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الشركة العربية السعودية للتأمين التعاوني
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الوثيقة الموحدة للتأمين الإلزامي على المركبات

The UNIFIED COMPULSORY MOTOR INSURANCE POLICY

The Unified Compulsory Motor Insurance Policy

Article -1 Based on the cooperative insurance companies Regulation issued by the Royal Decree No. M/32 dated 2/6/1424H, as modified by the Royal Decree No. M/30dated 27/05/1434H, The implementing regulations issued by the resolution of Minister of Finance under the No. 1/596 on 1/3/1425H, Traffic Regulation issued by the Royal Decree No. M/85, dated 26/10/1428H, the implementing regulation issued by the resolution of the Minister of Interior No. 7019 on 3/7/1429H, and the council of Ministers resolution No. 222 dated 13/8/1422Hconcerning the compulsory Motor Insurance, this compulsory policy shall cover the civil liability towards third parties (the grieved) according to provisions, conditions and exclusions contained or supplemented herein. The contents of this policy shall be considered as the minimum limit of the Compulsory Motor Insurance.

Article -2 Definitions

The following words and phrases in this policy, wherever they occur shall have the meaning indicated against each, unless the context indicates otherwise.

- 1- **Compulsory Insurance Policy:** Motor third party liability insurance policy – contract- under which the insurer undertakes to indemnify the third party upon the occurrence of an un-excluded loss covered under the policy for the premium paid by the insured. This policy shall include the promissory warranty certificate and appendices (if any) provided that they shall not contradict or violate the provisions stated in this policy.
- 2- **Company (The Insurer):** An insurance company that accepts insurance directly from the insured.
- 3- **The insured:** a natural or legal person who signs with the insurer the insurance policy and whose name is stated in the policyschedule.
- 4- **Driver:** whoever is driving a vehicle, bearing driving license, and his age is 18 lunar years or above.
- 5- **Vehicle:** Any means of transport moving on wheels, chain, or pulled by an engine or animal power as described in the policy (Excluding Trains)
- 6- **Third Parties (Grieved):** Any natural or legal person who sustain loss as a result of an un-excluded peril other than the insured and / or the driver.
- 7- **Accident:** Any incident that causes damage to third parties as a result of the vehicle

use, explosion, catch fire, scattered parts, movement or self-impulsion or stop.

- 8- **Physical Damage:** Death and / or physical injuries which maybe inflicted on a third party including partial or total disability whether permanent or temporary.
- 9- **Material Damage:** damages to property belonging to the third party.
- 10- **Expenses:** All expenses incurred by a third party as a result of an un-excluded peril.
- 11- **Claim:** Indemnity claim for damage as a result of an un-excluded peril according to this policy.
- 12- **Claimant:** The natural person or his representative, or the legal representative of the legal person who sustained damage as a result of an un-excluded peril according to this policy.
- 13- **Indemnity:** amounts to be paid by the company to a third party within the maximum civil liability specified in this policy.
- 14- **Premium:** Amount to be paid by the insured to the company for its agreement to indemnify the third party for damage or loss whose direct cause is an un-excluded risk under this policy.
- 15- **Civil Liability:** The liability of the insured and / or the driver towards a third party for material or physical damage inflicted by the insured vehicle.
- 16- **Major Fact:** any fact that may affect the company's decision to accept or reject the insurance premium or terms and conditions of the contract, or acceptance of the claim.
- 17- **Major Change:** The change that may result in increasing the probability of accident occurrence or exaggerates its size.
- 18- **Right of Recourse:** It is the right of the company to recover the paid indemnity to third party as a result of a recourse accident or exclusion from the insured or driver who caused the accident.
- 19- **Policy Schedule:** The schedule attached to the policy including many statements and considered as an integral part thereof.
- 20- **Supplementary:** An agreement between the insurer and the insured following the issue of the policy including an addition or modification or cancelling additional coverage to the basic covers that must be attached to the policy comprising an integral part thereof.

