Fortune GENERAL

PRIVATE CAR 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 therein 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 of 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 of the Scheduled Vehicle for social, domestic and pleasure purposes, and for the Insured's business or profession.

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 or for hire or reward;

(2) Use for racing, pacemaking, reliability trial or speed testing;

(3) Use for the carriage of PASSENGERS or for hire or reward;

(4) Use for any purpose in connection with the Motor Trade.

Limitations (1) and (2) above may be deleted and the risks named therein covered by this Policy upon written agreement by, and payment of 20% additional premium to, the Company.

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 liability arising from bodily injury and/or 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 bodily injury and/or death to any THIRD PARTY, 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 party, 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. 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, fulfills and be subject to the Terms of this Policy insofar as they can apply;

      (ii) is not entitled to indemnity under any other Policy subject, however, to Condition No. 9 of the Conditions Applicable To All Sections.

3. 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 indemnify his personal representatives in terms of, and subject to the conditions hereof.

4. The Company will pay all pertinent and reasonable costs and expenses incurred in connection with the accident.

5. 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.

6. 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.

7. 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 offenses causing, or relating to, any event which may be the subject to indemnity under this Section.

Section II - No Fault Indemnity

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

(a) the total indemnity in respect of any one THIRD PARTY shall not exceed Fifteen 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 lightning 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 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:-

Age of the Vehicle	Rate of Depreciation (Share of the Insured)
Up to 3 years	Nil
Over 3 years up to 4 years	20%
Over 4 years up to 5 years	25%
Over 5 years up to 6 years	30%
Over 6 years up to 7 years	35%
Over 7 years	40%
Batteries, Tires, Ball Joints, Tie Rods and Shock Absorvers (for vehicles over 3 years old)	45%

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:-

(a) the estimate cost of such repair does not exceed the Authorized Repair Limit and;
(b) 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 cash the amount of the loss or damage, the liability of the Company in respect of any such part shall be limited to: -

(a) (i) the price quoted in the latest catalogue or price list issued by the Manufacturer or his Agents for the Philippines or
(ii) if no such catalogue or price list exists, the price last obtaining 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:
(b) 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:-

(a) such towed vehicle is not towed for reward;
(b) 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:-

1. Loss or damage in respect of any claim or series of claims arising out of one event, the first amount of each and every loss for each and every vehicle Insured by this Policy, such amount being equal to one half of one percent (0.50%) of the Insured's estimate of Fair Market Value as shown in the Policy Schedule with a minimum deductible amount of P2,000.:

2. Consequential loss, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages;

3. Damage to tires, unless the Scheduled Vehicle is damaged at the same time;

4. Any malicious damage caused by the Insured, any member of his family or by a person in the Insured's service.

Section IV - Excess Liability Insurance

1. 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 but only in excess of:=

(a) The Limits of Liability of Section I and II of this Policy, when such limits have been exhausted or;

(b) 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.

2. The Company will, subject to the Limits 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 judgement 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 or any member of the Insured's household, or being conveyed by the Schedule Vehicle.

For the purpose of this paragraph, Scheduled Vehicle shall include any Private Car while being personally driven by the Insured not belonging to him and not hired to him under a hire purchase agreement.

General Exceptions

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

1. Any accident, or liability caused, or incurred

(a) outside the Republic of the Philippines
(b) while any MOTOR VEHICLE in respect of which indemnity is provided by this Policy is:-

(i) being used otherwise than in accordance with the limitations as to use;
(ii) being driven by any person other than an Authorized Driver.

2. 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.

3. Except in respect of claims arising under Sections I and II of this Policy, any accident, loss, damage, or liability directly or indirectly, proximately or remotely occasioned by, contributed to by or traceable to, or arising out of, or in connection with flood, typhoon, hurricane, volcanic eruption, earthquake or other convulsion of nature, invasion, the act of foreign enemies, hostilities or warlike operations (whether war be declared or not), strike, riot, civil commotion, mutiny, rebellion, insurrection, military or usurped power, or by any direct or indirect consequences of any of the said occurrences, and in the event of any claim hereunder, the Insured shall prove that the accident, loss or damage or liability arose independently of, and was in no way connected with, or occasioned by, or contributed to, any of the said occurrences or any consequence thereof, and in default of such proof the Company shall not be liable to make any payment in respect of such claim.

