

The English version was translated from Vietnamese

# **VOLUNTARY MOTORBIKE INSURANCE WORDING**

*(The Vietnamese Original version was issued in accordance with the Decision  
No. 02QĐ/BH-PAC-15 dated Jan. 21, 2015 of Phu Hung Assurance Corporation)*

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Signing date: Jan. 21, 2015	Signing date: Jan. 21, 2015	Signing date: Jan. 21, 2015

Whereas the motorbike owner has applied for this insurance and has paid the premium as prescribed, Phu Hung Assurance Corporation (Phu Hung) agrees to cover the type of voluntary motorbike insurance under terms and conditions contained herein.

## **SECTION I: GENERAL PROVISIONS**

### **Article 1. Definitions**

1. Motorbikes are two-wheeled vehicles, three-wheeled vehicle which are allowed to operate on the road with its engine except mopeds, pulled motorbikes, lambrettas, cyclo, electric motorbikes, and self-made motorbikes.

2. Motorbike owner (organization or individual) means the owner of a motorbike or a person is authorized by the motorbike owner to legally possess and use that motorbike.

3. Third party means a person suffering from loss of life, or bodily injury or property damage caused by a motorbike, other than the following persons:

- Driver of the motorbike;
- Passengers on the motorbike;
- Owner of the motorbike, unless he/she/it has authorized another organization or individual to possess or use the motorbike.

4. Passengers who are carrying on the motorbike when the consent of the owners of motorbike.

### **Article 2. Insurance policy**

The motorbike physical damage insurance policy is an agreement between the motorbike owner and Phu Hung whereby the motorbike owner is obliged to pay premiums fully while Phu Hung is undertaken to pay compensation to the motorbike owner upon the occurrence of an insured event.

The insurance policy must be made in writing. The written insurance request signed by the motorbike owner constitutes inseparable parts of insurance policy. The insurance certificate shall be the evidence of the entry into insurance policy.

Phu Hung only issues insurance certificate when the motorbike owner paid full premium (unless otherwise agreed in writing).

### **Article 3. Validity of Insurance**

1. The Period of Insurance is specified in the insurance policy/ insurance Certificate.

2. If the motorbike owner transfers the ownership of the motorbike, the insurance policy shall be automatically terminated. Except the former vehicle owner notifies in writing to transfer the ownership to the new vehicle owner and is accepted in writing by Phu Hung. When the policy is terminated, Phu Hung will refund for the motorbike owner according to the provisions of Clause 3, Article 4.

### **Article 4. Termination of insurance policy**

1. The insurance policy will be terminated if the motorbike owner doesn't pay full premium:

Within 5 working days from the specified date of premium payment (once or periodically written in the insurance policy) the motorbike owner is obliged to pay the full premium specified in the insurance policy. Beyond the above period (considered as the grace period that Phu Hung give to client) if the motorbike owner does not pay full

premium as specified in the insurance policy, the insurance policy shall be automatically terminated.

Within 5 working days from the date of termination of insurance policy, Phu Hung will refund to the motorbike owner the excess premium (if any) or request the motorbike owner to pay premium till the terminating day fully. Phu Hung will not refund premium if insured event occurred and Phu Hung has paid compensation.

The insurance policy will continue the effectiveness after the motorbike owner paid full premium for the remaining period of insurance policy.

## 2. Unilateral termination of performance of insurance policy

Within the insurance period, either party can unilaterally suspend the performance of an insurance policy according to regulations of law by notifying to counterparty in writing.

If the motorbike owner suspends the insurance policy before maturity, must notify to Phu Hung in writing. Within 05 working days from receiving written notification from the motorbike owner, Phu Hung shall refund 70% of premium equivalent to the remaining period of the insurance policy. Phu Hung will not refund premium if insured event occurred.

If Phu Hung unilaterally suspends the performance of an insurance policy, within 15 working days from making written notification, Phu Hung shall refund premium equivalent to the remaining period of insurance policy.

