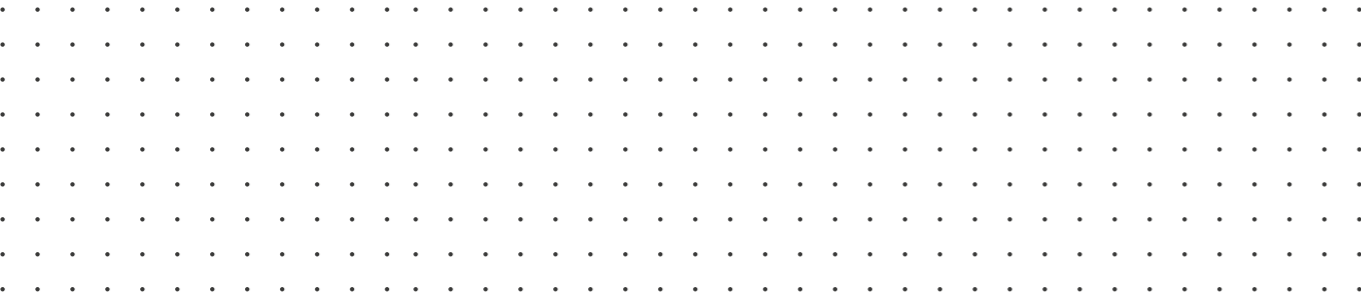




مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

FUNDAMENTAL CONCEPTS OF MOTOR VEHICLE INSURANCE IN THE UAE "KNOW YOUR INSURANCE RIGHTS"





KNOW YOUR INSURANCE RIGHTS

Overview of Insurance

A contract between two parties, one of which is the Insurer (the Insurance Company) and the other is the Insured, in which the Insurance Company shall pay the Insured financial compensation in the event of an accident or if a risk is realised as indicated in the contract. This is in return for premiums paid by the Insured to the Insurer.

Importance of Motor Vehicle Insurance

Motor vehicle insurance provides complete or partial protection in the event of damage caused to the insured vehicle – as well as covering the damages caused by your vehicle to others (persons and property included).

Some individuals may face difficulty when choosing a car insurance policy given the number of insurance companies operating in the UAE as well as the types of insurance policies on offer. Ultimately, the types of insurance programmes fall under two main categories: Third Party Liability Insurance and Comprehensive Insurance (loss and damage + third party liability). What is the difference between Third Party Liability Insurance and Comprehensive Insurance?



Third Party Liability Insurance

This type of insurance covers the damages caused by your vehicle to others (persons and property included). Third Party Liability is typically more affordable than Comprehensive Insurance as it does not cover damages caused to you or your vehicle in the event of an accident while driving the vehicle.

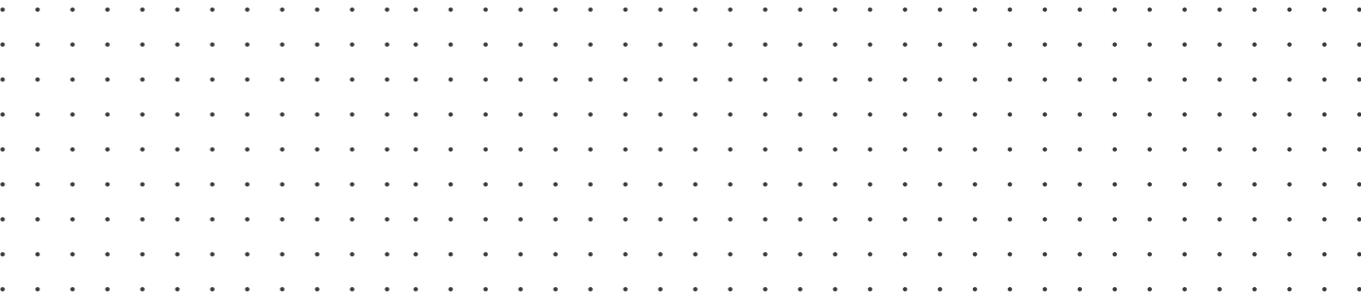
For example: If your vehicle is the cause of an accident, the Insurance Company will compensate for all damages caused to other parties involved but will not compensate for any damage caused to you or your vehicle.

