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OPTIONAL INSURANCE POLICY FOR THE VEHICLE'S BODY

Adopted by Insurance Companies
Operating in the State of Qatar

In accordance with decree No. (6) of 2010 Issued by Minister of Interior to comply with traffic law No (19) of 2007
This policy shall be deemed to be complementary to the Standard Compulsory Insurance Policy ref.:
covering the period from: / /20 To: / /20

CHAPTER ONE **THE COMPANY OBLIGATIONS**

The Company shall hereby undertake to indemnify the Insured against any damage that might be caused to the Insured motor vehicle whilst being driven on paved streets or traffic-intended roads within the State of Qatar as a result of:

- 1) Collision or overturning.
- 2) Fire occasioned by self-ignition or lightning;
- 3) Theft or attempted theft or burglary;
- 4) Malicious acts of others;
- 5) Fall or dispersal of objects.

The Company shall undertake to pay in cash the compensation amount or repair the damage. However, the Company's liability for compensation shall in no case exceed the depreciated value of damaged or lost spare parts plus the reasonable cost of fitting thereof. If such needed spare parts are not available in the local market, compensation therefore shall not exceed their last prevailing market price subject to application of the depreciation percentage, **knowing that the Company shall not be held responsible for unavailability of such spare parts.**

In all events, the Company shall be entitled to possession and ownership of the replaced spare parts.

However if the motor vehicle incurred damages rendering it as a total loss, the Company shall then pay the insured value after deducting the proportionate depreciation from the insurance inception date up to the date of occurrence of the accident or the vehicle's market value at the date of accident. Whichever is less The Company shall also bear the appropriate expenses incurred by the Insured for the protection or the removal of the damaged vehicle to a limit of QR 350/- (Qatari Riyals Three Hundred and Fifty only).

The motor vehicle shall be considered a total loss in case where the estimated cost of repair is greater than (70%) of its insured value at the time of the accident.

EXCEPTIONS TO CHAPTER ONE

The Company shall not be liable to pay any indemnity in the following circumstances:

- 1) The deductible stated in the Schedule is to be borne by the Insured in any one occurrence.
- 2) Consequential Loss to the insured vehicle subsequent to the occurrence of the accident.
- 3) Loss of use of the insured motor vehicle or diminution of value thereof.
- 4) Loss due to the vehicle depreciation.
- 5) Mechanical, electrical or electronic failures, breakdowns or breakages because of use or linkages beyond the original standard specifications of the motor vehicle.

CHAPTER FIVE
CASES OF FORFEITURE OF THE
INSURED'S RIGHT IN INDEMNIFICATION

The Insured shall be disentitled to and undertake to repay any amounts which the Company has paid thereto in the following events:

- 1) If it has been proved that the insurance was concluded on the basis of false representation made by the Insured, or if the latter had concealed material facts which may influence the Company's acceptance to cover the risk, the insurance cost or the conditions, thereof.
- 2) The use of the vehicle for a purpose other than that indicated on its licensing book, the carriage of passengers or overloading the vehicle in excess of its seating or loading capacity or the use of the vehicle for racing or speed trials.
- 3) If it has been proved that the vehicle's driver, whether he was the owner or any other person permitted to drive it, had committed the accident while he was under the influence of alcohol or drugs.
- 4) in case a driver permitted by the Insured, or its representative, to drive the motor vehicle does not hold a license to drive such a motor vehicle or such license is expired and has not been renewed within the period specified under the law or is legally or judicially withdrawn or suspended;
- 5) If it has been proved that the damages have arisen out of an act which has been committed by the Insured willfully and with premeditation.
- 6) If it is proved that the accident was the result of a grave breach of traffic law or its executive rules.
Example of a grave breach (but not limited to) is driving on opposite direction, crossing traffic red lights, driving on sand dunes or rugged areas or on the beach, failure to comply with the terms of security and durability of the vehicle and high excess of spread limit on the roads

CHAPTER SIX
COOPERATIVE INSURANCE

1- The insurance under this document is subject to the Memorandum of Association of Al Khaleej Takaful Group which exercises its operations on the basis of cooperation in accordance with the Islamic Sharia law and is the agent of policyholders.

DISTRIBUTION OF SURPLUS TO POLICYHOLDERS

The Company holds a separate account for its insurance activity business known as policyholders' account where insurance contributions and earnings achieved legitimately are added, and administrative services' expenses, subscriptions of reinsurance, claims and necessary reserves are deducted. The surplus is distributed between policyholders as per their subscription's rate.

Ratio of speculation and agency fees will be determined at the beginning of each year, in agreement with the Supervisory Board.

6) Damage to or loss or theft of tyres, accessories, wheel covers or antenna unless it is occurred as a result of collision, overturn or fire.

7) Loss or damage to the vehicle's load or to the additional accessories of the vehicle, such as telephone, television and the like or to any other property found in the vehicle, unless specifically stated in the Policy or its Endorsements with their insurance value and the additional premium due thereon duly paid. Their relevant insurance values and additional payable premiums.

