



LAND TRANSPORTATION OFFICE POLICY

WHEREAS THE INSURED, by his corresponding proposal and declaration that shall be the basis of this Contract and deemed incorporated herein, has applied to **Fortune General Insurance Corporation**. (Herein referred to as "the Company") for the insurance hereinafter contained, subject to the payment of the Premium as consideration for such insurance.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed by its duly authorized representative at the date and place stated in the Schedule.

NOW THIS POLICY WITNESSETH, that, in respect of events occurring during the Period of Insurance, and subject to the following terms, exceptions and conditions contained herein or endorsed hereon (hereinafter collectively referred to as the Terms of this Policy):

AUTHORIZED DRIVER

- Any of the following:
- (a) The Insured; or
 - (b) Any person driving on the Insured's order or with his permission.

Provided, that the person driving is permitted, in accordance with the licensing law or other regulations, to drive the Scheduled Vehicle, or has been permitted and is not disqualified by order of a Court of Law or by reason or any enactment or regulation in that behalf; provided, further, that for Sections I and II, of this Policy only, Authorized Driver shall include a duly licensed driver but whose license at the time of the accident has expired.

LIMITATIONS AS TO USE

This Policy shall only cover use for the business of a Land Transportation Operator, social, domestic and pleasure purposes,

This Policy does not cover: -

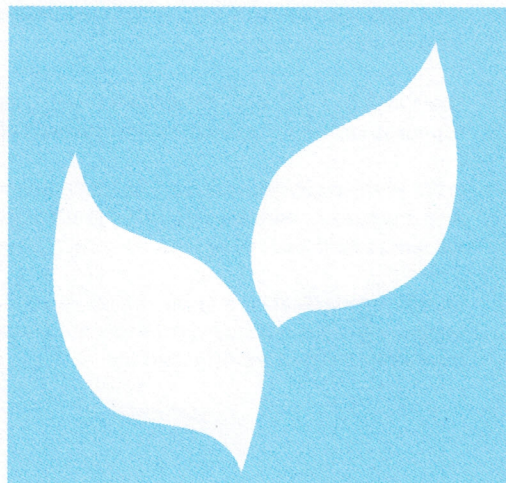
- (1) Use for the hauling and/or carrying of logs, lumber, sand, gravel, bottled beverages, gasoline products, and/or other inflammable articles or materials;
- (2) Use for racing, pacemaking, reliability trial or speed testing or use for any purpose in connection with the Motor Trade.

Please examine this document and the schedule and if they do not meet your requirements, or if any information is not correctly stated, kindly return them at once to the issuing office and ask for the corrections to be made.

Documentary Stamps to the value stated above have been properly affixed and cancelled on the duplicate of this Policy

IMPORTANT NOTICE

The Insurance Commissioner with offices in Manila, Cebu and Davao is the Government Official in charge of the faithful execution and enforcement of all laws relating to insurance and has supervision over Insurance Companies. He is ready at all times to render assistance in settling any controversy between an insurance Company and the Policyholder relating to insurance matters.



Sections I and II of this Policy covers THIRD PARTY and PASSENGER liability arising from bodily injury and/or death in amounts set forth under the Schedule of Indemnities.