Loss and Damage

Under this policy, the Insurance Company is obliged to compensate the Insured for any damage to the insured vehicle, regardless of whether the vehicle was in use or stationary, or whether the Insured caused the damage or was affected by an accident caused by another party.

Comprehensive Insurance = (Third Party Liability + Loss and Damage)

This type of policy provides protection against damage caused to the insured vehicle, whether



the Insured caused the accident or was impacted, as long as it is within the facultative treaty policy. The Insured must observe the terms and conditions of this policy when driving the insured vehicle. The Insurance Company remains liable to compensate for any damage caused to the vehicle, with the exception of any of the cases detailed at the end of this brochure.

For example: In the event of an accident between two cars, the Comprehensive Insurance policy covers all damages that you have caused or that have impacted you, and the Insurance Company shall pay all the expenses of repairing the Insured's vehicle, as well as repairing and compensating other parties for the damages caused by you.

Insurance Premium Rates of Motor Vehicles

The new motor vehicle insurance policy includes minimum and maximum premium rates for different motor vehicle models (Premium Rates Schedule is attached).

Term of the Insurance Policy

The term of the new policy is (13) months.

Premium Tariff Rate of Motor Vehicles Insurance

1. Includes the covers specified in the two aforementioned policies and all allowances, expenses and commissions.
2. The additional premium covers ambulance services and transportation to hospitals.



Discounts on Motor Insurance Premium Rates

- **Discount for Customers with "Accident – Free Record"**
The Insurance Company may grant the customer a discount of up to 20% on the minimum motor insurance rate if he or she has not had an accident occur in a specific time period. The discounts for each time period are as follows:

10% for the first year	15% for the second year	20% for the third year
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- **Recurring Customer Discount**
10% discount on the minimum motor insurance rates if:
 - The customer is renewing his or her Third Party Liability or Comprehensive Insurance policy.
 - The discount is not applicable if the policy is transferred to another individual.
- **Discount for Gas / Electric Motor Vehicles**
 - When renewing the insurance policy of motor vehicles running on gas/electricity, the discount shall be 25% of the minimum rate, taking into consideration the customer's accident record.
- **Certificate of Insurance Experience**
 - The Insurance Company shall provide the customer with a Certificate of Insurance Experience for previous years, electronically or written, free of charge.

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- **Fleet discount:**
 - The Insurance Company shall grant a discount on the insurance rate to the owner of the fleet, be it a private or legal owner, or the government.
 - It is required that the fleet encompasses no less than (5) motor vehicles / motorcycles.

Third Party Liability Insurance Coverage

Liability coverage will cover third parties when the Insured is at fault for amounts that the insured or the vehicle driver is required to pay, including:

- Physical damage to others inside or outside the vehicle.
 - Material damage caused to others.
1. Compensation for property damages for one accident is limited to AED (2) million.
 2. Includes spouses, children, and parents within the limits of Diya compensation per Sharia law.
 3. Passengers are covered.

Provision of a Substitute Motor Vehicle

The impacted party will be provided with a substitute motor vehicle or a cash amount not exceeding AED 300 per day for a maximum of 15 days, depending on the type of motor vehicle.

Risks Covered Under the Loss and Damage Policy

Compensation for loss or damage to the vehicle and its accessories resulting from:

1. Collision - accidental run-over.
2. Fire, external explosion, spontaneous combustion or lightning.
3. Robbery / theft or a third-party wilful act.

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4. Damage caused by elevators, cranes, as well as loading and offloading during land and inland water transport.
5. Intentional actions by others.
6. During the transportation of the vehicle by any means of transportation, including the loading and unloading process associated with transporting the vehicle.
7. Any additional coverage that is agreed upon.

Agency Repair

1. The Insurance Company shall repair the damaged vehicle at any of the agency's repair shops if the vehicle is one year old or less and the Insured has a Comprehensive Insurance policy per his or her contract, and which is typically availed by paying an additional premium.
2. New and original parts with no deduction of depreciation.

Total Loss / Write Off of a Motor Vehicle

1. The cost of repair exceeds 50% of the vehicle's value.
2. If the base of the vehicle (the chassis) is damaged, whether it is replaceable or not, or if the fixed parts such as columns are damaged and require cutting, tightening or welding.

Basis of Compensation for total loss of the vehicle

In Comprehensive Insurance, the compensation for the ((Sum Insured) - (Depreciation of 20%)) is calculated on a pro rata basis for the 13-month insurance term. Compensation under Third Party Liability Insurance, however, is based on the vehicle's market value.

