

Policy Conditions

Commercial Vehicle



A Our agreement

This **policy**, including any **endorsements we** have issued, forms a legally enforceable agreement between **you** (the **policyholder**) and **us**. **We** agree to pay the benefits set out in this **policy** in exchange for the premiums paid.

All information provided in **your application form**, including declarations made over the phone or internet, forms the basis of this **policy**. **You** must answer all the questions in **your** application accurately and reveal all facts **you** know or ought to know before this **policy** is issued. Otherwise, **we** may make this **policy** void or refuse a claim.

B What your policy covers

Section 1 Your vehicle

- We** will pay **you** for loss or damage to **your vehicle** and its **accessories** caused by:
 - accidental collision or overturning;
 - fire, external explosion, self-ignition, lightning, burglary, housebreaking, theft or being hit by a falling object;
 - a malicious act;
 - strike, riot or civil commotion; or
 - flood, typhoon, hurricane, volcanic eruption, earthquake or other natural disaster.

- We** have the option to repair, reinstate, replace or offer a cash settlement for the loss of or damage to **your vehicle** or its **accessories**.

If **you** are insured under the Comprehensive Plan, **your vehicle** will be repaired at a workshop **we** have chosen.

- We** will not pay more than the **market value** of **your vehicle** or its **accessories** at the time of the loss or damage.

- We** are only legally responsible for making a payment under this section if **you** do the following.
 - We** are allowed to examine the nature and extent of the loss or damage to **your vehicle** or its **accessories** before it is repaired.
 - You** have not made any attempt to recover the money from any other person.
- If **your vehicle** is under a hire-purchase or leasing agreement, **we** will pay any cash settlement to the hire-purchase company of **your vehicle** named in the schedule.
- If **your vehicle** cannot be driven due to damage from an accident, **we** will pay a reasonable towing charge of up to S\$200.
- If **your** windscreen is broken due to an accident, **we** will pay the cost of replacement as long as:
 - the repairs are carried out at the windscreen repairer **we** have appointed or approved; and
 - you** tell **us** before any repairs or replacement of **your** windscreen.

However, **we** will not pay for the cost of the solar film or similar as a result of replacing the windscreen.

- Young and inexperienced driver excess**

If the vehicle is driven by an authorised driver who is under 27 years old or has held a Singapore driving licence for less than two years, an extra excess of S\$1,000 will apply.
- We** will not pay for:
 - any loss or damage arising from a criminal breach of trust;
 - any transport expenses or any losses due to unavailability of parts or **accessories**;
 - any loss or damage to personal items in **your vehicle**;
 - any loss or damage to **accessories** not installed by the distributor unless **you** tell us about them and **we** agree;
 - any loss or damage caused to **your vehicle** arising from its use before all necessary repairs are carried out;
 - loss in value, wear and tear, mechanical or electrical breakdowns;

- failures or breakages of **your vehicle** and existing damage that was not caused by or during the accident;
- only damage to tyres or rims unless **your vehicle** suffers other damage at the same time;
- loss or damage to **your vehicle** while being transported by sea (including loading and unloading as part of the journey);
- any **excess** and young and inexperienced driver excess and its Goods and Services Tax (GST) if this applies; and
- any indirect loss whatsoever.

The **excess** and young and inexperienced driver excess will not apply to any loss or damage to **your vehicle** caused by fire or theft.

Section 2 Your legal responsibility to others (third parties)

1 We will provide cover for **you, your authorised driver** and **your** passenger against legal responsibility arising from any accident involving **your vehicle** for:

- death of or bodily injury to any person; and
- damage to property up to S\$500,000 for any one claim or series of claims arising out of any one accident.

We will also cover **you** for any accident in connection with loading or unloading **your vehicle** while on a public road.

2 We will pay all costs and expenses paid or agreed to if **you** have **our** written permission beforehand under this section.

3 We will not pay for:

- death or bodily injury to any person employed by **you** or **your authorised driver** which arises in the course of their employment;
- death or bodily injury which **you** or any third party can claim for under the Work Injury Compensation Act;
- loss of or damage to **your vehicle** or any property held in trust or owned by or in the care, custody or control of anyone that **we** cover under this section; and
- damage to any bridge or weighbridge or viaduct or to any road or anything beneath by vibration or by the weight of **your vehicle** or of the load carried by it.