## 3. Termination of insurance policy when transferring the ownership of the motorbike

If the insurance policy is terminated due to transferring the ownership of the motorbike, Phu Hung shall refund premium equivalent to the remaining period of insurance policy if vehicle owner requested.

## **Article 5. Obligations of motorbike owner, driver**

1. When applying for insurance, the motorbike owner or the representative of the motorbike owner shall disclose fully and honestly information required in the proposal form.

2. Create favorable conditions for Phu Hung to examine the conditions of motorbike before issuing insurance certificate.

3. Motorbike owners pay the premiums fully as agreed in the insurance policy/ Certificate.

4. Comply with regulations on safety of road traffic.

5. When an accident occurs, the motorbike owner/driver must:

5.1. Promptly notify Phu Hung of the accident for coordinated settlement, actively rescue and treat victims, mitigate human and property damage and protect the accident scene; and at the same time, report the accident to the nearest police office or local administration (except for force majeure).

5.2 Do not move, remove or repair the property without the consent of Phu Hung; except where necessary to ensure safety and prevent or limit damage to people and property, or where it at the request of the competent authority.

5.3 Within 05 days from the date of accident (except for force majeure), the motorbike owner should give a written notice of accident to Phu Hung.

6. The motorbike owner must act with good faith in collecting and providing documents and evidence (correspondence) in claim dossier and must create favorable

conditions for Phu Hung in verifying the truthfulness of such documents.

7. If loss occurred related to liability of third party, the motorbike owner shall comply with guidance of Phu Hung to reserve the right of claim and transfer the subrogation right to Phu Hung together with all claim supporting documents and closely cooperates with Phu Hung for recovering from third party within the compensation amount paid or will be paid by Phu Hung.

8. For damages lead to the replacement and is approved for compensation by Phu Hung, the motorbike owner/ driver shall hand over the replaced assets for Phu Hung after finishing replacement.

9. When motorbike are wholly stolen or robbed, the motorbike owner must immediately notify the police authority and Phu Hung in order to solve and perform the work under the direction of the police authority and Phu Hung.

#### **Article 6. Obligation of Phu Hung**

1. Explain to motorbike owner/ driver about the wording, term and conditions; premium rate table; rights and obligations of motorbike owner/ driver when participating in insurance;

2. Paid compensation within 15 working days from the date of receipt of full and valid claim dossier; and no longer than 30 working days in the case Phu Hung need to conduct the verification of dossier. If Phu Hung lacks of authority to verify the elements in the dossier, then the claim dossier is considered to be complete and valid after the official conclusion of competence authorities. Within 90 days from the date Phu Hung sent dispatch to require the competence authority to verify and without any verification results, Phu Hung shall actively verify, review and handle claim.

3. When rejecting compensation, Phu Hung shall notify the motorbike owner the reason for rejection in writing within 15 days from the date of receiving the complete and valid claim dossier;

4. Coordinate with the motorbike owner/ driver and competence authority to handle accident;

5. If it is serious or specially serious accident, at the request of the motorbike owner/ driver, Phu Hung will coordinate and resolve immediately and when it is determined that the loss is under coverage, Phu Hung could pay in advance a part of necessary amount to overcome loss consequence.

6. Phu Hung is liable to guide the motorbike owner/ driver to collect the documents to make claim dossier according to Article 8 of this Wording.

#### **Article 7. Inspection of damage**

1. Upon the occurrence of an accident, Phu Hung or a person authorized by Phu Hung shall closely coordinate with the motorbike owner/driver, the related parties or the lawful representatives of involved parties in order to identify the cause and extent of loss. Inspection results must be recorded in writing with signatures of involved parties. Phu Hung shall bear all inspection costs.