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Spare Parts

Must be original (whether used or new) according to the original invoice.

Vehicle Examination

The Insured has the right to have the motor vehicle tested by any approved motor vehicle examination agency, after being repaired by any Insurance Company-affiliated agency repair shop, to ensure that the vehicle has been properly repaired. Any issues that arise will be addressed by the Insurance Company and the repair shop at the Insurance Company's expense.

Basis of Repair

In case of any conflict between the affected party and the Insurance Company concerning the value of damages, amount of compensation or the market value of the motor vehicle, the Insurance Company shall appoint an expert on its expense for this purpose. If the expert's opinion is not approved, either party may request the CBUAE to appoint a licensed expert.

Licensed Driver

A driver whose licence has expired though is able to renew his or her driver's licence within thirty days from the date of accident.

As such, we encourage you to renew your licence as soon as possible to be eligible for compensation in the event there is an accident damaging the vehicle.

Definition of 'the Road'

The definition of the road has been broadened to include:

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According to the definition stated in the applicable Traffic Laws, the Road refers to all open roads available to the public without the need for special permission as well as areas that are made available for the crossing of motor vehicles and for the wider public. This also includes roads that are available to those carrying a licence or who are given permission from a concerned authority, regardless of whether these are paid or free of charge.

Orange Card

The name chosen by the General Arab Insurance Federation ("GAIF") for a unified insurance card for motor vehicles crossing the Arab region. Accordingly, the motor vehicle can cross several Arab countries without the need to issue an insurance card in each country. This card covers Third Party Liability in accordance with the laws and regulations applicable in the country where the accident took place.

Exclusions of Third Party Liability Policy

This policy does not cover the cases arising or emerging from the following accidents:

- Damages that occur outside the country's borders.
- Damages that have resulted from floods, tornados, volcanoes, earthquakes or nuclear explosions.
- Damages that occur to the Insured, the vehicle driver or individuals employed by the Insured if they are injured in work-related incidents, unless additional coverage or an addendum to the Insured's policy is present.

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Exclusions of Loss and Damage Policy

1. Weight overload, provided that it can be proven that this is the proximate cause of the accident.

2. Use of the motor vehicle beyond its specified purposes.

3. Violation of laws if the violation is deemed an intentional felony or misdemeanour.

4. Using the motor vehicle in a speed race, provided that it can be proven that this is the proximate cause of accident.
5. If the driver of the vehicle is unlicensed in accordance with the relevant Traffic Laws.

6. Driving under the influence of narcotics or alcohol that impact the driver’s ability to control the vehicle.

7. Driving outside the jurisdiction set out in this policy, unless a rider is issued an “Orange Card” which extends coverage to the particular territory.

8. Driving off the road, unless a rider is issued extended coverage including off-road.

Schedule No. (1)

Depreciation Percentages, with the exception of taxis, public transport, and rentals, according to the date of registration and use:

Year	Percentage
First y ear	-
Second year	5%
Third year	10%
Fourth year	15%
Fifth year	20%
Sixth year and above	30%

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Schedule No. (2)

Depreciation percentages for taxis, public transport and rentals according to the date of registration and use:

Year	Percentage
Last six months of the first year	10%
Second year	20%
Third year	25%
Fourth year	30%
Fifth year	35%
Sixth year and above	40%

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Schedule No. (3)

Deductibles

Motor Vehicle	Deductible
Private vehicles where the permissible number of passengers does not exceed (9) passengers and its value does not exceed AED 50,000	Maximum AED 350/per each accident
Private vehicles where the permissible number of passengers does not exceed (9) passengers and value exceeds AED 50,000 but does not exceed AED 100,000	Maximum AED 700/per each accident
Private vehicles where the permissible number of passengers does not exceed (9) passengers and value exceeds AED 100,000 but does not exceed AED 250,000	Maximum AED 1,000/per each accident
Private vehicles where the permissible number of passengers does not exceed (9) passengers and value exceeds AED 250,000	Maximum AED 1,200/per each accident
Private vehicles where the permissible number of passengers does not exceed (9) passengers and value exceeds AED 500,000	Maximum AED 1,400/per each accident
Private vehicles where the permissible number of passengers exceeds (9) passengers but does not exceed AED (12) passengers	Maximum AED 1,500/per each accident
Private vehicles the permissible number of passengers exceeds (12) passengers, rental vehicles, and trucks where the tonnage of which exceeds (3) tonnes	Maximum AED 1,700/per each accident
Trucks where the tonnage exceeds (3) tons and passenger buses and industrial vehicles for construction and agricultural works	Maximum AED 4,500/per each accident

