

ZANZIBAR INSURANCE CORPORATION

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Email: zicdsm@zic.co.tz **COMMERCIAL VEHICLE POLICY**

Whereas the Insured by a proposal and declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Corporation for the insurance hereinafter contained and has paid or agreed to pay the Premium as consideration for such insurance.

Now this Policy Witnesseth:

That in respect of events occurring during the Period of Insurance and subject to the terms exceptions and conditions contained herein or endorsed hereon (hereinafter collectively referred to as the Terms of this Policy).

SECTION I - LOSS OR DAMAGE

1. The Corporation will indemnify the Insured against loss of or damage to the Motor Vehicle and its accessories and spare parts whilst thereon.
 - (a) By accident 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) Whilst 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 Corporation may pay in cash the amount of the loss or damage or may repair, reinstate or replace the motor Vehicle or any part thereof or its accessories or spare parts.

The liability of the Corporation shall not exceed the value of the parts lost or damage and the reasonable cost of fitting such parts. The Insured's estimate of value stated in the Schedule shall be the maximum amount payable by the Corporation in respect of any claim for loss of damage.
3. If the Motor Vehicle is disable by reason of loss or damage insured under this Policy the Corporation will subject to the Limits of Liability bear the reasonable cost of protection and removal to the nearest repairers and of delivery within the country where the loss or damage was sustainable.
4. The Insured may authorize the repair of the Motor Vehicle necessitated by damage for which the Corporation may be liable under this Policy provided that:
 - (a) The estimated cost of such repair does not exceed the Authorized Repair Limit:
 - (b) A detailed estimate of the cost is forwarded to the Corporation without delay.

EXCEPTIONS TO SECTION I

The Corporation shall not be liable to pay for:

- (i) Consequential loss, depreciation, wear and tear, mechanical or electrical breakdowns, failure or breakages:
- (ii) Damage caused by overloading or strain;

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FOR: MANAGING DIRECTOR

- (iii) Damage caused by explosion of any boiler forming part of attached to or on the motor Vehicle;
- (iv) Damage to tyres unless the Motor Vehicle is damaged at the same time.

SECTION II - LIABILITY TO THIRD PARTIES

Indemnity to the Insured

1. The Corporation will subject to the Limits of Liability indemnify the Insured in the event of accident caused by or arising out of the use of the Motor Vehicle or in connection with the loading or unloading of the Motor Vehicle against all sums including claimant's costs and expenses which the insured shall become legally liable to pay in respect of:
 - (a) Death of or bodily injury to any person.
 - (b) Damage to property.

Indemnity to other persons.

2. In terms of and subject to the limitations of and for the purpose's of this Section the Corporation will indemnify an Authorized Driver who is driving the Motor Vehicle provided that such Authorized Driver.
 - (i) Shall as though he were the Insured observe fulfill and be subject to the Terms of this Policy insofar as they can apply;
 - (ii) Is not entitled to indemnity under any other policy.

Indemnity to Legal Representatives

3. In the event of the death of any person entitled to indemnity under this Section the Corporation will in respect of the liability incurred by such person indemnify his personal representatives in terms of and subject to the limitations of such section provided that such representatives shall as though they were the Insured observe, fulfill and be subject to the Terms of this Policy insofar as they can apply.
4. The Corporation will pay all costs and expenses insured with its written consent.

Application of Limits of Liability

5. In the event of accident involving indemnity under this Section to more than one person the Limits of liability shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.

Representation and Defense

6. The Corporation may at its own option:
 - (a) Arrange for representation at any inquest or fatal inquiry in respect of any death which may be the subject of indemnity under this Section.
 - (b) Undertake the defense of proceeding in any Court of Law in respect of any death which may be the subject of indemnity under this Section.

EXCEPTIONS TO SECTION II

The Corporation shall not be liable in respect of.

- (i) Death, bodily injury, or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of the load to the Motor Vehicle for loading thereon or the taking away of the load from the Motor Vehicle after unloading there from.
- (ii) Death of or bodily injury to any person in the employment of the insured arising out of and in the course of such employment.
- (iii) Death of or bodily injury to any person (other than a passenger carried by reason of or in pursuance of a contract of employment) being carried in or upon entering or getting on to or alighting from the Motor Vehicle at the time of the occurrence of the event out of which any claim arises.