Section I – Liability To The Public

1. The Company will, subject to the Limits of Liability pay all sums necessary to discharge liability of the Insured in respect of:
 - a) bodily injury and/or death to any THIRD PARTY as defined herein
 - b) bodily injury and/or death by any PASSENGER as defined herein, in an accident caused by or arising out of the use of the Scheduled Vehicle, provided that the Insured's liability shall have first been determined. In no case, however, shall the Company's total payment under both Sections I and II combined exceed the Limits of Liability set forth in the Schedule of Indemnities. With respect to bodily injury and/or death to any third party or passenger, the Company's payment per victim in any one accident shall not exceed the limits indicated in the Schedule of Indemnities provided for in this Policy.
2. The Limit of Liability
 - (a) to THIRD PARTY is the limit of Company's liability for all damages arising out of bodily injury and/or death sustained as a result of any one accident.
 - (b) to PASSENGER "per person" is the limit of Company's liability for all damages arising out of bodily injury and/or death sustained by one person as the result of any one accident.
 - (c) To PASSENGER "per accident" subject to the above provision respecting "per person" shall not exceed the maximum limit of the Company's liability under this Policy for all such damages arising out of bodily injury and/or death sustained by two or more persons as a result of any one accident.
3. In terms of and subject to the limitations of this Policy, the Company will indemnify:-
 - (a) Any Authorized Driver who is driving the Scheduled Vehicle, provided that he:-
 - (i) observes, fulfils, and be subject to the Terms of this Policy insofar as they apply;
 - (ii) is not entitled to indemnity under any other Policy subject, however, to Condition No. 9 of the Conditions Applicable To All Sections.
4. In the event of the death of any person entitled to indemnity under this Policy the Company will, in respect of the liability incurred to such person indemnity his personal representatives in terms of, and subject to the conditions hereof.
5. The Company will pay all pertinent and reasonable costs and expenses incurred in connection with the accident.
6. In the event of accident involving indemnity under this Policy to more than one person, the Limits of Liability shall not exceed the aggregate amount so specified by law to all persons to be indemnified.
7. Should indemnification both to liability of the Insured and that of another party (as provided under Authorized Driver) be provable, the Insured shall have prior right thereto.

8. Unless the Insured objects, the Company shall:-

- (a) arrange for representation at any inquest or investigation in respect of any death which may be the subject of indemnity under this Section;
- (b) undertake the defense in the Insurance Commission under Section 385 of the Insurance Code, or in any court of law, for alleged offences causing, or relating to, any event which may be the subject to indemnity under the Section.

Section II – No Fault Indemnity

The Company will pay any claim for bodily injury and/or death to any PASSENGER or THIRD PARTY without the necessary of proving fault or negligence of any kind provided that:-

- (a) the total indemnity in respect of any one PASSENGER or THIRD PARTY shall not exceed Ten Thousand Pesos, subject to the Schedule of Indemnities provided for in this Policy in case of death or physical injury, without prejudice to the claimant from pursuing his claim further, in which case he shall not be required or compelled by the Company to execute any Quit Claim or document releasing it from liability under the Policy of insurance.
- (b) the following proofs of loss, when submitted under oath, shall be sufficient evidence to substantiate the claim:-
 - (i) Police report of accident or any evidence sufficient to establish the accident; and
 - (ii) Medical report and evidence of medical or hospital expenses; and/or
 - (iii) Death Certificate and evidence sufficient to establish the proper payee.

Section III – Loss or Damage

1. The Company will, subject to the Limits of Liability, indemnify the Insured against loss of or damage to the Scheduled Vehicle and its accessories and spare parts while thereon:-
 - (a) by accidental collision or overturning, or collision or overturning consequent upon mechanical breakdown or consequent upon wear and tear;
 - (b) by fire, external explosion, self-ignition or lighting or burglary, housebreaking or theft;
 - (c) by malicious act;
 - (d) while in transit (including the processes of loading and unloading) incidental to such transit by road, rail, inland waterway, lift or elevator.
2. At its own option, the Company may pay in cash the amount of the loss or damage, or may repair, reinstate or replace the Scheduled Vehicle or any part thereof or its accessories or spare parts. The liability of the Company shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts or the value of the Scheduled Vehicle at the time of the loss or damage, whichever is the less. The Insured's estimate of value stated in the Schedule shall be the maximum amount payable by the Company in respect of any claim for loss or damage.

3. In the event of a claim being payable under Section III of this Policy for the cost of replacement parts, the amount of settlement shall be the cost of brand new part(s) to replace the damaged part(s) of the Scheduled Vehicle less the share of the Insured on the cost of the replacement parts computed based on the following depreciation schedule:-

<u>Age of the Vehicle</u>	<u>Rate of Depreciation (Share of the Insured)</u>
First 6 months	15%
Over 6 months to 1 year	25%
Over 1 year up to 2 years	35%
Over 2 years up to 3 years	45%
More than 3 years	Discretionary

It is further declared and agreed that in case of the total loss of the vehicle Insured this Clause shall not apply but the settlement shall be based on the provisions of Section III, Paragraph No. 2 hereof.