2. If the motorbike owner/driver disagrees with Phu Hung on the cause and extent of damage, the two parties may agree to select an independent surveyor to conduct the survey. If the parties cannot reach agreement on the invitation of an independent surveyor, either of them is entitled to sue in the court where the loss occurs or where the motorbike owner resides to appoint an independent surveyor. The independent surveyor's documentary award is binding on the parties.

3. If the independent surveyor's award is different from that of Phu Hung, Phu Hung shall pay the charge for the independent survey. If the independent surveyor's

award is similar to that of Phu Hung, the motorbike owner/driver shall pay the charge for the independent survey.

4. In a special case when Phu Hung could not conduct survey, Phu Hung must guide the motorbike owner/driver to collect full information regarding the cause, description of the accident, damage extent together with documents and pictures of damage and related documents for claims settlement.

#### **Article 8. Claim dossier**

For each specific case, the claim dossier includes one or more of the following documents:

1. Documents provided by motorbike owner:

1.1. Notice of loss and claim request of motorbike owner (according to the form of Phu Hung);

1.2. Documents related to motorbike, driver (copy certified by competence authority or confirmed by the staff of Phu Hung after comparing with original copy) as following:

a) Insurance certificate and/or Insurance policy and other agreement in writing (if any);

b) Valid motorbike registration certificate, driving license of person who drives the damaged motorbike;

c) Papers relating to the purchase, transfer, donate, authorize motorbike use (if any).

1.3. Documents proving property damage, including:

a) Valid Invoice, documents to prove repair, replacement of damaged property;

b) Other documents to prove necessary and reasonable expenses paid by the motorbike owner to reduce the loss or follow up the instruction of Phu Hung.

1.4. Documents proving bodily injury: medical documents showing the state of injury such as certificates of injury, hospital fees invoices, medicines, surgical certificate, certificate of discharge, certificate of Death and documents evidencing the lawful heirs (if the insured person dies).

1.5. Minutes on agreement/ mediation (if it has mediation);

1.6. The verdict or decision of the Court (if any);

1.7. The necessary documents to transfer rights for Phu Hung to claim compensation from the party causing damage to the insured motorbike which the motorbike owner had been recovered from Phu Hung for such loss (in the case of subrogation).

2. Documents that Phu Hung will coordinate with motorbike owner to collect:

2.1. Copies certified by police authority in case the police join in handling the accident, including:

a) Report of accident scene examination (if any);

b) The drawing of accident scene, picture (if any);

c) Report of inspection of the motorbike(s) involved in the accident (if any);

d) Preliminary investigating report on accident (if any);

e) Minute of the accident settlement (if any); Report of the accident inspection conclusion (if any);

- f) Minutes on agreement/ mediation (if it has mediation).
- 2.2. Documents related to liability of third party (if any);
- 2.3. Survey minutes which is agreed by parties;
3. Other related documents (if any).
4. In case of full theft, robbery of motorbike:
- Report of theft, robbery to the police authority certified by the police authority;
  - Decision on prosecution and criminal investigation (if any) relating to theft, robbery of insured motorbike;
  - Decision to suspend the investigation, suspend the prosecution of criminal cases involving theft, robbery of insured motorbike;
  - Declaration of losing papers and documents related to stolen motorbike if kept on the motorbike certified by the police authority.

#### **Article 9. Double insurance (not apply for section III)**

Double insurance means the subject matter insured is covered with the same insurance coverage by many Insurance certificates/ Insurance policies. The total compensation amount of Insurance certificates/ Insurance Policies can not exceed actual damage of motorbike. The claim handling will be settled according to the following principle:

1. For the coincident conditions of insurance policies/ insurance certificates: Phu Hung just pays compensation according to the proportion of the agreed sum insured to the whole sums specified in all insurance policies.

2. Other non-coincident conditions of insurance policies/ insurance certificates, Phu Hung will solve solely according to each insurance policy.