Section 3 Towing a disabled vehicle

1 If your vehicle is towing any disabled vehicle, **we** will

pay for any loss or damage under Section 2 as long as the vehicle is not towed for a reward.

2 We will not pay for any loss or damage to the towed vehicle or property being conveyed by it.

C What is not covered

General exclusions

1 Driving and use

We will not pay for any accident, loss, damage, injury or liability where **your vehicle** is being used or driven:

- outside the 'limitations as to use' as shown in the certificate of insurance;
- over the legal capacity when full;
- by anyone not allowed to drive in line with the licensing or other laws or regulations to drive;
- by anyone who is trying to hurt themselves or commit suicide;
- by anyone under the influence of alcohol or drugs or medication;
- when it is not registered under the Road Traffic Act (Chapter 276) or when its registration under the Road Traffic Act (Chapter 276) has been cancelled under the relevant conditions; or
- with modifications that have not been approved by the Land Transport Authority in line with the Road Traffic (Motor Vehicles, Registration and Licensing) Rules or by any relevant regulatory authority.

2 Seating capacity

We will not pay for any accident, loss, damage, injury or legal responsibility if the number of people (including the driver) in **your vehicle** at the time of the accident is more than its legal seating capacity.

3 Deliberate actions or failure to act

We will not pay for any accident, loss, damage, injury or liability if the claim is:

- in any way fraudulent;
- deliberately exaggerated;
- supported by false declarations or documents;
- due to loss or damage deliberately caused by **you** or a person acting with **your** permission; or
- due to using the vehicle if it breaks any laws, rules or regulations.

4 Liability under a contract

We will not pay for any liability that **you** have agreed

to take on under an agreement, which **you** would not otherwise have if the agreement did not exist.

5 War and civil war risks

We will not pay for any legal responsibility for loss or damage directly or indirectly caused by or as a result of:

- war, invasion or any similar event; or
- riot, mutiny, civil commotion, uprising or rebellion.

6 Terrorism

We will not pay for any legal responsibility for loss or damage directly or indirectly caused by or as a result of any **act of terrorism**.

This also means loss, damage, cost or expense directly or indirectly caused by, resulting from or in connection with any action taken to control, prevent, suppress or in any way relating to any **act of terrorism**.

7 Nuclear risks

We will not pay for any losses directly or indirectly arising out of, contributed to or caused by, or resulting from or in connection with any act of **nuclear, chemical or biological terrorism**, even if there is another cause or event which contributes to the loss.

We will not pay for any loss, damage, injury or death caused by or arising from radioactivity or from using any nuclear fuel, material or waste or from it escaping.

8 Incidents involving equipment attached to your vehicle

We will not pay for:

- any loss or damage to **equipment** attached to **your vehicle** arising from any incident as well as any consequential financial losses arising from the loss or damage;
- any loss or damage to **your vehicle** and its accessories and parts arising from any incident that happens because the **equipment** is used or
- your legal responsibility or alleged responsibility for any loss or damage to property, injury or death arising from any incident that happens because the **equipment** is used.

9 Where judgements are made

The cover under this **policy** will not apply to judgements which are not originally delivered in the Republic of Singapore or received from a court within West Malaysia.

D Your responsibilities

General conditions

The following conditions apply to any claim made under this **policy**. If you fail to comply with any of these conditions, you may not receive any benefits in respect of that claim.

1 Maintaining your vehicle

You must maintain **your vehicle** in an efficient and roadworthy condition.

2 Precautions

You must take all reasonable precautions to reduce or remove the risk of damage, loss or injury.

If **your vehicle** is involved in any accident or breakdown, it must not be left unattended unless **you** take all necessary and proper precautions to prevent any further loss or damage to **your vehicle** or to anyone else.

3 Reporting an accident

If **your vehicle** is lost, damaged or involved in an accident, whether or not it would give rise to a claim, **you** must do the following.