- (iv) 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 Motor Vehicle.
- (v) Damage to any bridge, weighbridge or viaduct or to any road or anything beneath by vibration or by the weight of the Motor Vehicle or of the load carried by the Motor Vehicle.
- (vi) Damage to property caused by sparks or ashes from the Motor Vehicle is steam driven.
- (vii) Death to property caused by or arising out of the explosion of a boiler forming part of attached to or on the Motor Vehicle.
- (viii) Death or bodily injury caused by or arising out of the explosion of a boiler forming part of attached to or on the Motor Vehicle excepts so far as is necessary to meet the requirements of the Legislation.
- (ix) Compensation for damages in respect of judgments delivered or obtained in the first instance otherwise than by a Court of competent jurisdiction within the Geographical Area.
- (x) Costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the Geographical Area.

SECTION III - TOWING DIABLED VEHICLES

This Policy shall be operative whilst the Motor Vehicle is being used for the purpose of towing any one disabled mechanically propelled vehicle and the Corporation will indemnity the Insured in terms of Section II in respect of liability in connection in with such towed vehicle provided that:

- (a) Such towed vehicle is not towed for reward.
- (b) The Corporation shall not be liable by reason of this Section in respect of damage to such towed vehicle or property being conveyed thereby.

AVOIDANCE OF CERTAIN TERMS AND RIGHTS OF RECOVERY

Nothing in this Policy or any endorsement hereon shall affect the right of any person entitled to indemnity under this Policy or of any other person to recover an amount under or by virtue of the Legislation.

BUT the Insured shall repay to the Corporation all sums paid by the Corporation would not have been liable to pay but for the Legislation.

GENERAL EXCEPTIONS

The Corporation shall not be liable in respect of:

1. Any accident, loss, damage or liability caused, sustained or incurred.
 - (a) Outside the Geographical Area.
 - (b) Whilst the Motor Vehicle is.
 - (i) Being used otherwise than in accordance with the Limitations as to use.
 - (ii) Being driven by or is for the purpose of being driven by him in the charge of any person other than an Authorized Driver.
2. Any accident, damage, loss or liability (except so far as is necessary to meet the requirements of the Legislation) directly or indirectly proximately or remotely occasioned by contributed to by or traceable to or in connection with flood, typhoon, hurricane, volcanic eruption, earthquake or other convulsion of nature, invasion, the act of foreign enemies, hostilities or warlike operation (whether war be declared or not) civil war, strike, riot, civil commotion, mutiny, rebellion, revolution, 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, damage or liability arose independently of and was in no way connected with or occasioned by or contributed by or traceable to any of the said occurrences or any consequence thereof and in default of such proof the Corporation shall be liable to make any payment in respect of such a claim.
3. Any liability which attaches by virtue of any agreement but which not have attached in the absence of such agreement.
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.

GENERAL CONDITIONS

1. This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such specific meaning wherever it may appear.
2. Every notice or communication to be given or made under this Policy shall be delivered in writing to the Corporation.
3. The Insured shall take all reasonable steps to safeguard the Motor Vehicle from loss or damage and to maintain the Motor Vehicle in efficient condition and Corporation shall have at all times free and full access to examine the Motor Vehicle or any part thereof or any driver or employee of the Insured. In the event of any accident or breakdown the Motor Vehicle shall not be left unattended without proper precautions being taken to prevent further loss or damage and if the Motor Vehicle be driven before the necessary repair are effected any extension of the damage or any further damage to the Motor Vehicle shall be excluded from the scope of the indemnity granted by this Policy.
4. In the event of any occurrence which may give rise to a claim under this Policy the Insured shall as soon as possible give notice thereof to the Corporation with full particulars. Every letter, claim, write, summons and process shall be notified or forwarded to the impending, prosecution, inquest or fatal inquiry 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 co-operate with the Corporation in securing the conviction of the offender.
5. No admission, offer, promise or payment shall be made by or on behalf of the insured without the written consent of the Corporation which shall be entitled if it so desires to take over and conduct in his name the defence or settlement of any claim or to prosecute in his name for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Corporation may require.
6. At any time after the happening of any event giving rise to claim or series of claims under Section II - 1(b) of this Policy the Corporation may pay to the Insured the full amount of the Corporation's liability under Section II - 1(b) and relinquish the conduct of any defence, settlement or proceeding and the Corporation shall not be responsible for any damage alleged to have been caused to the Insured in consequence of any alleged action or omission of the Corporation be liable for any costs or expenses whatsoever incurred by the Insured or any claimant or other person after the Corporation shall have relinquished such conduct.
7. The Corporation may cancel this Policy by sending seven day's notice by registered letter to the Insured at this last known address and in such event will return to the Insured the Premium paid less the **prorata** portion thereof for the period the Policy has been in force or the Policy may be cancelled at any time by the Insured or seven day's notice and (provided no claim has arisen during the then current period of Insurance) the Insured shall be entitled to a return of premium at the Corporation's Short Period rates for the period the Policy has been in force.
8. If at the time any claim arises under this Policy there is any other insurance covering the same loss, damage or liability the Corporation shall not be liable pay or contribute more than its rateable proportion of any loss, damage, compensation, costs or expenses. Provided always that nothing in this Condition shall impose on the Corporation any liability from which but for this Condition it would have been relieved under proviso (ii) of Section II - 2(a) of this Policy.
9. All differences arising out of this Policy shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon 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 or in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meeting and the making of an Award shall be a condition precedent herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
10. 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 answers in the proposal shall be conditions precedent to any liability of the Corporation to make any payment under this Policy.

