

UNIFORM POLICY FOR MOTOR VEHICLE INSURANCE

Whereas the Insured has paid or agreed to pay to **CHINA INSURANCE (MACAU) COMPANY LIMITED** (hereinafter called the Company), the premium referring to the covers mentioned in the Schedule, this insurance policy witnesseth that, subject to the Terms and the Schedule and the corresponding proposal (which forms an integral part of the contract), the Company will pay:

- (i). Concerning the cover of "Third Party Risk", compensation legally due for bodily injury or property damage caused to third parties as a result of the use of the Motor Vehicle, for

which the Insured is liable under the laws in force;

- (ii) concerning the cover on the "Motor Vehicle Risk", if this has been agreed upon by the Company, an indemnity for loss or damage to the insured Motor Vehicle caused by or arising from "Impact, Collision or Overturning", "Fire, Lightning or Explosion", "Theft of Burglary", "Isolated Breakage of Glass", "Flood", "Typhoon", "Tropical Storm", "Volcanic Eruption", "Earthquake" and "Other Convulsions of Nature

MOTOR VEHICLE CLASS

TERMS OF THE POLICY

Introductory Article (Contents and Geographical area)

1. This Policy comprises the conditions of the third party motor vehicle insurance and supplementary risks containing special provisions for compulsory insurance, additional insurance and general provisions for both kinds of insurance.
2. The insurance provided in this Policy is limited to the territory of Macao unless otherwise agreed.

CHAPTER I

Special Provisions for Compulsory Insurance

Article 1 Scope of insurance

The insurance, as regulated in the articles of the present Chapter I, corresponds to the legal requirements in respect of the obligation to insure, and it is not permissible to alter the provisions of this Policy which regulate the said insurance.

Article 2 Extension

1. The insurance covers the third party liability of the owner, usufructuary, buyer in a credit purchase, hire in a hire-purchase or user of the motor vehicle, as well as the liability of the lawful holders or drivers, for loss or damage caused to third parties as a result of the use of the insured motor vehicle, subject to the limits of liability and the conditions legally established.
2. The insurance referred to in Article 1 comprises also the duty to repair the loss or damage caused to third parties in traffic accidents fraudulently produced or resulting from burglary, theft or theft of use in which the accident is attributable to those causing the crime.

Article 3 Exclusions

1. The insurance does not provide cover for any loss or damage caused to the following person:
 - a). Driver of the motor vehicle and the Policyholder;
 - b). Those whose liability is guaranteed, according to the preceding Article 2 paragraph 1, namely in consequence of co-ownership of the insured motor vehicle;
 - c). Spouse, ascendants, descendants or adopted by the

persons, referred to in the preceding sub paragraphs a) and b), as well as any other relatives up to the third degree of consanguinity of those persons but, in the latter case, only when they cohabit with or depend on such persons;

d). Legal representatives of corporate entities or commercial companies liable for the accident, when such representatives are on duty, as well as the Insured's employees, officials and mandatories;

e). Those who, according to the Civil Law, benefit from the right to indemnity provided by links with any of the persons referred to in the preceding sub-paragraphs.

2. The insurance also does not provide cover for any loss or damage caused:

a). To the motor vehicle;

b). To the goods carried in the insured motor vehicle either during transit or in connection with loading and unloading of the motor vehicle;

c). To third parties as a result of loading and unloading the motor vehicle;

d). To the passengers when they are being carried in breach of any provisions of the Traffic Regulations Code relating to the transportation of such persons;

e). Caused directly or indirectly by explosion, release of heat or radiation due to disintegration or nuclear fission, artificial acceleration of atoms or radioactivity;

f). Occurring during motor sport events as well as during any official training sessions, unless the same is insured under a specific cover according to the terms of this Policy.

Article 4 Insurance evidence

1. The third party liability card or the provisional certificate of insurance
2. The provisional certificate of insurance replaces temporarily the third party liability card and should be issued on acceptance of the insurance of, if the policy is in force, when any amendment compels the issuing of a new card.

