

# Motor Insurance Policy

## *Welcome!*

**We** welcome **you** as a valued client.  
**You** have entrusted **us** with the insurance of **your** motor **vehicle**.  
**We** value that trust.

This policy consists of this wording, the proposal and declaration, and the **certificate of insurance** completed on the basis of information that **you** have provided to **us**.

Please read this wording and the **certificate of insurance**. If there is an error of any sort, if **your** needs are not met or if **you** are in doubt then please contact **us**. **We** are happy to help at all times.

The extra cover provided under the Special Benefits and Optional Special Benefit is also subject to the general conditions, exclusions, obligations and limits of this policy.

In this policy some words are in bold, e.g. **you**. This may indicate that the words have a special meaning. To find out the meaning, please refer to the section – Meanings of Words.

## *Our Guarantee*

If **you** are not completely happy with **your** policy, please tell **us** within 30 days of its commencement date. **We** may agree to change the policy to suit **you**. If not, and **you** wish to cancel the policy, **you** can as long as **you** have not made any claims. **We** will then refund any premium **you** have paid and **we** will both regard this policy as never commencing.

## **What You Must Tell Us**

### **WE WOULD LIKE TO POINT OUT SOME OF THE IMPORTANT OBLIGATIONS YOU HAVE**

It is essential all statements made in relation to this policy or any claim made under it are correct. **We** must receive all relevant information. This means that **you** must tell **us** everything **you** know, or could reasonably be expected to know, that may influence **our** decision to insure **you**. If any circumstances change or may change during the time **we** provide **your** insurance then **you** must tell **us**.

### **Examples of a change in circumstances or any other information may include:**

- any modifications or changes to **your vehicle** that are different from the manufacturer's standard specifications;
- if anyone becomes a new regular driver of **your vehicle**;
- if **you** or anyone who may drive **your vehicle** commits, is charged with, or convicted of, any criminal offence or traffic offence, other than parking.

These examples are a guide only. If **you** are in any doubt, **you** should disclose information whether or not **we** have asked questions that relate to it. If **we** are not told **we** have the option to decline any claim, or avoid this policy from the date of the change.

## **What Your Vehicle Is Covered For**

➤ Maxi Motor Protection:

Sudden and unforeseen accidental physical loss or damage unless the loss or damage is not covered by this policy;

or

➤ Motor Owners Liability Protection (only)

as **you** have selected and shown in the **certificate of insurance**.

## **What Special Benefits You Are Covered For-Maxi Motor Protection Only**

### **ONE EVENT - ONE EXCESS**

If **your vehicle** suffers loss or damage for which a claim is accepted and at the same time **we** accept a claim for loss or damage to **your** house or contents that are also insured by **us**, **we** will only deduct one **excess** and that will be the highest **excess** applicable.

### **REPLACEMENT VEHICLE**

If **you** replace **your vehicle**, **we** will hold the replacement **vehicle** covered for 30 days from the date of replacement. The type of cover and conditions of insurance shall be the same as that which applied to the **vehicle** replaced.

### **NO BLAME BONUS**

**We** will not penalise **your** no claims bonus entitlement at renewal of **your** policy if **you** have been involved in an accident and:

- **you** have identified the party at fault (name, address, phone number and registered number of the **vehicle**);
- it is proven the other party was totally at fault.

### **SECOND CHANCE BONUS**

Should **you** or any other person driving **your vehicle** with **your** permission be involved in an accident and **you** have enjoyed a no claims bonus for a continuous period of 5 years immediately prior to the accident **you** will receive a second chance and **we** will maintain **your** no claims bonus. If **you** should have a second claim within the next five years **your** no claims bonus entitlement will be lost at renewal of **your** policy.

## **AUTOMATIC INCLUSION**

If **your vehicle** is insured for business use **we** will automatically hold cover over additional **vehicle(s)** purchased up to a maximum of K30,000, provided **you** tell **us** about the acquisition of **your** additional **vehicle(s)** within 60 days.

## **COMPLETION OF JOURNEY**

If **your vehicle** is involved in an accident for which a claim is accepted and is unable to be driven **we** will pay **your** additional reasonable costs of accommodation and/or travel up to K250.

## **MEDICAL EXPENSES**

If **your vehicle** is involved in an accident for which a claim is accepted and **you** or any person travelling with **you** incurs medical, dental, hospital, chemist or ambulance expenses as a result of the accident, **we** will reimburse the reasonable costs up to K100 per person. No cover is provided if **you** or any person travelling with **you** is entitled to any benefit under any Workers' Compensation Law or the Motor Transport Act.