Article -3 Insurance Coverage:

Whereas the insured has submitted to the company an insurance proposal form which is considered as the basis for this policy and has paid (or has undertaken to pay) the required premium, and the company accepted this proposal, the company shall in the event of loss resulting of an un-excluded risk in this policy whether such loss arose from the use of the vehicle or its stopping in the territory of KSA, indemnify in cash the third party in accordance with the terms and conditions set forth in this policy for the amounts that the insured or driver is committed to pay for:

- A- Physical damages caused to third party inside or outside the vehicle.
- B- Material damage outside the vehicle.

Article -4 Coverage Limits

In the event of the occurrence of an accident resulting in the payment of indemnity in accordance with the provisions of this policy, the maximum limit of the company's liability for one event for both physical damage and material damage shall not exceed together a total sum of SAR 10,000,000 (ten million Saudi Riyals) as coverage liability.

Article -5 Cases in which the company is not allowed to disclaim liabilities towards third party:

The company may not disclaim liability for indemnity under this policy towards the third party because the insured or the driver has committed any violation, whether the violation has been before or after the accident, or because of the insured's or driver's noncompliance with what is stated in the policy, without prejudice to the company's right of recovery from the insured or the driver after indemnifying the third party if recourse is justified.

Article -6 Recourse against the insured, the driver or the one who caused the accident

First: The company has the right of recovery from the insured, driver or the one who caused the accident to recover the amount paid to the third party in any of the following cases:

- 1- Any liability or expenses arising or occurring where the insured vehicle is:
 - A- Used in contravention of restrictions set forth in the schedule.
 - B- Carrying passengers beyond the capacity authorized for the vehicle, and it has been proven that the accident occurred because of this violation.
 - C- Driven by a person under the influence of drugs, alcohol or medicines after which driving is not allowed.
 - D- Driven by any person under the age of 18 years unless insured or among the names of authorized drivers whose age is below 18 years under the policy schedule.

- E- If proven that the vehicle is driven without driving license appropriate to that type of vehicles according to valid regulations and rules, or if the license is suspended or withdrawn by the competent authorities, or invalid at the time of the accident unless the expired license is renewed within fifty working days of the accident date.
- 2- If it is proved that the insured has made false representations or concealed material facts.
 - 3- If it is proven that the accident was deliberately made by the insured.
 - 4- Failure of the insured to report the company in writing within 20 working days of any material change in his statement in the insurance application form.

Second: The company has the right to recourse against the one who caused the accident to recover the paid amounts to third parties in the following case:

If the vehicle is stolen or taken by force, the insured must notify the concerned authorities as soon as possible and provide all possible support to the company.

Article -7 Claim Settlement Procedures:

Upon receiving any claim, the company shall be committed to provide the claimant with receiving acknowledgement and inform the claimant of any missing documents within 3 days from the date of receiving the claim. It shall also appoint an assessor or loss adjuster if necessary within no more than three days from receiving the claim.

The company shall settle the claim amount as determined by the concerned authorities, or licensed authorities as covered by the this policy with integrity and fairness without any bargaining within no more than 15 lunar days of receiving the claim with complete documents from applicant or if the claim is based on judicial award subject to execution and submitted by the grieved or representative or if the insured had reported to the company.

The company shall settle the claim within the period stated above if the claim is submitted after repairing the vehicle provided that the claimant shall provide the company with the original repair invoices and it is required that the accident is processed by the concerned authorities.

The mechanism of leasing substitute vehicle is as follows:

Liability of the insurance company for each day missed benefit of each vehicle sustaining damage according to the leasing amount of similar substitute vehicle not exceeding SAR 500, and the maximum period for the missed benefit shall not exceed 15 days of the claim settlement.

Failure of the company to settle the claim within the legal period without a justifiable reason,

the beneficiary of the policy coverage shall have the right to complain through SAMA website www.Samacare.com or submit application to Insurance Dispute Settlement Committees to oblige the company to settle the claim and indemnify the insured for any cost incurred as a result of not using the vehicle due to company delay in settling the claim (Such as leasing substitute vehicle) .

