continued throughout the period of insurance.

The forms and sections listed below are attached to this policy on the date of issuance and form an integral part of the contract between the policyholder and the company as if they were recorded at length above the signatures affixed here below.

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## Standard Compulsory Cover

In accordance with the provisions issued by the Royal decree No m/32 dated 02/06/1424 h and its amended execution list issued by decision of the Minister Of Finance No. 1/596 dated 01/03/1425 h/ Council Of Ministers No. 222 dated 13/08/1422 h; And as per conditions, terms and exceptions of the Unified Insurance Policy for the Third Party Liability of motor vehicles adopted by the decision of the Saudi Arabian Monetary Agency No. 433/4 dated 15/01/1433h, in addition to the royal decree No.43108 dated 02/10/1432H, by which blood money was increased from SAR 100k to SAR 300k for death caused unintentionally and SAR 400k for murder.

Where the insured have submitted to the company requesting insurance on the basis of the policy and the payment (or promise to pay) premium required of him, company accepted the request in the event of damage covered under this document, whether arising from the use of the vehicle or parked within the territory of the Kingdom of Saudi Arabia to compensate third party in cash for losses considered within the terms an limitations of this policy:

- Physical damage caused to third parties within or outside the vehicle.
- Material damage outside the vehicle

## Section One : Definitions

The following are the definitions for terms and words used in the policy unless implied otherwise.

### 1. Compulsory Insurance Policy

Insurance towards third parties for vehicles under which the insurer undertakes to compensate for damage in the event of an incident that is covered in the policy, against the premium paid by the insured. The policy includes a certificate that ensures payment and supplements (if any), which is not inconsistent or contrary to the provisions contained in the policy.

### 2. The Company:

The insurance company which legally practices the cooperative insurance activities in the Kingdom of Saudi Arabia under the SAMA legislative conditions.

### 3. Beneficiary (Insured person):

The Legal or normal person who obtains or otherwise covered by the policy as specified in the policy schedule.



#### **4. Driver:**

Anyone who drives a vehicle or equipment, or a motorcycle at the time of accident.

#### **5. Vehicle :**

A motor vehicle (and sometimes a motorcycle) that is either registered for use on a public street or is in a condition that complies with registration requirements and mentioned or described in the policy schedule (trains excluded).

#### **6. Third party:**

Every normal or legal person injured is covered under the terms of this policy, except for the insured and / or the driver.

#### **7. Physical Damage/Bodily Injury:**

Death and / or physical injuries that may happen to third parties, including total disability or partial permanent or temporary.

#### **8. Material damage:**

Damages to property that may belong to third party.

#### **9. Medical Expenses:**

Costs and expenses of medical treatment and medicines incurred by third parties due to an accident covered by the insurance policy.

#### **10. Other expenses:**

Expenses related to the accident/ damage and paid by the Third Party such as Towing service or damage assessment reports.

#### **11. Claim:**

A request or claim for payment made under the terms of an insurance policy to compensate for damage, loss or injury.

#### **12. Claimant:**

Normal person or legal person that was affected by an accident which is covered under the policy and includes the heirs of the affected person in the case of death.

#### **13. Compensation:**

Amounts to be paid by the company to the third parties within the maximum public liability mentioned in the policy.

#### **14. Premium :**

The amount due by the Policyholder in consideration of the insurance cover granted under the policy during the period of insurance.

#### **15. Public Liability:**

The insured and / or driver Legal responsibility towards third parties for what they caused of physical or material damage by the insured vehicle.

#### **16. Material Circumstances:**

They are the circumstances that would influence the judgment of a prudent underwriter in determining whether to accept a risk and the amount of premium to charge. It is so important that its disclosure would change the decision of an insurance company, either with respect to the writing coverage, settling a loss or determining a premium. Usually, the misrepresentation of a material fact voids a policy.

### **Section Two: Coverage Limits**

In case of an accident ; the Company's maximum liability per one accident and during the policy validity period.

For Physical injuries (including blood money , estimated amounts resulting of injuries and medical expenses), and Material damage; will not exceed SAR 10.000.000 (ten million Saudi Riyals)



### Section Three: Company's Obligation Towards Third Party

The Company has no right to hold itself non-liable towards Third Party for compensation under policy rules, due to traffic violation (before or after the accident) committed by the insured Member/Driver ; or due to failure to abide by the policy's terms. The Company however has the right to recover from the Insured Member /Driver within the legal means and after paying to the Third Party .