4. If the Scheduled Vehicle is disabled by reason of loss or damage Insured under this Policy, the Company will, subject to the Limits of the Liability for towing, bear the reasonable cost of protection and removal to the nearest repairer.
5. The Insured may authorize the repair of the Scheduled Vehicle necessitated by damage for which the Company may be liable under this Policy, provided that:-
- the estimated cost of such repair does not exceed the Authorized Repair Limit and;
 - a detailed estimate of the cost is forwarded to the Company without delay.
6. In the event of loss or damage to the Scheduled Vehicle or its accessories or spare parts necessitating the supply of a part not obtainable from stocks held in the Philippines, or in the event of the Company exercising the option under Paragraph 2 to pay in case the amount of the loss or damage, the liability of the Company in respect of any such part shall be limited to:-
- the price quoted in the latest catalogue or price list issued by the Manufacturer or his Agents for the Philippines or
 - If no such catalogue or price list exists, the price last obtained at the Manufacturer's Works plus the reasonable cost of transport other than by air, to the Philippines, and the amount of the relative import duty, and;
 - the reasonable cost of fitting such part.
7. This Policy shall be operative while the Scheduled Vehicle is being used for the purpose of towing any one disabled mechanically propelled vehicle provided that:-
- such towed vehicle is not towed for reward;
 - the Company shall not be liable in respect of damage to such towed vehicle or property being conveyed thereby.

Exceptions to Section III

The Company shall not be liable to pay for:-

- Loss or Damage in respect of any claim or series of claims arising out of the event, the first amount of each and every loss for each and every vehicle insured by this Policy, such amount being equal to one and a quarter percent (1.25%) of the Insured's estimate of Fair Market Value as shown in the Policy Schedule with a minimum deductible amount of P4,000.00;

For tricycles the deductible shall be equal to one and a quarter percent (1.25%) of the Insured's estimate of Fair market Value with a minimum deductible of P 1,000.00.

- Consequential loss, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages;
- Damage to tires, unless the Scheduled Vehicle is damaged at the same time;
- Any malicious damage caused by the Insured, any member of his family or by a person in the Insured's service.
- Damage caused by overloading or strain;
- Damage caused by explosion of any boiler forming part of, attached to, or on the Scheduled Vehicle.

Section IV – Excess Liability Insurance

- The Company will, subject to the Limits of Liability, reimburse the Insured for all sums actually paid by the Insured to discharge liability in accordance with all the provisions of Section I except the Limits of Liability for Section I but only in excess of:-
 - The Limits of Liability for Section I and II of this Policy, when such limits have been exhausted or;
 - The liability limits required for the Scheduled Vehicle under Section 377 of the Insurance Code, as amended in the event no coverage exists as described in paragraph (a) above.

Coverage under this paragraph is not subject to the Schedule of Indemnities under Section I.
- The Company will, subject to the Limit of Liability, pay all sums necessary to discharge liability of the Insured, in respect of damage to Third Party property in an accident caused by and arising out of the use of the Scheduled Vehicle, or in connection with the loading or unloading of the Scheduled Vehicle, provided that the Insured's liability shall have first been determined either by final court judgment after actual trial, or by written agreement of the Insured, the Claimant and the Company. Provided, further, that the Company shall not be liable in respect of damage to property belonging to the Insured, or held in trust by, or in the custody or control of the Insured of any member of the Insured's household, or being conveyed by the Scheduled Vehicle.