CHAPTER TWO OBLIGATIONS OF THE INSURED

- 1) The Insured shall be obliged to pay to the Company the premium agreed upon.
- 2) Obligation of truth and good faith in giving any statement or information which may have impact on this Policy or on what may result thereof.
- 3) To enable the Company to examine the vehicle to be insured, and to inspect such vehicle to be sure of its safety and to determine its value at the issuance of the Policy.
- 4) The Insured shall remain during the validity of this Policy, the owner of the vehicle and in the event of disposal hereto by way of sale or hire, the Insured must notify the Company within a week of such disposal, otherwise he shall forfeit his right to the indemnity.
- 5) The Insured should take all reasonable steps to safeguard and protect the motor vehicle insured under this Policy against any losses or damage. He should also maintain and keep such vehicle in a good order. In the event of occurrence of an accident or breakdown, the Insured must not leave the vehicle unguarded, or without taking precautions to avoid the occurrence of the further loss or damage.
- 6) The Insured or his nominee, in the event of occurrence of an accident which may give rise to a claim hereunder, should notify the Company in writing of such accident, not later than (48) hours of the occurrence of the accident, and shall be bound to bear any additional losses which may result from the breach of such obligation. Moreover the Insured must not move the vehicle from the scene of the accident before the arrival of the Police to make a report of the accident and shall subsequently be obliged to submit the report to the Company.
- 7) The Insured shall not undertake to settle with the Third Party causing the loss or the damage to the insured vehicle without the written approval of the Company and shall make no admission of liability or responsibility. In the event of occurrence of theft or a criminal act which may give rise to a claim hereunder the Insured shall be obliged to immediately notify the Police and cooperate with the Company in securing the conviction of the offenders. The Insured must not carry out any repair to the vehicle before notifying the Company and obtaining its prior approval. The Insured is also bound to immediately notify the Company if he becomes aware of initiation of a law suit or upon receipt by him of judicial papers relating to an accident which may give rise to a claim under this Policy.

CHAPTER THREE GENERAL CONDITIONS

- 1) Full observance of the terms and conditions of this policy relating to anything to be done or not to be done or to be complied with by the Insured or any person claiming to be identified shall be condition precedent to liability by the Company of any amount due under this policy.
- 2) Each of the Company and the Insured shall have the right to cancel this Policy at any time, by virtue of a seven day notice to be sent by registered letter or by telegram at the last address of the addressee. The Company shall refund to the Insured a portion of the premium proportional to the remaining insurance period, should the revocation be effected by the Company, however if such cancellation has been done by the insured, then the Company will refund him with the paid premium, minus the premium which the Company usually collects in accordance with the short period tariff for the period during which the Policy was in force, provided that no claim for indemnity has been raised during the validity of the insurance, and in this case, the Company will refund him nothing.
- 3) In the event of existence of another insurance covering the same loss or damage, then contribution rule shall be applied for determining the Company's liability.
- 4) It will not be necessary that repair should be carried out in the agency garage, the Insured shall have the right

to show his vehicle, after being repaired by the Company to an independent party in order that as he feels confident of the efficiency of such repair in the event the vehicle's repair has been done outside the agency.

5) The Insured shall bear the first QR 350.00 of each and every accident, should the driver of the vehicle (at the time of the occurrence of the accident) be less than 21 years old.

6) Subject to application of the depreciation percentage, the Insured shall pay 30% of the total compensation costs of damages caused by an unknown third party.

7) If the motor vehicle is deemed to be a total loss, compensation will be calculated on the basis of the motor vehicle's declared insured value subject to a deductible of 2% - with a minimum limit of 5% and maximum limit of 20% for all cars make - for the period from the date of the insurance policy to the date of accident.

8) However, depreciation on the new parts replaced in accordance with the obligation arising out of this Policy will be calculated as follows:

a) The vehicle which has been insured immediately upon purchasing it new from its agency, and which model is of the same year during which the purchase was made or the previous year, then the parts of such vehicle will be exempted from depreciation for the first insurance year.

b) For the vehicle of more than one year age and up to two years, as per its model or year of manufacture stated on its ownership book, then depreciation percentage of its parts will be 20%.

c) For the vehicle of more than two years, as aforementioned, then depreciation percentage of its parts will be 30%.

d) For the vehicle of more than three years and up to four years, as aforementioned, then depreciation percentage of its parts will be 40%.

e) For the vehicle of more than four years, as aforesaid, then depreciation percentage of its parts will be 50%. Above to be considered in case the driver of the insured vehicle caused the accident or participated in it, or if the accident caused by unknown person. If the Insured was not at fault, then the spare parts will not be depreciated if the vehicle age is less than four years

9) The Insured's action against the Company shall lapse by prescription upon expiry of three years from the date of the accident, or the date the Insured or his representative becomes aware of the accident occurrence.

10) Qatar Courts shall be the competent authority to decide in any disputes which may arise out of this Policy.

CHAPTER FOUR **GENERAL EXCEPTIONS**

1) This Policy shall not cover total loss, damage, or accidents which may have occurred to the vehicle by reason of any of the factors stated hereunder;

(a) Flood, torrents, storm, sand storms, whirlwinds, hurricanes, eruption of volcanoes, earthquake, fall of hailstones or any other convulsions of nature.

(b) Nuclear and atomic explosions and radiations.

(c) War, invasion, acts of foreign enemy, military or semi-military operations (whether war is declared or not)

(d) Civil commotions, riot acts and organized terrorism acts.

(e) Confiscation or nationalization.

2) This Policy shall not cover loss or damage to the vehicle or to any parts thereof which occurs or arises out to the vehicle or to any parts thereof in the following circumstances; as

(a) Impact to the vehicle by the vehicle's load with its structure, or impact of the vehicle's parts with each other.

(b) Accidents which happened whilst the vehicle is in possession or custody of persons with whom such vehicle was left for repair, service or maintenance.

(c) a broken-down vehicle or other object being towed by the insured motor vehicle as well as the damage resulting from bumping of towed vehicle against the insured motor vehicle;

(d) an accident involving the insured motor vehicle made by the Insured or an authorized driver while being chased by the police, transporting fugitives, carrying smuggled or legally-prohibited goods or substances;

(e) Accidents sustained by the insured motor vehicle whilst driven on dunes, rough roads or coastline unless otherwise agreed to the contrary.

3) The Company shall not be liable to pay for damages caused to the insured heavy equipment or dump trucks whilst in operation at work sites as coverage is limited to damages sustained by such equipment whilst driven on ordinary roads.