## **WINDSCREEN**

If **your vehicle** suffers a broken windscreen or window glass **we** will repair or replace it free of **excess** and **you** will not lose **your** no claims bonus entitlement.

## **SALVAGE COSTS**

If **your vehicle** is unable to be driven and **we** have accepted a claim, **we** will pay for the reasonable cost of removing it to the nearest repairer or place of safety.

## **TRAILERS**

If **you** have a trailer **your** policy is extended to cover it up to K500, free of any **excess**.

## **OPTIONAL SPECIAL BENEFIT-MAXI PROTECTION ONLY**

### **EARTHQUAKE**

If **you** have selected this benefit **we** will pay for physical loss or damage to **your vehicle** caused by earthquake, volcanic eruption, geothermal or hydrothermal activity or tsunami.

## **Motor Owners Liability Protection**

**We** will cover **you** for up to K100,000 for **your** legal liability for claims made on **you** for property damage as a result of accidents involving **your vehicle**, or any **vehicle** not owned by **you** that **you** are using with the owner's permission.

**We** will only pay for claims relating to accidents which happen during the period of insurance. **We** will also cover any other person using **your vehicle** with **your** permission provided that person:

- was not insured under another policy;
- had not been refused insurance in the previous 5 years;
- has not had a motor **vehicle** policy cancelled or a claim declined by any insurance company in the past 5 years.

If **you** have liability cover with **us** under any other policy then **our** maximum combined liability under all policies is K100,000.

## **What You Are Not Covered For**

### **GENERAL EXCLUSIONS**

The **excess**.

#### **Any loss, damage or liability while your vehicle is:**

- not registered in **your** name;
- on hire;
- outside Papua New Guinea;
- being shipped on any vessel, aircraft or road conveyance **vehicle** including while it is being loaded or unloaded;
- being tested for or in preparation for or engaging in racing, pacemaking, hill climbing, off roading, reliability trials, rallying or speed tests;
- in an unsafe condition;
- being driven by or in the charge of any person who:
  - does not have a licence which is in full force and effect to drive **your vehicle** at the time and place of the accident;
  - is not complying with the conditions of their licence;
  - has a proportion of alcohol in their blood or breath which exceeds the legal limit prescribed;
  - is under the influence of alcohol or drugs and where alcohol or drugs contribute in any way to the accident. This means that **your** claim may be declined even if the driver of **your vehicle** is under the legal limit prescribed;
  - following an event resulting in a claim under the policy fails or refuses to permit a specimen of blood or breath test to be taken after having been lawfully required to do so;
  - is convicted of any alcohol or drug-related offence arising from circumstances resulting in any claim under this policy;

- leaves the scene of the accident when it is an offence to do so.

This exclusion does not apply to claims for loss or damage to **your vehicle** when the person who is in charge of **your vehicle** has stolen it.

**Any loss, damage or liability caused by or arising from, or claim for:**

- aggravated, punitive or exemplary damages;
- any action of the sea other than the cover provided in the Optional Special Benefit Earthquake;
- any bridge or viaduct or weighbridge or to any road including the material beneath such surface or structure where the damage is caused by vibration or by the weight of **your vehicle** or load carried by **your vehicle**;
- any underground pipe lines, cables or sewerage or underground installations of any description;
- any time or date device or any item of which it forms part (including the **vehicle** itself) arising from its failure to recognise any date, character or value as the correct date, character or value (e.g. Year 2000), however we will pay for any loss or damage which it causes to any other item;
- any unreasonable, criminal, reckless or wilful act or omission. This exclusion does not apply to any person who is in charge of **your vehicle** after stealing it;
- confiscation or requisition by order of any public authority;
- deliberate damage caused by **you** or **your** relative;
- earthquake, volcanic eruption, geothermal or hydrothermal activity, tsunami, other than the cover provided in the Optional Special Benefit Earthquake;
- handling, transportation, storage, installation, removal, treatment or use of asbestos, asbestos products or asbestos contained in any products or materials;
- loss of use of **your vehicle**, depreciation, wear and tear, rust, corrosion, action of sunlight, existing defects;
- nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel. For the purpose of this exclusion combustion includes any self-sustaining process of nuclear fission or fusion;
- total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation, misappropriation, error in creating, amending, entering, deleting or using **electronic data** or total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, in the event that a peril listed below (where such a peril is insured by this policy but for this exclusion) is caused by any of the matters described above, this policy, subject to all its provisions, will insure physical loss of or damage or destruction to property insured directly caused by such listed peril.

Further, this exclusion does not apply in the event that a peril listed below (where such a peril is insured by this policy but for this exclusion) causes any of the matters described above.