No claim Bonus:

See Additional Conditions on page 5

In the event of no claim being made or arising under this Policy during the preceding year of insurance the renewal premium for such a part of the insurance as is renewal shall be reduced by 10%.

If the Corporation shall concept to a transfer of interest in this Policy the period during which the interest in this Policy was in the Transferor shall not accrue to the benefit of the transferee.

If more than Motor Vehicle is described in the Schedule the No - Claim Bonus shall be as if a separate Policy had been issued in respect in respect of each such motor Vehicle.

ADDITIONAL CONDITIONS

- (a). The Corporation shall not be liable to make any payment in respect of any accident, loss, damage, or liability, caused or arising whilst the Motor Vehicle in connection with which Insurance or Indemnity is granted hereunder is being driven by any person whilst under the influence of or whilst his efficiency as a driver is impaired by intoxicating liquors or drugs.
- (b) **Road License & Driving License Clauses:**
Notwithstanding any condition, clause, qualification or proviso contained anywhere in the within policy, it is hereby warranted that no claim arising under the within policy shall be admissible. (except so far as is necessary to requirement of the legislation) unless the person driving the vehicle within Insured holds a driving permit which is in force at the material time the vehicle is involved in any accident giving rise to a claim against the Corporation and the vehicle is also duly licensed to be on road.
- (c) **Carrying Capacity and Seating Capacity Clause:**
The Corporation shall not be liable in respect to any accident, loss, damage or liability caused, sustained or incurred whilst the motor vehicle is being used to carry passenger/load, in excess of what is allowed by the Licensing Authorities. This Endorsement shall not affect the right of any person to recover amount under or by virtue of the Legislation, but the Insured shall repay to the Corporation all sums paid by the Corporation which the Corporation would not have been liable to pay but for the Legislation.
- (d) **Replacement Clause:**

ENDORSEMENT NO. 30

It is hereby understood and agreed notwithstanding anything to the contrary contained in this Policy that the event of loss or damage to the Motor Vehicle or its accessories or spare parts necessitating the supply of a part not obtained from stocks held in the country in which the Motor Vehicle is held for repair or in the event of the Corporation exercising the option under Section 1 - 2 to pay in cash the amount of the loss or damage the liability of the Corporation 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 Manufacture or his Agents for the country in which the Motor Vehicle is held for repair; or.
- ii. If no such catalogue or price list exists the price last obtaining at the Manufacture's Works plus the reasonable cost of transport otherwise than by air to the country in which the Motor Vehicle is held for repair and amount of the relative import duty;

AND

- (b) The reasonable cost of fitting such part.
Subject otherwise to the Terms of this Policy.

IMPORTANT NOTICE

1. In the event of and accident in NO circumstances admit liability in any way whatever to any Third Party Claimant or Witness or any one acting on behalf of a possible Claimant, but obtain full particulars including names and addresses of all witnesses and forward this information at once to the Corporation.
2. Please notify any change of address and in the event of the sale of the Vehicle or cancellation of the Policy, Insurance Certificate in respect of the Vehicle(s) affected MUST be returned to the Corporation immediately.

3. The value of the Vehicle(s) shown in this policy is not necessarily the amount payable by the Corporation in the event of a Total Loss, since their liability is limited to the MARKET VALUE of the Vehicle(s) immediately anterior to the date of loss or the value shown in the Policy whichever the less is.

GENERAL EXCEPTIONS (Cont.)

- 5.(a) Any accident loss or damage to any property whatsoever or any loss or expense whatsoever resulting or rising therefrom or any consequential loss;
 - (b) Any liability of whatsoever nature;
Directly or in directly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exception combustion shall include any self-sustaining process of nuclear fission.
6. Any accident, loss damage or liability directly caused or contributed to by or arising from nuclear weapons material.

If law or laws are named in a section of the Policy entitled "Avoidance of certain terms and right of recovery" or in the Policy Schedule under the heading of "Legislation" all references to the specific Sections of such law or laws are left to apply to each law in its entirety.