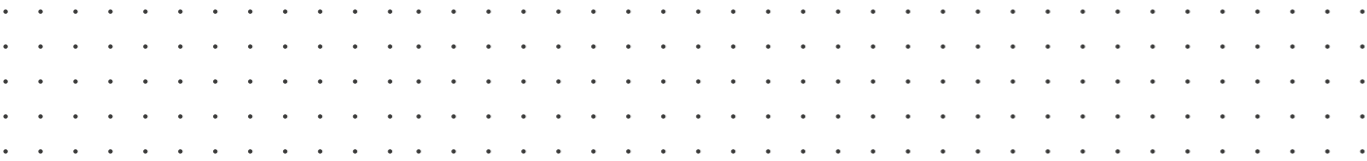


Schedule No. (4)

Short rate schedule – percentages of recoverable premium

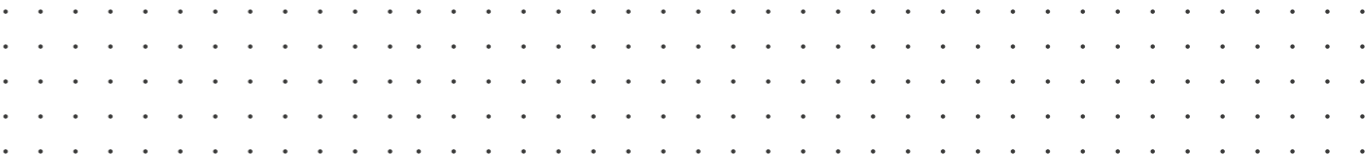
Policy Validity Period	Recoverable Premium
A period not exceeding one month	80%
A period exceeding one month but not exceeding four months	70%
A period exceeding four months but not exceeding six months	50%
A period exceeding six months but not exceeding ten months	30%
A period exceeding ten months	Nil





Schedule No. (5)
Premium rate schedule

Type of vehicle		Minimum (Insurance Period 13 months) (AED)	Maximum (Insurance Period 13 months) (AED)
Salon- Private	4 cylinders	750	1,300
	6 cylinders	850	1,400
	8 cylinders	950	1,600
	>8 cylinders	1,300	2,100
Salon - Commercial	4 cylinders	750	1,350
	6 cylinders	850	1,500
	8 cylinders	950	1,600
	>8 cylinders	1,300	2,250
Salon- Private	4 cylinders	750	1,300
	6 cylinders	850	1,400
	8 cylinders	950	1,600
	>8 cylinders	1,300	2,100
Four Wheel Drive -Commercial	4 cylinders	1,000	1,750
	6 cylinders	1,050	1,900
	8 cylinders	1,150	2,100
	>8 cylinders	1,350	2,450



Pickup & Truck	Up to 1 ton	1,000	1,750
	Up to 2 tonnes	1,000	1,800
	Up to 3 tonnes	1,150	2,100
	More than 3 tonnes	1,300	2,300
Trailer, Water and Fuel Tanker	Trailer	1,200	2,150
	Water Tanker up to 2000 gallons	850	1,500
	Water Tanker more than 2000 gallons and up to 5000 gallons	1,400	2,500
	Water Tanker Trailer	1,500	2,500
	Fuel Tanker	2,000	3,300
Buses	14 passengers	1,100	1,900
	26 passengers	1,800	3,250
	56 passengers	2,150	3,850
Equipment	Light Equipment – Dumper & Agriculture	1,000	2,500
	Light Equipment / Forklift - Private	1,300	2,500
	Light Equipment / Forklift - Commercial	1,300	2,500
	Heavy Vehicle - Private	1,600	3,000
	Heavy Vehicle - Commercial	1,600	3,000
Motorcycle	Up to 200 cc	550	1,150
	Above 200 cc	600	1,150

The Insurance Company shall not impose or collect any additional value beyond that stipulated above except if such a decision is authorised by the CBUAE.