*Perils:*

*Fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing, weight of snow, impact by aircraft or other aerial objects dropped therefrom, impact by any road vehicle or animal, bursting overflowing discharging or leaking of water tanks apparatus or pipes, or theft of **electronic data** solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **electronic data**.*

For the purposes of any provision setting out the basis of settlement, computer systems records includes **electronic data**.

Any terrorism exclusion in this policy or any endorsement thereto prevails.

**Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:**

- war, invasion, acts of foreign enemy or enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means; or
- any **act of terrorism**.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

If **we** allege that by reason of this exclusion, any loss damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon **you**.

**Any loss or damage to:**

- any accessory or set of accessories that are not standard with the **vehicle** when new if their total value is over K1,000 unless shown in the **certificate of insurance**;
- tyres unless malicious or there is other damage to **your vehicle** for which a claim is payable;
- or failure or breakage of the engine, transmission, mechanical, electrical or computer systems unless it occurs as a result of other damage to **your vehicle** for which a claim is payable;
- **your vehicle** as a result of **your** failure to secure it after it has broken down or been damaged in an accident.

**Liability for:**

- loss of or damage to property belonging to or under the care, custody or control of **you** or **your** driver or being conveyed in or loaded or unloaded from **your vehicle**. However this exclusion does not apply to any disabled **vehicle** being towed by **your vehicle** for no financial gain or reward;
- loss or damage if **you** or **your** driver have agreed with any party to accept responsibility for any loss or damage for which the law would not otherwise hold **you** responsible.

**How To Make A Claim**

It is important that **you** tell **us** immediately **you** become aware of any circumstances which may result in a claim.

**You** will be asked to complete a claim form. **We** must receive **your** completed claim form within 30 days.

## **SOME OF YOUR OTHER IMPORTANT OBLIGATIONS ARE**

**You** or the person in charge of **your vehicle** must:

- ensure **your vehicle** is securely locked when left unattended;
- not make a claim that is false or fraudulent in any way;
- inform the Police if it appears that there has been arson, theft, burglary or malicious damage;
- provide **us** immediately with full particulars of any claim made against **you** by another person and all legal documents served on **you**, and allow **us** to instruct a solicitor of **our** choice to conduct **your** defence. **You** must follow the recommendations of that solicitor as to the conduct or continuation of the defence. That solicitor shall be entitled to confer with **us** when necessary as to the details of the case and the conduct or continuation of **your** defence;
- allow **us** to complete all necessary documents and authorities in respect of any claims under this policy as **your** authorised agent;
- allow **us** to take over for **our** own benefit and settle any legal right of recovery **you** may have and **you** must cooperate fully in any recovery action;
- take all steps which **we** consider reasonable to prevent further loss or damage;
- allow **us** to inspect the damaged **vehicle** and deal with salvage in a reasonable manner. No property may be abandoned to **us**;
- comply with all **our** requests relating to **your** claim including providing all cooperation, information and assistance;
- obtain two written quotations for repairs to **your vehicle**;
- not start repairs to **your vehicle** without **our** prior approval;
- not discuss a claim made on **you** by another person with them. Instead, refer them to **us**;
- establish that **you** have complied with all **your** obligations under this policy and that none of the exclusions apply.

Otherwise **we** can decline **your** claim and/or recover any payment already made.

## **How We Will Look After Your Claim**

Once **we** receive advice of **your** claim we:

- will acknowledge that **we** have received **your** claim form, and ask **you** for any further information or assistance **we** may require to enable **us** to consider **your** claim;
- may appoint an assessor or loss adjuster to look after **your** claim.

## **How We Will Settle Your Claim**

If **you** have selected Maxi Motor Protection **we** will arrange for the repair, replacement or pay for the loss, once **your** claim has been accepted.

**We** may choose to repair the damage or to pay the amount of the loss up to the **market value** of **your vehicle**, or the sum insured shown in the **certificate of insurance**, whichever is less.

**In all cases:**

- if **you** pay **your** premium by instalments and **your vehicle** is a total loss **you** must pay the rest of the annual premium before **we** settle **your** claim;
- **we** may make payment to an interested party (e.g. Bill of Sale Holder) if **you** have one registered on **your vehicle**. Their receipt will discharge **us** completely.

**We** will pay for costs and expenses incurred by **you** with **our** approval in defending claims under Motor Owners Liability Protection plus costs and expenses awarded against **you** up to K100,000.

### **What Your Vehicle Will Be Used For**

**We** insure **your vehicle** only whilst it is being used:

- for social, domestic or pleasure purposes;
- by religious, social welfare or youth organisation workers in the course of that work.

**Your vehicle** is not insured for use in connection with any trade, business or profession unless **you** have paid an additional premium and the **certificate of insurance** states that **your vehicle** is insured for business use.