CHAPTER II

Special Provisions for Additional Insurance

Article 5 Scope of additional insurance

The additional insurance set out in chapter II, comprises the risks not covered by the compulsory third party insurance.

SECTION I

Supplementary Third Party Cover

Article 6 Scope of insurance

1. The third party insurance comprised by this cover will be in force outside the scope of the compulsory insurance but supplementary thereto as expressly stated in the schedule.
2. The cover provided in the preceding paragraph does not include the following loss or damage.
 - a) Referred to in Article 3, except in the case of paragraph 2 b) of the said Article the loss or damage shall be covered if this be expressly stated in the policy schedule.
 - b) Caused to third parties in traffic accidents fraudulently produced or resulting from burglary, theft or theft of use.

SECTION II

Cover on the Motor Vehicle

Article 7 Scope of insurance

1. The insurance comprised by the cover on the motor vehicle indemnifies against loss or damage to the motor vehicle caused by or arising from "Impact, Collision or Overturning", "Fire lightning or Explosion", "Theft or Burglary", "Isolated Breakage of Glass", "Flood", "Typhoon", "Tropical Storm", "Volcanic Eruption", "Earthquake" and "Other Convulsions of Nature".
2. The cover of "Impact, Collision or Overturning" indemnifies against loss or damage caused to the insured motor vehicle resulting from:
 - (i) "Impact", clash of the motor vehicle against any fixed body;
 - (ii) "Collision", accident between the motor vehicle and any other body in motion; or
 - (iii) "Overturning", accident in which the motor vehicle loses its normal position.

3. The cover of "Fire, lighting or Explosion" indemnifies against loss or damage caused to the insured motor vehicle resulting from fire, lightning or accidental explosion, whether such motor vehicle is stopped or in motion, parked in a garage or in any other building.
4. The cover of "Theft or Burglary" indemnifies against loss or damage caused by the disappearance, destruction or deterioration of the motor vehicle resulting from burglary, theft, or theft of use (attempted, frustrated or consummated). In the event of the disappearance of the motor vehicle the company shall be liable for the payment of indemnity after 60 days from the date of notification of the occurrence to the police, if the end of that period the motor vehicle has not been found.
5. The cover of "Isolated Breakage of Glass" indemnifies against loss or damage caused to the glass incorporated in the insured motor vehicle, but excludes any internal or external mirrors, arising from accidental breakage or not, with the motor vehicle stopped or in motion, subject, however, to the exceptions referred to in Article 11.
6. The cover of "Flood", "Typhoon", "Tropical Storm", "Volcanic Eruption", "Earthquake" or "Other Convulsions of Nature" indemnifies against loss or damage caused to the insured motor vehicle by any of these risks, with the Insured being liable to take all reasonable and normal steps for the protection and safety of the motor vehicle insured by this policy.

Article 8 Company's rights in event of a claim

1. At its own option the company may pay in cash the amount of the loss or damage, or may repair, reinstate or the motor vehicle or any part thereof or its accessories or spare parts.
2. The repairs referred to in the preceding paragraph will be made in an adequate manner to restore the damaged part of the insured motor vehicle to its condition preceding the accident, taking into account the rules defined in Article 14.
3. The liability of the company shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts, bearing in mind that this liability shall be limited to the reasonable market value of the motor vehicle, without exceeding, however, the value declared by the insured and stated in the schedule.
4. The supply of a part not obtainable from stocks in

Macau, or in the event of the company exercising the option 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 in Macau; or

(2) if no such catalogue or price list exists, the price last quoted at the manufacturer's works, plus the reasonable cost of normal transport (other than by air) to Macau and the amount of the respective import duty, if any; and
- b) the reasonable cost of fitting such part.

Article 9 General exceptions to all risks of the cover on the Motor Vehicle

The cover on the motor vehicle does not include loss or damage caused to:

- a) Letters, designs, emblems, logos or propaganda on the insured motor vehicle, when they are not mentioned in the policy with their respective values;
- b) Equipment accessories and apparatus not incorporated originally in the motor vehicle, when they are not mentioned in the policy with their respective values.