The company must notify the claimant of accepting or rejecting the claim, in case of total or partial acceptance, the company must specify the indemnity amount and method of payment.

The company must settle and pay the insurance claim through depositing the indemnity amount in a bank account of the beneficiary directly through Iban.

In case Partial or total rejection of the claim, the company must :

- 1- Provide the claimant with the reasons for rejection.
- 2- Inform the claimant of his right to file petition of his case to the committees for resolution of insurance disputes and violations according to article (20) of the law on supervision of cooperative insurance companies so as to be considered by those committees.
- 3- Provide the claimant, upon his written request with copies of documents in support of the company decision.

Article -8 General Conditions

- 1- The insurance company and insured may not agree on decreasing the liability limits stated in this policy.
- 2- Multiple sources of insurance and other insurance coverage:
If the vehicle is insured with same type of insurance by more than one company, the company shall only pay a portion of indemnity amount, expenses or fees equal to the ration between the sum insured and other total sums insured. In case there is another type of any insurance, which covers the liability or expenses for the same cover (Such as availability of motor comprehensive insurance policy), the company shall be liable to cover that responsibility or other expenses incurred by the third party and then it subrogate on behalf of the insured by requesting other insurance companies to pay their relative percentage of such claim.
- 3- Alterations:
The insured shall, within 20 working days notify the company of any material change in the representations that have been stated explicitly by him in the insurance



proposal form. The company shall notify the insured within 3 working days from the date of receiving the insured aforementioned notification in case of company intention to increase the insurance premium.

4- The Company's subrogation Right to handle legal proceedings and settlement:

The company has the right to:

- A- Represent the insured or the driver in any investigation or interrogation related to a claim subject of indemnity under this policy.
- B- Handle legal proceedings for defending the insured or the driver before any judicial body against any allegation or accusation related to an accident subject of indemnity under this policy.
- C- The insured must notify the company as soon as becoming aware of any claim, investigation or interrogations related to the respective accident unless the delay is justifiable.

5- The company right to include the name of insured in the Saudi Credit Bureau (SIMAH) system:

The company has the right to include the name of the insured in the Saudi Credit Bureau (SIMAH) system if the insured defaults in paying the amount due to the company whether insurance premium or claims recoveries.

6- Liabilities of the insured or driver in case of occurrence of and excluded Risk according to this policy:

- A- Inform the concerned authorities immediately upon accident occurrence, and shall not leave the accident scene till the completion of procedures except in cases that necessitates leaving the accident scene such as body injuries.
- B- Shall not assume responsibility with the intention of harming the company, pay or undertake to pay any amount to any party involved in the accident except after obtaining a prior written approval from the company.
- C- Shall cooperate with the company and issue powers of attorney enabling the company to carry out the proceedings on behalf of the insured or driver if the company expresses its desire to do so.
- D- Shall at the company's expense perform all required works to guarantee the company's right for recovery from any other party any amounts due to it as a result of indemnity paid by the company according to this policy.

7- Obligation of the Company in Case of Delay in Settlement of a Claim with Complete Documents:

The company shall be committed to compensate the beneficiary of the coverage of this policy for any cost incurred as a result of loss of use of his damaged vehicle due to the company's delay for more than 15 days in settling the claim after completion of all required documents of the claim without providing acceptable excuse for the delay of paying the indemnity.

8- Fraud:

The right arising from this policy shall be forfeited if the claim involves fraud, or if the insured, driver or the agent of any of them or a third party uses fraudulent ways or methods to gain benefits from this policy, or if liability or loss results from a deliberate act by the insured, the driver or others or due to collusion with any one of them. The company may recourse to any party who appears to have been responsible for this fraud either by participation or collusion. Then the company, however, shall be committed to indemnify a third party if his intention is good.