General Exceptions

The Company shall not be liable under any Section of this Policy in respect of:-

- Any accident, or liability caused, or incurred
 - outside the Republic of the Philippines
 - while any MOTOR VEHICLE in respect of which indemnity is provided by this Policy is:
 - being used otherwise than in accordance with the limitations as to use;
 - being driven by any person other than an Authorized Driver.
- Any liability which attached by virtue of an agreement but which would not have attached in the absence of such agreement, except liability arising out of an on the spot agreement or amicable settlement of minor accident to avoid impairing the flow of traffic.

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 - (ii) is not entitled to indemnity under any other Policy subject, however, to Condition No. 9 of the Conditions Applicable To All Sections.
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- (b) the following proofs of loss, when submitted under oath, shall be sufficient evidence to substantiate the claim:-
 - (i) Police report of accident or any evidence sufficient to establish the accident; and
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 - (b) by fire, external explosion, self-ignition or lighting or burglary, housebreaking or theft;
 - (c) by malicious act;
 - (d) while in transit (including the processes of loading and unloading) incidental to such transit by road, rail, inland waterway, lift or elevator.
2. At its own option, the Company may pay in cash the amount of the loss or damage, or may repair, reinstate or replace the Scheduled Vehicle or any part thereof or its accessories or spare parts. The liability of the Company shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts or the value of the Scheduled Vehicle at the time of the loss or damage, whichever is the less. The Insured's estimate of value stated in the Schedule shall be the maximum amount payable by the Company in respect of any claim for loss or damage.

days from the date of cancellation the required documentation with the Land Transportation Office in accordance with Section 381 of the Insurance Code. ~

9. If, at any time any claim arises under this Policy, there is any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than its ratable proportion of any loss, damage, compensation, costs or expenses. Provided always that nothing in this Condition shall impose on the Company any liability from which, but for this Condition, it would have been relieved under provision (ii) of Section 1, Paragraph 3 of this Policy.
10. Except in case of claims arising under Sections I and II of this Policy, if any difference or dispute shall arise with respect to the amount of the Company's liability under this Policy, the same shall be referred to the decision of a single arbitrator, to be agreed upon by both parties, or, failing such agreement of a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties and, in case of disagreement between the arbitrators, to the decision of an umpire who shall have been appointed in writing by the arbitrators, before entering on the reference, and the costs of and expenses incidental to the reference shall be dealt with in the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such arbitrators or umpire of the amount of the Company's liability hereunder, if disputed, shall be first obtained.
11. If a claim be made and rejected, and an action or suit be not commenced within twelve months after such rejection, or in case of an arbitration taking place as provided herein, within twelve months after the arbitrator, or arbitrators or umpire shall have made their award, then the claim shall, for all purposes, be deemed to have been abandoned and shall not thereafter be recoverable hereunder. Provided, however, that in case of any dispute in the enforcement of the provisions of Section I and Section II of this Policy, the adjudication of such dispute shall be within the original and exclusive jurisdiction of the Insurance Commissioner, subject to the limitations provided in Section 416 of the Insurance Code, as amended.
12. The due observance and fulfillment of the Terms of this Policy, insofar as they relate to anything to be done or not to be done by the Insured, and the truth of the statements and answer in the proposal, shall be conditions precedent to any liability of the Company to make any payment under this Policy.
13. In the event that the Company should pay or be held liable to pay any claim or claims under the "No Fault" provision of the Insurance Code, the Insured shall reimburse the Company for all such sums, whenever the Insured or his authorized driver or representative has committed a breach of any of the warranties, clauses or conditions of the Policy, or whenever the circumstances fall under any of the EXCEPTIONS listed in the Policy, for which the Company would not have been liable were it not for the application of the "No-Fault" provision of the Insurance Code.
14. Except only in those specific cases where corresponding rules and regulations which now are or may hereafter be in force provide for the payment of the stipulated premiums in periodic installments at fixed percentage, it is hereby agreed, declared and warranted that this Policy shall be deemed effective, valid and binding upon the Company only when the premiums therefore have actually been paid in full acknowledged in a receipt signed by any authorized official or representative/agent of the Company.