#### **Article 10. Time limit for claiming indemnity, complaining and the statute of limitations for instituting a lawsuit**

1. Time limit for claiming indemnity shall be 01 year from the date the insured event occurs. The time when the *force majeure* event or other objective obstacle occurs shall not be counted into the time limit for claiming insurance money or indemnities.

2. Time limit for complaining about the decision on claim settlement of Phu Hung shall be 90 days from the date the motorbike owner receives the notice of indemnity of Phu Hung. All complaints arise after that time limit will not be taken by Phu Hung.

3. The statute of limitations for instituting a lawsuit about the insurance policy shall be 03 years from the time the dispute arises from the insurance policy.

4. All disputes arising from the insurance policy, which Phu Hung and the motorbike owner are not able to agree upon through negotiation, shall be referred to the competent Court of The Socialist Republic of Vietnam.

## **SECTION II: MOTORBIKE PHYSICAL DAMAGE INSURANCE**

### **Article 11. Insured object**

Phu Hung accepted to insure for physical damage of motorbike with the following conditions precedent:

- Two-wheeled vehicles, moved by the engine, with a cylinder capacity of 50cm<sup>3</sup>.
- Having a valid registration.

- Having the time to use under 8 years from the year of manufacture and the actual market value at the time of insurance participating from 30 million or more.

## **Article 12. Coverage**

The parties agree and consent that motorbike owners may opt to participate in whole or each of coverage A, B and C with the following separate benefits (which is clearly shown on the insurance policy/ certificate):

### **1. Coverage A: Fire, explosion;**

Phu Hung compensates for motorbike owner about physical damage due to fire, explosion.

### **2. Coverage B: Loss of the entire motorbike due to theft, robbery.**

Phu Hung compensates for motorbike owner about physical damage due to theft, robbery as the following cases:

2.1. Stolen in the parking location of schools, hospitals, government agencies and buildings, public parking that have the license issued by the competent authority and have coupons to keep motorbike.

2.2. Houses, residence places were break into by thieves, pried or broke with traces and/or under attack or threat by force.

2.3. Being robbed.

### **3. Coverage C: Cover for other causes**

Phu Hung will compensate the motorbike owner the physical damage caused by natural disaster, unexpected and unforeseen accidents as following cases:

3.1. Collision, impact, overturning, collapse when motorbike is participating in traffic;

3.2. Force majeure due to natural disaster.

## **Article 13: Exclusions**

Phu Hung will not pay for any liability under the following circumstances:

1. Willful misconduct by the motorbike owner, driver and those who have interests related to the ownership, exploitation and use of motorbike;

2. Bringing a motorbike does not guarantee technical safety to operate on the road as prescribed by law;

3. The driver has no driving license or the driving license is not suitable in case the motorbike is compulsory to have driving license. If the driver is revoked the driving license, it is considered as he/ she does not have driving license;

4. The driver drove the motorbike under the status or having alcohol in blood or breath, use drug or stimulant banned under provisions of law;

5. The motorbike enters the forbidden lines, restricted areas, opposite direction street, turns into the forbidden street, goes through red traffic light or don't comply with the instruction of traffic controller, inadequate lighted whilst running at night;

6. Racing (whether legal or not); using the insured motorbike to tow other motorbikes which do not comply with provisions of law;

7. Carrying illegal goods according to provisions of law;

8. Accident happened outside the territory of The Socialist Republic of Vietnam;

9. The damage happened in the following cases: War, terrorism, riots, strikes and similar reasons;



10. Losses due to natural wear and tear or due to the inherent nature of the property, reduce the commercial value, failure due to defects or further damage due to additional repairs, during the repair process (including testing);

11. Damage to the motorbike engine due to operating on flooded roads;

12. Damage to tires, tarpaulins, labels except where losses occur due to the same cause and at the same time with the other parts of the motorbike in the same accident;

13. Partial loss (unless otherwise agreed);

14. Loss of the entire motorbike in case of fraud or abuse of trust to appropriate the motorbike or distraint or disputes;