Article 10

Specific exceptions to each risk of the cover on the Motor Vehicle

1. The cover of "Impact, Collision or Overturning" does not comprise the loss or damage:
 - a) Resulting from bad condition of the roads or ways, when such fact does not produce any of the above risks;
 - b) Directly and exclusively resulting from defects of manufacture, erection or tuning, own vice or bad maintenance of the insured motor vehicle;
 - c) Directly produced by mud or tar or other material used for the construction of roads;
 - d) To the wheels, inner tubes and tyres unless the loss or damage is caused by "Impact, Collision or Overturning" and there is any other loss or damage to the motor vehicle;
 - e) Deliberately or involuntarily caused by own occupants or other persons with any objects held or thrown;
 - f) Resulting from circulation in areas which are not meant for the insured motor vehicle;
 - g) Caused by objects transported or during loading

and unloading;

- h) Caused by overloading or transportation of objects that prejudice the stability and control of the motor vehicle.
2. The cover of "Fire, Lightning or Explosion" does not comprise the loss or damage caused to the apparatus or electric installation, unless such loss or damage results from any such risks.
 3. The cover of "Theft or Burglary" does not comprise the loss or damage.
 - a) Deliberately caused by the insured or by any person for whom the insured is responsible;
 - b) That consists in consequential loss or loss of profits or results sustained by the insured due to deprivation of use, replacement expensed or depreciation of the insured motor vehicle as a result of accident or arising from normal depreciation, wear and tear or consumption.
 4. The cover of "Flood", "Typhoon", "Tropical Storm", "volcanic Eruption", "Earthquake" and "Other Convulsions of Nature" does not comprise loss or damage consisting in consequential loss or loss of profits or results sustained by the insured due to deprivation of use, replacement expenses or depreciation of the insured motor vehicle as a result of accident.

Article 11 Other exceptions

In addition to the exceptions established for compulsory insurance, as referred to in Article 3, with the exclusion of the provision established in its paragraph 2 a), and the other exceptions established in Article 9 and 10, the Company shall also not be liable for loss or damage under "Third Party" risks referred to in Article 6, and in respect of "Impact, collision or Overturning", "Fire, Lightning or Explosion", and "Isolated Breakage of Glass" risks, in the following cases:

- a) When the motor vehicle is being driven by a person legally not qualified.
- b) When the loss or damage is deliberately caused by the insured or by any person for whom he is responsible;
- c) When the driver of the motor vehicle insured by this policy is insane, or in case the driver is under the influence of alcohol, narcotics, or other drugs or toxic products;
- d) War, mobilization, revolution, strikes, labour disturbances, riots and /or persons acting with malicious intentions taking part or not in disturbances to the public order, sabotage, use of authority force or power, martial law or usurped

civil or military power.

- e) Occurring in different use of the motor vehicle and with higher risk than stated in the schedule of this Policy;
- f) When the loss or damage consists in consequential loss or loss of profits or results sustained by the Insured due to deprivation of use, replacement expenses or depreciation of the insured motor vehicle as a result of accident or arising from natural depreciation, wear and tear or consumption.

Article 12 Excess

1. Cover against “Impact, Collision or Overturning”, “Flood”, “Typhoon”, “Tropical Storm”, “volcanic Eruption”, “Earthquake” and “Other Convulsions of Nature” shall be subject to the application of a compulsory excess of 2% of the value of the motor vehicle stated in the Policy with a minimum of six hundred patacas, always to be deducted in respect of each and every claim, and such percentage and amount shall be doubled if the insured vehicle is over five years old, without prejudice to the excess established in the following paragraph 3.
2. The excess referred to in the preceding paragraph shall not be applicable when the insured motor vehicle is a motorcycle or cycle with motor and bicycle or tricycle with pedals for passengers or goods transportation.
3. The excess referred to in paragraph 1 shall be doubled if the driver of the insured motor vehicle is at the moment of the accident younger than 25 years or has held a full driving license of less than 2 years.