### **Cancelling This Policy**

**You** may cancel this policy at any time by writing to **us**. **We** will refund 80% of **your** unused premium.

**We** may cancel this policy at any time by writing to **your** postal address on **our** policy records. This letter will contain at least 14 days' notice. **We** will refund **your** unused premium.

If **you** make a claim which is false or fraudulent in any way **we** may avoid **your** policy or cancel it effective immediately and **we** will not pay the claim.

**Your** policy is automatically cancelled if **your vehicle** is a total loss and no refund of premium is given. However **you** may apply to **us** to insure **your** new **vehicle**.

### **Making Changes To This Policy**

**You** can have this policy altered at any time as long as **we** agree in writing to such alteration before it takes effect. **We** can, in exceptional circumstances, alter the terms of this policy by writing to **your** postal address on **our** policy records and the change will take effect 14 days after the date of that letter from **us**.

### **Modifications To Your Vehicle**

Unless shown in the **certificate of insurance** it is agreed that **your vehicle** complies with the maker's standard specifications for the model and year of manufacture and has not been modified in any way. A conversion to



run on CNG, LPG or Bio Gas will not be a breach of this policy as long as the conversion has been installed in accordance with the manufacturer's specifications and complies with all laws relating to CNG, LPG or Bio Gas conversions.

## **Replacement Parts**

**We** will pay for any part or accessory not currently available in Papua New Guinea up to the last known list price when the part was available or for the part's closest equivalent.

**Your vehicle** is not covered for:

- air freight and associated costs to import parts or accessories from outside Papua New Guinea;
- any costs due to the inability to match existing paint;
- costs to replace any part or accessory that has not suffered accidental damage.

## **Other Insurance**

**We** will only pay over and above the cover provided by any other policy.

## **Automatic Reinstatement**

In the case of partial loss or damage to **your vehicle we** will pay the premium to reinstate **your** insurance after **we** meet any claim.

## **Jurisdiction**

The laws of Papua New Guinea apply to this policy. The Papua New Guinea Courts have exclusive jurisdiction in relation to all legal proceedings about this policy.

Any judgement for costs and damages awarded by a Court in any other country or any judgement or order obtained in Papua New Guinea for the enforcement of a judgement obtained in another country is not covered.

## **Currency And Taxes**

All sums insured and policy limits are expressed in Papua New Guinea currency and exclude any value added taxes if applicable (eg. GST). All claims will be paid in Papua New Guinea currency.

## **Meanings Of Words**

- “**Act of terrorism**” means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) or persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with,

political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

- **“Certificate of insurance”** means the certificate of insurance first issued to you or the current renewal certificate whichever applies and any endorsement certificates that have been added during the period of insurance.
- **“Electronic data”** means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.
- **“Excess”** means the amount of any claim which you must bear. The amounts are shown in the certificate of insurance and this wording.
- **“Market value”** means the value of your vehicle immediately prior to any claim as assessed by a motor vehicle valuer approved by us.
- **“Vehicle”** means the vehicle shown in the **certificate of insurance** including spare parts and attached equipment and accessories.
- **“You”** or **“your”** means the person(s) named in the **certificate of insurance** as the insured. Where you jointly own the vehicle, this policy insures you jointly.
- **“We”, “us”** or **“our”** means TOWER Insurance (PNG) Limited.
- 

## **Complaints Procedure**

### **IF YOU HAVE A PROBLEM**

While **we** make every effort to make things right, problems may sometimes occur. **We** have in place a complaints procedure that is intended to resolve any problem quickly and fairly. In order to avoid delay in solving a problem to **your** satisfaction, please follow the steps listed below:

1. In the first instance contact the Branch Manager of **your** TOWER Insurance Office.
2. If the Branch Manager is unable to resolve the problem **you** may make a formal complaint to:

**The General Manager**  
**TOWER Insurance (PNG) Limited**  
**PO Box 136, Port Moresby**  
**Telephone: 321 1388, Fax 321 1881**

**Your** problem will be reviewed and **we** will make a formal response within a maximum period of 30 days.

**We** are a licensed Insurance Company under the Papua New Guinea Insurance Act 1995. Under that Act **we** have some obligations to **you**. **We** are required to:

- provide **you** with a policy within 30 days setting out **your** and **our** rights and obligations;
- advise **you** of **our** complaints procedure;
- be financially sound as prescribed by the Act, which means **we** have reserves equal to at least 10% of **our** net premium income.

There is an Insurance Commissioners office which is responsible for the administration of the Act. Their address is:

**Insurance Commissioners Office**  
**PO Box 122, Port Moresby**  
**Telephone: 321 7966, Fax 321 7810**