15. Unless the Company at least forty-five (45) days in advance of the end of the Policy period mails or delivers to the Insured at the address shown in the Policy, notice of its intention, not to renew the Policy or to condition its renewal upon reduction of limits or elimination of coverages, the assured shall be entitled to renew the Policy upon payment of the premium due on the effective date of renewal.

Nuclear Energy Exclusions Clause

This Policy shall not cover any legal liability whatsoever nature directly or indirectly caused by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission.

The indemnity provided by this Policy shall not apply to or include any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to or arising from nuclear weapons materials.

Civil Code Article 1250 Waiver Clause

It is hereby declared and agreed that the provisions of Article 1250 of the Civil Code of the Philippines (Republic Act No. 386) which reads:-

"In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment..."

shall not apply in determining the extent of liability under the provisions of this Policy.

SCHEDULE OF INDEMNITIES FOR BODILY INJURY AND/OR DEATH

The following Schedule of Indemnities shall be observed in the settlement of claims for death, bodily injuries, and professional fees and hospital charges for services rendered to, traffic accident victims under the Compulsory Motor Vehicle Liability Insurance Coverage.

A. DEATH INDEMNITY		Php	35,000.00	C. PERMANENT DISABLEMENT	Amount
Burial and funeral expenses			15,000.00		
B. BODILY INJURIES AND FRACTURES				Loss of or Loss of use of:	
Types of Accommodation or Professional Attendance Extended	Services Rendered	Maximum Reimbursable Fees and/or charges			
1. Hospital Rooms	Maximun 45 days per accident	Php	500.00	Two limbs	25,000.00
	Laboratory Examination			Both hands, or all fingers & both thumbs	25,000.00
	Fees & X-Rays		2,000.00	Both feet	25,000.00
2. Ambulance	Actual Amount charged for ambulance transport but not to exceed		1,000.00	One Hand and one foot	25,000.00
3. Surgical Expenses	Major Operation		7,500.00	Sight of both eyes	25,000.00
	Medium Operation		5,000.00	Injuries resulting in being permanently bedridden	25,000.00
	Minor Operation		1,500.00	Any other injury causing permanent total disablement	25,000.00
4. Anaesthesiologist's Fee	Major Operation		2,500.00	Arm at or above elbow	17,000.00
	Medium Operation		2,000.00	Arm between elbow and wrist	12,000.00
	Minor Operation		500.00	Hand	10,000.00
5. Operating Room	Major Operation		1,500.00	Four fingers and thumb of orte hand	10,000.00
	Medium Operation		1,000.00	Four fingers	9,000.00
	Minor Operation		500.00	Leg at or above knee	17,000.00
6. Medical Expenses	For daily visits of Practitioner or Specialist		200.00/day	Leg below knee	12,000.00
	The total amount of medical expenses must not exceed (For a single period of confinement)		2,500.00	One foot	12,000.00
7. Drugs and Medicine	Actual value of drugs and medicine used but not to exceed		12,500.00	All toes of one foot	5,000.00
				Thumb	5,000.00
				Index finger	3,000.00
				Sight of one eye	12,000.00
				Hearing - both ears	15,000.00
				Hearing - one ear	8,000.00

SHORT PERIOD RATE SCALE

It is hereby agreed that, in the event this Policy is surrendered by the Insured for cancellation, the Company shall retain premium in accordance with the following scale for the time the Policy has been in force

No. of Month/s	1	2	3	4	5	6	7	8	9	10	11
Percentage of the annual premium	20	30	40	50	60	70	75	80	85	90	95

FORTUNE GENERAL INSURANCE CORPORATION

4F Citystate Centre, 709 Shaw Blvd., Pasig City
Tel. No.: 706-3959 Fax Nos.: 706-3984 * 706-3986

With **BRANCHES** at:

Alabang, Angeles, Bacolod, Batangas, Baguio, Cabanatuan, Cagayan de Oro, Kalookan, Cebu, Dagupan, Davao, Gen. Santos, Iloilo, Legaspi, Los Baños, Lucena, Makati, Pampanga, Palawan, San Pablo, Santiago, Tarlac, Zamboanga

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