4. Any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party.

5. Bodily injury and/or death to any person in the employ of the Insured arising out of and in the course of such employment, or bodily injury and/or death to any member of the Insured's household who is riding in the Scheduled Vehicle.

Definitions

1. **MOTOR VEHICLE** is any vehicle as defined in Section Three, Paragraph (A) of Republic Act - Numbered Four Thousand One Hundred Thirty Six, otherwise known as the "Land Transportation and Traffic Code"

2. **THIRD PARTY** is any person other than a PASSENGER as defined in the law and shall also exclude a member of the household, or a member of the family within the second degree of consanguinity or affinity, of a motor vehicle owner or his employee in respect of death, bodily injury or damage to property arising out of and in the course of employment.

Conditions Applicable To All Sections

1. This Policy and the Schedule and any Endorsement thereon shall be read together, as one contract, and any word, or expression to which a specific meaning has been attached in part of this Policy or of the Schedule shall bear such specific meaning wherever it may appear.

2. Every notice or communication required by the Company under this Policy must be in writing addressed to the Branch or Agency of the Company from which this Policy was issued and notice or knowledge of anything relating to this Policy or any claim hereunder shall not be deemed notice to or within the knowledge of the Company unless so given. No alteration in the terms of this Policy or any endorsement hereon will be held valid unless the same is signed or initiated by an authorized representative of the Company.

3. The Insured shall take all reasonable steps to safeguard the Scheduled Vehicle from loss or damage and to maintain the Scheduled Vehicle in efficient condition, and the Company shall have at all times free and full access to examine the Scheduled Vehicle or any part thereof or any driver or employee of the Insured.

4. In the event, of any accident or breakdown, the Scheduled Vehicle shall not be left unattended without prior precaution being taken to prevent further loss or damage and, if the Scheduled Vehicle be driven before the necessary repairs are effected, any extension of the damage or any further damage to the Scheduled Vehicle shall be excluded from the scope of the indemnity granted by this Policy.

5. In the event of any accident which may give rise to a claim under this Policy, the Insured shall, as soon as possible, give notice thereof to the Company with full particulars. Every letter, claim, writ, summons and process shall be notified or forwarded to the Company immediately on receipt. Notice shall also be given to the Company immediately as soon as the Insured shall have knowledge of any impending prosecution, inquest or fatal injury in connection with any such occurrence. In case of theft or other criminal act which may give rise to a claim under this Policy, the Insured shall give immediate notice to the Police and cooperate with the Company in securing the conviction of the offender.

6. Without prejudice to No. 2 of the General Exceptions, no admission, offer, promise or payment shall be made by or on behalf of the Insured without the written consent of the Company which shall be entitled to take over the conduct in his name of the defense or settlement of any claim, or to prosecute in his name for its own benefit any claim for indemnity or damages or otherwise, but shall not exercise any discretion prejudicial to the interest of the Insured in the conduct of any proceedings in the settlement of any claim, and the Insured shall give all such information and assistance as the Company may require. If the Company shall with the consent of the Insured make any payment in settlement of any claim and such payment includes any amount not covered by this Policy, the Insured shall repay the Company the amount not so covered.

7. At any time after the happening of any event giving rise to a claim or series of claims under this Policy, the Company may pay to the Insured and the Third Party claimant jointly the full amount of the Company's liability and relinquish the conduct of any defense, settlement or proceedings, and the Company snall not be responsible for any damage alleged to have been caused to the Insured in consequence of any alleged action or omission of the Company in connection with such defense, settlement or proceedings or of the Company relinquishing such conduct, nor shall the Company be liable for any costs or expenses whatsoever incurred by the Insured or any claimant or other person after the Company shall have so relinquished.

8. The Company may cancel this Policy in accordance with Sections 64, 65 and 380 of the Insurance Code, in which case the Company shall thereupon return to the Insured premiums paid less than the pro rata portion thereof for the period when the Policy has been in force. The Insured may, at any time, cancel the Policy by surrendering it to the Company and (provided no claim has arisen during the current period of insurance) the Insured shall be entitled to a return of the premium at the Company's Short Period Rates for the period when the Policy has been in force. However, in respect of Sections I and II, the cancellation made by the Insured shall not be effective unless he has secured a similar Policy of Insurance or surety bond to replace the Policy to b e cancelled or make a cash deposit in sufficient amount with the Commissioner and without any gap file within five (5) working 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 that 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 2 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 commended 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 radiactivity 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 by or arising from nuclear weapons material.

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.