Article 13

Reduction and reinstatement of sum insured

1. In the event of claim under the cover on the motor vehicle, the amount of the indemnity will be deducted from the insured value, which will stand reduced in connection will the indemnity or indemnities paid during the period of insurance for which the premium has been paid or has become due.
2. The Insured may reinstate the sum insured with the payment of an additional premium corresponding to the part of the reinstated sum for the unexpired period up to the term or renewal of the Policy.

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Article 14

Computation of the loss or damage that can be indemnified

According to the provisions of the applicable legislation, the indemnity or loss or damage to the insured motor vehicle resulting from accident under the policy:

- a) Shall be calculated in the proportion of the difference between the market value and the insured value, if the insured value is lower than the market value; if a total loss results from the accident, the amount of the salvage will be apportioned between the parties in the same proportion.
- b) Shall be limited to the market value of the motor vehicle at the time of the loss or damage, even if this value is lower than the insured value declared in the Policy.

CHAPTER III

General Provisions for Compulsory Insurance and for Additional Insurance

Article 15 Limits of liability

The limits of liability of the Company in connection with the risks covered by this policy shall be as stated in the Schedule, without prejudice to the minimum limits legally established for the compulsory third party insurance.

Article 16

Commencement and duration of the insurance contract

1. This contract of insurance will be in force from the day shown on the third party liability card or on the provisional certificate of insurance and will be valid for the period of insurance referred to in the Schedule.
2. The insurance contract may be for a fixed and determined period - short term period – or for one year renewable.
3. If the insurance was contracted for one year renewable, it is automatically renewed at the term of each period, unless any of the parties gives notice of cancellation by registered letter thirty days in advance.

Article 17 Interruption or cancellation of the contract

Any reference in this Policy or in the Schedule to interruption or cancellation of the insurance shall mean that the contract will terminate at midnight on the relevant day.

Article 18 Change of circumstances

The insured is compelled to notify the Company within

eight days after any change of circumstances that may materially affect the risk; in case of absence of such notification the Insured shall indemnify the Company for any loss or damage and shall equally pay the additional premium, if any.

Article 19 Sale of the motor vehicle

1. In case of sale of the motor vehicle, the Policy shall be in force until 24:00 hours on the day of sale unless the insurance is transferred to a new motor vehicle; in the event of nonreplacement of the motor vehicle after its sale, the policy will be cancelled and the insured will be entitled to a return-premium relating to the unexpired period of risk.
2. The Insured shall notify the Company within twenty-four hours of the sale of the motor vehicle.
3. In case of nonfulfilment of this provision the Insured shall be required to pay an indemnity to the Company equal to the premium corresponding to the period in which the transfer was kept unknown, without prejudice to the cancellation of the contract under paragraph 1.
4. The notice of sale of the motor vehicle shall be accompanied by the provisional certificate of insurance or by the third party liability card.
5. In case of nonfulfilment of the provision of the preceding paragraph, the Company shall inform the authorities in order that the provisional certificate of insurance or the third party liability card can be seized.

Article 20 Death of the Insured

In the event of death of the Insured the rights and duties under the Policy shall be transferred to his heirs.

Article 21 Payment of premium

1. The premium shall be payable to the Company on demand; where the contract provides for the payment of the premium by installments, the insured is obliged to pay immediately to the Company all outstanding installments in case of nonfulfilment of payment any one installment or of cancellation of the contract in advance, without prejudice to the provision of Article 25, paragraph 2, or, also, in the event of a claim.
2. The third party liability card or the provisional certificate of insurance shall be handed over to the Insured only after the payment of the premium.
3. In case of nonfulfilment of payment of the premium, the Company shall notify the Insured by registered letter stating that the contract will be cancelled after 30(thirty) days from the date of the acknowledgement receipt if during such period the Insured does not pay the

premium.

4. During the period referred to in the preceding paragraph the Company shall not issue the third party liability card.
5. After the term of the period referred to in paragraph 3 and if the premium has not been paid, the Company will terminate the contract forthwith, without prejudice to its right to receive the premium corresponding to the expired period, according to the tariff system in force.