### Section Four : Company's Rights in Referring to the Insured

The Company has the right to seek recovery from the Insured Member or the Driver after paying for third party within all legal means should the recovery be justified as specified in the abovementioned policy and in the cases listed below:

1. Any liability or expenses arising whenever the vehicle:
  - a. Is used against driving terms specified in the schedule.
  - b. Holds number of passenger greater the official authorized capacity and was proven that the accident was caused by this fact.
  - c. Is Used for any kind of racing or speed test (acceleration) or endurance test.
  - d. Is Driven under effect of alcohol, drugs, or medicine that prohibits driving the vehicle.
  - e. Is Driven by any person below 21 years unless specified as the insured or declared amongst the authorized drivers of the vehicle.
  - f. Is Stolen or taken by force.
  - g. Is Driven by an unauthorized person (does not hold an official driving license) or unauthorized to drive the vehicle type or due to expiry/ cancellation of driving license.
  - h. Is Used in areas unauthorized for the public such as airports, ports unless used commercially in authorized areas.
2. If proven that the insured has deliberately declared false information or failed to disclose crucial facts in the application which affect the company's approval to accept risk or pricing/ terms.
3. If proven that the accident was caused deliberately by the insured member or the driver.
4. Failure to declare officially in writing to the Company for within 10 working days any crucial changes to the information declared in the application
5. Driver/ insured flee the accident location
6. Insured/ driver admitting responsibility for accident to cause damage to the Company
7. Crossing traffic light while Red
8. Driving on the wrong side of the road
9. Drifting

### Section Five: General Conditions

#### 1. Multiple Sources of Insurance and Other Types of Insurance:

If the vehicle was insured with the same type of policy but from several different companies, the company is committed to only pay a portion of the amount of compensation or expenses or fees equivalent to the ratio between the amount of insurance and the amounts of insurance combined, On the other hand if there was another type of insurance that covers liability or expenses that are the same (such as the availability of a comprehensive insurance policy) the Company is responsible for coverage of such liability, or expenses to third parties, the company will act as a replacement of the insured to demand the insurance companies to pay their share relative to that claim.

#### 2. Changes:

The insured has to notify the company in writing within ten working days for any material changes stated in the insurance application, The Company has to notify the insured in writing within three working days from the date of receiving the notice of any changes, in case of denying cover under new changes.



### **3. Company's Right to Legal Proceedings and Settlement:**

Company has the right to:

- a) represent the insured or the driver in any investigation or interrogation at any claim or event that is subject of indemnity under this policy.
- b) Undertake the defense proceedings of the insured and the driver in any court law in respect of any claim/event , or any charges related to an event that may be subject of indemnity under this policy.

### **4. (SIMAH) The Company's Right to Include The Name of The Insured in the System of the Saudi Company for Credit Information:**

the Company has the right to add the Insured or Driver's name under SIMAH in case of failure to fulfill premium payment or claims recovery .

### **5. Insured's Obligations upon an Accident Occurring Covered under this Policy:**

- a) Inform the concerned authorities immediately after the incident has occurred, which is covered under the policy, and not leaving the scene until finishing the procedures, With the exceptions of cases that require leaving the scene of an accident such as the physical injury or waiting for a period of not less than two hours.
- b) Refrain from declaring any responsibility to intentionally cause damage to The Company or commit to any payment before seeking The Company's written approval.
- c) To cooperate with the company, in offering documents that allows the company to take action and certain procedures, either by defending or making settlements on behalf of the insured or the driver if he/she wished for.
- d) The Company will take in hand any expenses of all the work that is necessary to ensure the company's right to collect any amounts required from other parties as a result of paying compensation under the policy.

### **6. Company's Obligations in the event of Delay in resolving a Claim with Complete Documents:**

The company is committed to compensate the beneficiary of the coverage in the policy, of any costs required due to not using the damaged vehicle, due to the delay caused by The Company in completing the settlement documents, (within fifteen days from submitting the completed documents of the claim) and failure to provide a convincing justification of the delay in the paying the claimed amount.

### **7. Fraud:**

All benefits and the rights under the Policy shall be forfeited, if the claim submitted was proven to be an act of fraud, whether by the driver, Insured member or any other party to benefit from the policy. The company has the right to seek recovery from any party proven to have participated in the caused act whilst meeting its obligations toward Third Party if proven not to be part of the Fraudulent action.

### **8. Cancellation :**

The company and the insured are not permitted to cancel the insurance policy as long it is still valid, except in any of the following cases:

- 1: Vehicle Registration has been cancelled.
- 2: Transfer the ownership of the insured motor vehicle to another owner.
- 3: Provide an alternative insurance policy from another company.