9- Cancellation:

Neither the company nor the insured may cancel this policy after being issued except in any of the following cases:

- 1- Cancellation of the vehicle registration.
- 2- Transfer of title to another owner.
- 3- Presentation of substitute insurance policy from another company.

The company shall return back the due amount of the remaining period of the insurance policy to the insured through direct deposit in the bank account of the beneficiary through the Iban within 3 working days of the company being aware of the occurrence of the above stated cases. The amount to be returned to the insured shall be calculated for whole the unused remaining period of the insurance cover, and divide the result on the full insurance cover period, then multiply the result by the premium. The result shall be the amount to be returned to the insured, as follows :

$(365 - \text{used days} / 365) \times \text{Premium}$ - The amount to be paid to the insured.

The company liability to pay the remaining premium amount shall exclude any previous claim exceeding the amount to be repaid according to the above stated

formula.

Notwithstanding the above started, the company, the insured and driver shall remain committed to the provisions of this policy in terms of liabilities arising before cancellation.

10- Policy issuance & Renewal Notification:

The company may not issue this policy unless electronically linked to a licensed system to collect information. The company shall notify the insured twenty days prior to expiry of the policy to enable him to renew the same or obtain another policy from another company.

11- Jurisdiction & Governing Law:

A- Any dispute arising of this policy shall be subject to rules & regulation valid in KSA, such dispute shall be settled by the Insurance Disputes & Violations Resolution Committees stated in article (20) of the Cooperative Insurance Companies Control, issued by the Royal Decree No. M/32 dated 1424 H.

B- No claim arising of this policy shall be valid after elapse of five years of the incident subject matter of the claim, and that the beneficiaries were aware of its existence unless there exists a justifiable reason acceptable to Insurance Dispute & Violation Settlement Committees.

Article -9 Exclusions Cases Uncovered Under This Policy)

The company shall be responsible for indemnification in any of the following cases:

- 1- Loss or damage to the insured vehicle, property of the insured or driver inside or outside the vehicle.
- 2- Death or body injury of the insured or driver.
- 3- Loss or damage to the insured vehicle or property of the insured or driver inside or outside the vehicle.
- 4- Damage or loss to items transported by the insured vehicle, or that under his custody or supervision.
- 5- Used in any type of racing, to determine the starting speed, or tolerance experiments.
- 6- Used in areas that are not allowed to public access in airports or seaports unless the vehicle is used for commercial purposes within the allowed areas.
- 7- Escape of the driver of the insured vehicle from the accident scene unless in good faith.



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- 8- Acknowledgement of the driver for the responsibility with the intention to cause damage to the company.
- 9- Driving through red traffic light.
- 10- Driving in the opposite direction.
- 11- Drifting
- 12- If the vehicle is used or operated as work equipment.
- 13- Financial penalties and fines, guarantees, or bailments imposed against the insured or driver because of the accident.
- 14- Any responsibility or fees arising directly or indirectly of the following:
 - A- War, invasions, acts of foreign enemy, hostilities, warlike acts (Whether announced or not) or civil war.
 - B- Rebellion, military or popular uprising, insurgence, revolution, usurping authority, material law, or any event or reasons leading to declaring or continuation of martial laws, siege, or acts of vandalism and terrorism committed by person(s) working individually or on behalf of or related to any terrorist organization. Terrorism shall mean the use of violence for political, intellectual, philosophical, racial, ethic, social or religious purposes. The use of violence includes putting the public and / or a segment of it under panic condition; affecting and / or causing turmoil, intervening in any operations and / or activities or government policies or causing turbulence negatively affecting the national economy or any of its sectors.
 - C- Strikes, riots or civil or labor disorder.
 - D- What has been caused by or arise from or contributed to by nuclear weapons, ionizing radiations, radioactive contamination due to any nuclear fuel or waste which results from burning nuclear fuel. For the purposes of this exclusion, burning shall include any nuclear fission process.
 - E- Natural disasters such as hurricanes, earthquakes, floods or volcanos.
- 15- Accidents that occur beyond the geographical territories stated in the policy schedule.