- **You** must report the accident, loss or damage to **us** within 24 hours or by the next working day.
- **You** must make **your vehicle** available for inspection at an accident reporting centre, whether or not **your vehicle** has suffered any visible damage and whether or not **you** plan to claim under this **policy** or claim against any other person.
- **You** must tell **us** immediately about any claim by someone else or any writ, summons, offer of composition or notice of any other proceedings **you** have received.
- **You** must not admit legal responsibility or make any offer or payment without **our** written permission.
- **You** must report to the police and co-operate with **us** in convicting the offender in the case of theft or other criminal act that may give rise to a claim under this **policy**.

4 Carrying out legal proceedings

You must:

- give **us** all information, documents and help **we** may need from **you**, **your** employees, servants or agents, including any changes in the contact details; and

- get the full co-operation and help of **your** authorised driver and passengers, including
- interviews and coming to court if **we** reasonably ask so **we** can handle the claim.

We can:

- carry out, defend, settle or otherwise deal with all proceedings relating to any claims, summons, criminal prosecution, inquest or any other inquiries; and
- pursue in **your** name for **our** benefit any claim paid by **us**.

5 Prohibited persons

We will end this policy, or not carry out any transaction under this policy such as not pay any benefit, if **you** are or any **relevant person** is a **prohibited person**, and **our** decision will be final. **We** will not refund any unutilized premium when this **policy** is ended.

You will inform **us** immediately if there is any change in **your** or any **relevant person's** identity, status or identity documents.

6 Premium payment warranty

If the **period of insurance** is 60 days or more, **we** (or **our** intermediary) must receive the full premium due within 60 days from the:

- effective date of this **policy** or this renewal **policy** (shown in the Certificate of Insurance),
- effective date of each endorsement issued under this **policy** or renewal **policy**,

failing which, this **policy** shall be terminated automatically at the end of the 60-day period.

Termination of this **policy** shall not affect **your** right to claim for an event covered by this **policy** that happens during the 60-day period. **We** shall be entitled to a pro-rata premium for the 60-day period where the risk is insured under this **policy**, subject to a minimum premium of S\$26.75 (after GST).

If the **period of insurance** is less than 60 days, **we** (or **our** intermediary) must receive the full premium within the **period of insurance**, failing which, this **policy** will not be valid.

E What you need to be aware of

General information

1 Geographical limits

This **policy** provides cover for any accident, loss, damage, injury or legal responsibility arising within the following geographical areas.

- The Republic of Singapore
- West Malaysia
- Part of Thailand within 80 km from the border of West Malaysia.

2 No-claim discount (NCD)

If there is no claim made under this **policy**, **we** will give **you** a discount on **your** premium on the following scale when **you** renew **your policy**.

Number of accident-free years	NCD
One year	10%
Two years	15%
Three or more years	20%

If there is a claim made under the **policy**, **we** will reduce the discount to 0%.

You cannot transfer the no-claim discount to anyone else.

However, if **you** fail to report an accident under clause 3 of the general conditions, **we** will reduce **your** NCD as shown in the following table.

Existing NCD	After reduction
20%	15%
15%	10%
10%	0%
0%	0%

3 Pairs and sets

If the damaged item forms part of a set or a pair, the repair or replacement will only apply to the damaged item in that pair or set. For example, if one rim was damaged, **we** will only pay for the cost of one rim.

4 Other insurance

If any other insurance covers the same damage, loss or liability, **we** will pay only **our** share of any claim.

5 Governing laws

This **policy** is governed by the laws of Singapore and any future changes to those laws.

6 Avoiding certain terms and right of recovery

You or **your** authorised driver will have to refund **us** any amount **we** have to pay under the following agreements.

- Motor Vehicles (Third Party Risks and Compensation) Act (Chapter 189)
- The Agreement between the Minister of Transport of the Government of Malaysia and the Motor Insurers' Bureau of West Malaysia on 15 January 1968
- The Agreement between the Minister of Finance of the Republic of Singapore and the Motor Insurers' Bureau of Singapore on the 22 February 1975
- Any later changes to any of these laws or agreements

This applies if **we** are not legally responsible under this **policy**.

7 Excluding other people's rights

A person who is not a party to this **policy** will have no right under the Contracts (Right of Third Parties) Act (Chapter 53B) to enforce any of its terms.