15. Motorbikes lost due to theft broke into the house, residence places and does not leave prying/ smashing/ breaking traces, use fake keys to break or loss without evidence, unjustified or caused by negligence;

16. Damage caused to the machinery, electrical equipment or parts of electrical equipment due to running overload, over pressure, short circuit, self-heating, electric arc or electric leakage due to any cause whatsoever (including lightning);

17. The motorbike overloads or carries oversized goods or carries the number of persons in excess as regulated by the manufacturer and the law;

18. Damage to additional devices on motorbikes outside the manufacturer's assembled equipment (not including the devices used for protecting the motorbike; alarm system, front bumper, rear bumper) and loss to the motorbike caused by additionally fitted devices outside the manufacturer's assembled equipment (unless otherwise agreed).

#### **Article 14. Sum insured and insurance value (market value)**

1. The sum insured is the amount which the motorbike owner applies and it is written on Insurance certificate/ Insurance policy.

2. The motorbike owner could agree to insure with the value is equal to or lower than the market value of the motorbike.

3. Phu Hung will determine the value of the insured motorbike based on actual value on the market but not lower than specified below:

3.1. For the new motorbike (100%), the value of the motorbike is the sales price announced by the manufacturer in Vietnam market, or the imported price included all taxes complying with Government's regulations.

3.2. For the old motorbike, the value of the motorbike is the value of new motorbike (100%) multiple (x) the minimum percentage (%) of the remaining value of the motorbike.

a. The minimum percentage (%) of remaining value of the insured motorbike is determined as following:

- Used time is within 01 year: 100%;
- Used time is from over 01 year up to less than 03 years: 85%;
- Used time is from 03 year up to less than 06 years: 70%;
- Used time is from 06 year up to less than 08 years: 55%;

b. Used time of the motorbike is determined as following:



From the year of the first registration to the year of participating in insurance (for the motorbike which is manufactured in Vietnam) or the number of years since the year of manufacture for the imported old motorbike.

## **Article 15. Claim settlement**

1. Besides, Phu Hung will pay for the motorbike owners the necessary and reasonable expenses agreed in insurance policy to implement the instruction or requirement of Phu Hung when the loss happens (under coverage), including:

1.1. Expenses to prevent and minimize further loss;

1.2. Expenses to rescue and tow the damaged motorbike to the nearest garage.

2. Partial loss

2.1. Phu Hung is responsible for payment of actual and reasonable costs to repair or replace (where the repair cannot be done) parts or pay money for motorbike owner to compensate the loss under insurance coverage on the basis of could determine the reasonable costs to repair, remedy losses which may have to be paid after applying deductible (if any).

2.2. The determination of claim settlement:

a. If the motorbike is insured for a sum which is less than the value of the motorbike, the compensation amount will be calculated based on the ratio between the sum insured and the actual value of the motorbike at the time of participating in insurance;

b. If the motorbike is insured for a sum which is equal to or higher than the value of the motorbike, the compensation amount will be equal to the reasonable cost to restore and repair the damaged motorbike.

c. If the insurance policy does not specify the motorbike is insured under New Replacement Clause, Phu Hung will determine the reasonable expense to replace the damaged parts is equal to the actual replacement cost minus the depreciation amount based on the depreciation percentage regulated in Appendix 1 of this Wording.

2.3. Phu Hung will pay the cost for repainting the whole motorbike if more than 50% of the painted surface is damaged by the accident.

3. Total loss

3.1. Phu Hung will pay total loss if the motorbike is damaged exceeds 75% of its actual value; or the repairing cost equal to or higher than 75% of its actual value at the time before occurring loss.

3.2. Phu Hung is responsible for indemnifying the total loss of stolen, robbed motorbike after having the conclusion of the police authorities to suspend investigation or suspend criminal prosecution relating to theft, robbery of such motorbike.