In case the insured, wanted to cancel the policy, the insured has to reattach the insurance policy to the company, and provide the company with a cancellation request, in which case the company will retain a short period contribution, with a maximum fifteen working days of the cancellation date according to the following schedule



Portion of premium that the Company is committed to pay to the Insured	Valid Period of the Policy before the Cancellation Request
87.5 %	1-7 days
75%	8-30 days
60%	31-60 days
50%	61-90 days
45%	91-120 days
40%	121-150 days
35%	151-180 days
25%	181-210 days
20%	211-240 days
10%	241-270 days
Zero	271-365 days

The company, the insured and the driver shall remain accountable to terms and conditions stipulated by the policy before the cancellation date.

#### 9. Issuing Policy and Renewal Notice:

The company may not issue a policy if it is not electronically linked with the system of Najem Company for Insurance Services.

The company will notify to the insured two weeks ahead of the expiry date for renew or seeking different cover.

#### 10. Jurisdiction and the Applicable Rules:

A. Through the Committee for Resolution of Insurance Disputes and Violations. Stated in article (20) of the cooperative Insurance supervisory Royal decree (M/32) dated 2/6/1424H.

B. Cases will not be subject to lawsuit after 3 years of accident date whereby stakeholders were made aware of unless a valid excuse approved by the Arbitration Committee is provided.

Stakeholder should be aware of their occurrence unless satisfied that there is an excuse for committees to settle disputes and violations of insurance.

#### 11. Participating in the Surplus of Insurance Operations (Concept of Cooperative Insurance):

Surplus is distributed to the insured in accordance with the provisions of article seventy of the executive regulations of the Cooperative Insurance Companies Law issued by Royal Decree No. (M / 32) and the dated of 2/6/1424H.

#### Section Six: Limitations and Exclusions

This policy shall not cover claims arising from:

Any responsibility or cost arising from the following:

- (1) War, invasion, act of foreign enemy, hostilities (whether war is declared or not) or civil war.
- (2) Riot, military or civil uprising, revolution, disobedience, martial law, blockade or any event causing the continuation of martial law, blockade, acts of sabotage, or acts of terrorism caused by one person or a group of people acting independently or associated with a terrorist organization. Terrorism is defined as any usage of hostility for political, cultural, philosophical, racial, social or religious reasons. It includes usage of hostility and/ or spreading fear among small group of people or the public; or influencing and/ or causing strikes and/ or intervening in any acts and/ or policies within the government jurisdiction. Or causing a strike negatively affecting the national economy or any of its sector.
- (3) Strikes, riots, or civil/ labor strikes.
- (4) Any event caused by ionizing radiations, nuclear weapons, radioactive pollution as a result of nuclear fuel, nuclear waste caused by nuclear combustion; including any nuclear fusion.



- 1- Natural hazards like hurricanes, earthquakes, flood or volcanoes
- 2-Death or bodily injury to the Insured or the Driver.
- 3- Loss or damage to the vehicle insured, or any belongings to the Insured or the Driver inside or outside the vehicle.
- 4-Damage or loss of goods transported through the Insured vehicle.
- 5- Fines, financial penalties, guarantees, securities instated against the Insured or the driver and arising from the accident.
- 6-Accidents taking place outside the geographical territory stated in the policy schedule.

## **Section Seven: Claim Settlement Procedures.**

(The Company is committed to provide the issuer of the claim a receipt upon receiving the claim documents , and inform the issuer of any missing papers or documents missed within seven days of receipt. The Company is also committed to setting an appointment for the issuer with an expert to preview or estimate the losses, if necessary within a period of time not exceeding three days from the date of the receipt.

The company is committed finalize settlements of claims in accordance with amount set by the General Traffic Department or by Najem insurance services or licensed parties that are licensed under the policy cover; and by doing so while maintain all fairness and justice without any compromise during a maximum period of fifteen Hijri days from the date of receiving all required documents. In case the Company does not abide by the required period for reasons other than being logical, the beneficiary has the right to refer to Dispute and Violation committee for compensation on expenses caused by not being able to use the vehicles due to delay caused by the Company. (such as a taxi costs).

The Company should inform the claimant in writing of approval or rejection of the claim. In case of approval, the Company should state clearly the amount of compensation and calculation related to it. In case of rejection, the company should do the following:

1. Provide the Claimant with the reasons for rejection.
2. Inform the claimant of the possibility to submit the claim to the Insurance Disputes and Violation Committee as per Article 20 of Cooperative Insurance Control Law
3. Provide the claimant with a copy of the policy documents and the documents supporting the rejection decision upon request of the claimant.)