8 Dealing with disputes

Any dispute about any matter arising under, out of, or in connection with this **policy** will be referred to Financial Industry Disputes Resolution Centre Ltd (FIDREC). This applies as long as the dispute can be brought before FIDREC.

If the dispute cannot be referred to or dealt with by FIDREC, it will be referred to and finally resolved by arbitration in Singapore in line with the Arbitration Rules of the Singapore International Arbitration Centre which apply at that point in time.

9 Cancellation

We may cancel this **policy** by giving **you** seven days' notice at **your** last-known address. **You** may also cancel this **policy** by contacting **us** in writing or by phone. **We** will work out any refund of premium as follows.

$$\text{Premium refund} = \frac{0.85 \times \text{the premium} \times \text{the unexpired period of insurance (days)}}{\text{the original period of insurance (days)}}$$

If you take up another insurance policy with us within 90 days from the effective date this policy is cancelled, the following apply.

$$\text{Premium refund} = \frac{\text{premium} \times \text{the unexpired period of insurance (days)}}{\text{the original period of insurance (days)}}$$

However, **you** will not receive any refund of premium if:

- any claim has been made or has arisen under this **policy**;
- **we** have paid one or more claims under or in connection with this **policy**; or
- **your** premium refund is less than S\$5.

If **your policy** is cancelled before or after the effective date of insurance, **we** will charge a minimum premium of S\$26.75 (after GST).

F Definitions

Any word or expression which has a specific meaning will have the same meaning wherever it appears in the policy documents.

Accessories refers to all audio and video equipment fitted into your vehicle by the manufacturer or distributor at the time your vehicle was originally bought.

Act of terrorism refers to an act (which may or may not involve using force or violence) by any person or group, committed for political, religious, ideological or similar purposes, with the aim of influencing any government or to put the public, or any section of the public, in fear.

Application form refers to the filled-in application form signed by you for a motor insurance policy.

Authorised driver refers to any person who is authorised by you to drive your vehicle.

Biological agent refers to any pathogenic (disease producing) micro-organism or biologically produced poison including genetically modified and chemically synthesized toxins which cause illness or death in humans, animals or plants.

Chemical agent refers to any compound which, when suitably passed into the atmosphere, produces damaging or lethal effects on people, animals, plants or property.

Endorsement refers to a clause under which we may change the cover we provide. The endorsement which applies to your policy is shown in the schedule or the certificate of insurance.

Equipment refers to and includes any plant, machinery or tool (and its accessories and parts) which is installed on or fixed to your vehicle for purposes other than to help drive your vehicle.

Excess refers to the amount shown in the schedule or certificate of insurance which you must pay for every accident.

Market value refers to the cost of replacing your vehicle with one of the same make and model, of similar condition and age as currently available immediately before the date of the loss or accident.

Nuclear, chemical or biological terrorism refers to using any nuclear weapon or device or releasing any solid, liquid or gas chemical agent or biological agent in an act of terrorism.

Period of insurance refers to the period of insurance which your vehicle is insured under this policy as shown in the schedule or certificate of insurance.

Policy refers to this policy, your application form, your declarations, the schedule, the certificate of insurance and any endorsements we have issued under this policy.

Policyholder, you or your refers to the person named in the certificate of insurance and under whose name this policy has been issued.

Prohibited person means a person or organisation which is affected by laws, regulations, restrictive orders, embargoes or sanctions by any inter-government, government or regulatory or law enforcement authority of any country which will prevent or restrict us from continuing this policy or carrying out any transaction under this policy.

Relevant person includes insured, trustee, assignee, beneficiary, beneficial owner or nominee and mortgagee or financier.

We, our, us or Income refers to Income Insurance Limited.

Your vehicle refers to the vehicle which is described in the schedule or certificate of insurance.

G Endorsements

The following endorsements apply when the endorsement number is shown in the schedule under the heading 'Endorsement Operative'.

Policy Owners' Protection Scheme

This policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact Income or visit the GIA/LIA or SDIC websites (www.gia.org.sg or www.lia.org.sg or www.sdic.org.sg).