3.3. The compensation amount for total loss is equal to the actual value of the motorbike before occurring loss which is the same type and specifications and shall not exceed the amount stated in the certificate of insurance or insurance policy.

4. Recover the property after claim payment

When Phu Hung paid compensation for partial loss or total loss, the damaged parts or the whole of such motorbike will be under ownership of Phu Hung, details as below:

4.1. For the case of new replacement compensation, Phu Hung will recover damaged parts which had been paid new replacement (even if deducting depreciation).

4.2. For the case of total loss compensation, after the insurance company has compensated the whole motorbike then the whole recovery value of the damaged motorbike will be under the ownership of Phu Hung. If the motorbike is under-insured, Phu Hung will recover the value equivalent to proportion of participating in insurance. If the motorbike owner requests to receive the motorbike, Phu Hung will decrease compensation for total loss equivalent to the recovered value of the damaged motorbike according to assessment of Phu Hung.

4.3. For the case of compensation for stolen or robbed motorbike, after that found the stolen or robbed motorbike, then Phu Hung is entitled to own the whole of such motorbike.

#### **Article 16. Deductible**

1. Deductible means the amount specified on Insurance certificate and Insurance policy which the Insured shall bear for each and every partial loss of motorbike participated in physical damage insurance in Phu Hung.

2. Except for other agreement and written into the Insurance certificate, Phu Hung will apply the minimum deductible VND 500,000/ occurrence.

#### **Article 17. Disclaimer**

1. Phu Hung will reduce compensation level proportionally in the following cases:

1.1. Disclaim 10% compensation amount in the following cases:

a. The motorbike owner did not send Notice of loss (in writing) to Phu Hung within 05 days from date of loss (except for force majeure or had been surveyed by Phu Hung within this period);

b. The motorbike owner fails to fully conduct methods to reduce and minimize the damages caused to people and properties, protect the original status of the accident, report to the nearest police authorities or local authorities, notify to Phu Hung immediately.

1.2. Disclaim 30% claim amount in the following cases:

a. The motorbike owner arbitrarily moves, removes or repairs the damaged property without obtaining the consent of Phu Hung (unless it is necessary to ensure safety, prevent or limit damage to people and property or to enforce the request of the competent authority);

b. The motorbike owner runs over speed (from 20% to 50%);

1.3. Disclaim 50% to 100% the claim amount in the following cases:

a. The motorbike owner failed to reserve the right of claim and transfer the subrogation right to Phu Hung with all claim supporting documents and not closely cooperates with Phu Hung for recovering from third party or arbitrarily negotiate compensation with third parties causing damage to Phu Hung;

b. The motorbike owner did not act with good faith in providing information, documents and vouchers in claim dossier; did not create favorable conditions for Phu Hung during the process of verifying the truthfulness of such documents;

c. The motorbike owner runs over speed (over 50%);

2. The principle for disclaim

When the motorbike owner is deducted the claim amount in many different percentage for different violations, Phu Hung will choose to apply the highest rates for disclaim.

**SECTION III**  
**PERSONAL ACCIDENT INSURANCE FOR DRIVER AND PASSENGER ON**  
**MOTORBIKE**

**ARTICLE 18: Persons insured**

Drivers and passengers (hereinafter called the person insured).

**ARTICLE 19: Scope of Cover**

Bodily injury to the person insured caused by accidents while getting onto/out of and being in the vehicle during its operation.

**ARTICLE 20: Exclusions**

Phu Hung will not pay any compensation for injury of the person insured under the following circumstances:

1. Suicide, self-injury or willful exposure to perils or the elements.
2. Assault provoked by the person insured other than for self defense.
3. The driver has no driving license or the driving license is not suitable if the motorbike is compulsory to have driving license. If the driver is revoked the driving license, it is considered as he/ she does not have driving license (apply for the driver);
4. The driver drove the motorbike under the status or having alcohol in blood or breath, use drug or stimulant banned under provisions of law (apply for the driver);
5. Cold or illness, food and drink poisoning, being affected by drugs without any medical indication provided by a competent authority.
6. The driver and passengers not wearing a helmet or wearing a helmet improper under the provisions of law.
7. Accident happened outside the territory of The Socialist Republic of Vietnam;
8. The accident happened in the following cases: War, terrorism, riots, strikes and similar reasons;
9. Racing (legally or illegally); used motorbike to robbery property or illegal purposes cause accidents;

**ARTICLE 21: Premium and Sum Insured**

Premium and sum insured are clearly shown in the insurance policy/ certificate of insurance.

**ARTICLE 22: Insurance Benefits**

1. If the person insured dies due to an insured accident, Phu Hung will pay the total Sum Insured specified in the Insurance Policy or Certificate of Insurance.
2. If the person insured sustains permanent disablement due to an insured accident, Phu Hung will pay a sum equal to a percentage of Sum Insured as specified in the Table of Schedule Payment issued by Phu Hung as the decision No. 04QĐ/BH-PAC-13 dated 28/08/2013.
3. If the person insured sustains temporary or permanent disablement due to an insured accident

- 3.1. In respect of the sum insured up to VND20 million/person/ occurrence.

Phu Hung will pay a sum equal to a percentage of Sum Insured as specified in the Table of Schedule Payment issued by Phu Hung as the decision No. 04QĐ/BH-PAC-13 dated 28/08/2013.

3.2. In respect of the sum insured over VND20 million / person/ occurrence.

Insured benefit = (percentage of the temporary disablement as specified in the Table of Schedule Payment x 20,000,000) + Sum Insured x 0.1% x number of treatment days, maximum 180 days/occurrence.

Number of treatment days will be determined as in one of the following cases, whichever is the lesser:

- The number of hospitalization days plus the number of post-hospitalization treatment days. Post-hospitalization period shall be indicated by the attending physician.
- Number of days off as certified by the employer of person insured.

#### **ARTICLE 23: Settlement of the consequence of the insured event**

1. At the time of accident if the actual number of passengers (except children under 07 years old) is more than that specified in the Certificate of Insurance, the sum payable by Phu Hung will be reduced by the proportion between the number allowed and the actual number of passengers.

2. In case of the insured accident, in which the person insured dies as the consequence of that accident within one year since the accident occurred, the Company will pay the difference between the sum insured specified in the insurance policy or insurance certificate and the sum of compensation which had been paid previously.

3. In case the consequence of the insured accident is more severe due to the pre-existing illness or disablement of the insured or due to untimely treatment or due to not taking treatment indicated by registered medical institution, the Company's compensation will be the same as that for a similar injury to a person with normal health condition under proper treatment.

#### **ARTICLE 24: Payment of Compensation**

Compensation will be paid to the person insured or his legally authorized representative.

### **SECTION IV: VOLUNTARY THIRD PARTY CIVIL LIABILITY**

Whereas the Insured by a proposal has applied to Phu Hung, Phu Hung agrees to provide the insurance coverage for voluntary civil liability in excess of the amount of compulsory liability of motorbike owner regulated by Ministry of Finance

#### **ARTICLE 25: Coverage**

Loss of life, bodily injury or property damage caused by motorbike to third parties. Loss of life or bodily injury of passengers under passenger transportation contracts caused by motorbike is not covered.

#### **ARTICLE 26: Insurance Benefits**

1. The limit of liability of this Section is the increasing limit in excess of the Compulsory liability of the vehicle owner.

2. The compensation amount will be based on the level of owner's fault.

3. About bodily injury:

3.1 The liability excess up to VND40 million in addition: the excess compensation amount equal to a percentage of sum insured as specified in the Table of Schedule Payment issued by Phu Hung as the decision No. 04QĐ/BH-PAC-13 dated 28/08/2013.

3.2 The liability excess over VND40 million in addition: the excess compensation amount base on the actual and reasonable damage.

4. About property damaged: pay compensation base on the actual damage.

5. The compensation amount cannot over the agreed amount or the decision of competent Court and in no case excess the limit of liability specified in Schedule.

6. If the insured vehicle is covered by another insurance policy, the Article 9 of this insurance wording should be applied.

**ARTICLE 27: Other provisions**

Other provisions which are not specified in this wording will be applied circular 126/2008/TT-BTC date December 22, 2008 and Circular 151/2012/TT-BTC date September 12, 2012 of Ministry of Finance./.

**APPENDIX 1**  
**DEPRECIATION TABLE**

*(Issued in accordance with the Decision No.: 02QĐ/BH-PAC-15 dated Jan. 21, 2015 of Phu Hung Assurance Corporation)*

All motorbikes are not purchased the new replacement clause must apply the following depreciation rates:

Used time (year)	Depreciation rate
Under 2 years	No depreciation
From 2 to 4 years	Not lower than 10%
From 5 to less than 8 years	Not lower than 15%

**Remark:**

- For the parts such as: tires and tubes, batteries, or parts which replace periodically such as: washer, felt, air filter, oil filter, fuel filter, bearings have to calculate the used percentage maximum not higher than 50% (not apply to new replacement value).

- Used time: From the year of the first registration to the year of participating in insurance (for the motorbike which is manufactured in Vietnam) or the number of years since the year of manufacture for the imported old motorbike.

- If the parts have been newly replaced once, then the time to calculate depreciation is from the nearest replacement time to the time of damage (however, the previous replacement must be new replacement and have full documents to prove that new replacement)./.



## **APPENDIX 2**

### **ADDITIONAL CLAUSES**

*(Issued in accordance with the Decision No.: 02QĐ/BH-PAC-15 dated Jan. 21, 2015 of Phu Hung Assurance Corporation)*

- Motorbike owner has the right to choose one or several additional clauses which are specified in Wording. The additional clauses must be subjected to terms, conditions and exclusions of Wording.

- In addition to the specific conditions in each additional clause, the motorbike owners must satisfy the following conditions if they want to add additional clause in their Policy:

+ The motorbike owner must currently participate in motorbike physical damage insurance with the valid insurance period at Phu Hung.

+ The insurance period of additional clauses shall not exceed the valid insurance period of physical damage insurance.

Whereas the motorbike owner has applied and has paid the additional premium as specified, Phu Hung agrees to cover additionally to Insurance certificate/ Insurance policy for the separately additional clauses as below:

#### **1. New replacement value (New for old)**

a. Condition of insured motorbike: The motorbike in use under 8 years from the manufacture year;

b. Insurance interest: Phu Hung will indemnify the insured for the damaged parts which are under coverage and without deducting the depreciation.

#### **2. Damage to engine when the motorbike operates in the flooded area (hydraulic shock)**

a. Insurance interests: Phu Hung will pay compensation for the cost of repairing or replacing the actual damage caused by the motorbike operating in the flooded area or water entered the engine causing hydraulic shock

b. Deductible: 20% of loss and minimum VND1,000,000/occurrence, which is higher.

#### **3. Partial loss of motorbike by theft, robbery**

a. Coverage: Cover for partial loss of motorbike due to theft or robbery.

b. Insurance interest:

- Phu Hung will indemnify the actual and reasonable cost to replace the damaged part or pay money for motorbike owner to compensate the loss under insurance coverage on the basis of could determine the cost of loss recovery which could be paid.

- Limit of number of occurrences: 01 occurrence for each part for insurance policy with period up to 1 year (not over 2 occurrences/ year).

c. Deductible: 20% of loss and minimum VND500,000/occurrence choose the higher one.

Condition precedent: in case of theft, the drivers have to collect the Minute of theft, robbery which certified by Policy Agent or the competent authority, and other related unit.