Article 22 No claim discount

1. In the event of no claim being made or arising under the motor vehicle Policy during a period of insurance specified below immediately preceding the renewal of the Policy, the renewal premium shall be reduced as follows:

Period of insurance	
- The preceding year-----	10 %
- The preceding two consecutive years-----	20 %
- The preceding three consecutive years-----	30 %
- The preceding four consecutive years-----	40 %
- The preceding five or more consecutive years--	50%
2. Notwithstanding a single claim being made or arising during a period of insurance when the premium is based on a 40% or 50% been claims free for the preceding year or the preceding two consecutive years respectively.
3. If more than one vehicle is described in the Schedule of the Policy, the "No claim discount" shall be applied as if separate policy had been issued in respect of each vehicle.
4. In case of transfer of contract with "No claim discount", the insurer to whom the insurance is transferred may concede such discount provided there is a written confirmation of such right by the previous insurer.
5. When the Insured comes from another country or territory in which he is entitled to the "No claim discount" and if he has any proof of that, the Company may concede a discount as if the preceding contract was subject to the provisions established in this Article.

Article 23

Notification of accidents and procedures for claims

1. In the event of an accident which may give rise to a claim under this Policy, the Insured shall give notice thereof to the Company with full particulars as soon as possible but not later than eight days from the date of

the accident.

2. In case of absence of notification or of late notification the Insured shall indemnify the Company for any loss or damage, namely when, due to the lack of notification or late notification, the liability of the Company in respect of third parties has been aggravated.
3. The Insured shall take all reasonable steps to reduce or prevent any increase in the loss or damage for which the Company is liable and shall not undertake any transactional arrangements without express authorization from the Company.
4. Every claim, writ, summons or process shall be notified or forwarded to the Company immediately on receipt by the Insured. Notice shall also be given to the Company immediately after the Insured or any person claiming to be indemnified shall have knowledge of any impending prosecution, inquest or fatal inquiry in connection with any such accident.
5. In case of burglary, theft or theft of use of the insured motor vehicle the Insured shall give immediate notice to the police and cooperate with the Company in securing the conviction of the offender.
6. No admission, offer, promise or payment shall be made by or on behalf of the Insured or any person claiming to be indemnified, without the written consent of the Company, which shall be entitled, if it so desires, to take over the conduct in the name of the Insured or of such person the defence or settlement of any claim.
7. The Company is also entitled, for its own benefit and in the name of the Insured or any person claiming to be indemnified, to conduct the claim for loss or damage and shall have full discretion in the conduct of any proceeding and in the settlement of any claim, and the Insured and such person shall give all such information and assistance as the Company may require.

Article 24 Priority in the payment of indemnity

1. The sum insured for the third party liability cover shall apply in priority to indemnifying bodily injuries.
2. If more than one person is injured and if the overall amount of indemnity awarded exceeds the sum insured, the rights of those entitled to indemnity from the Company shall be proportionally reduced to the total sum, without prejudice to the liability of those responsible for the accident to pay the amount of indemnity exceeding the sum insured.
3. In case the Insurer has, in good faith and by ignorance of the existence of other claimants, paid to on victim an indemnity of an amount higher than it is legally obliged to pay under the terms of the preceding paragraph, the Insurer shall only be liable in respect of any other claimants up to the balance of the um insured.

Article 25

Cancellation or reduction of amount insured

1. At any time the Insured may cancel the contract or reduce the amount insured in this Policy by sending at least 30(thirty) days' notice by registered letter to the Company. However, the reduction may not result in a sum lower than the minimum legal capital for third party risks. Also the Company has the same right in respect of additional insurance.
2. Any return premium will be computed proportionally to the unexpired period of risk, if the decision to cancel or reduce cover was taken by the company. When such decision is taken by the Insured the return-premium will be calculated according to the tariff system in force for short- term insurance. In case the cancellation has resulted form the failure of the Insured to pay the premium, the Company will act according to the provisions established by law.
3. If during the year in which the cancellation of the contract occurs, one or more claims have been notified, such rescission by any party is subject to the provisions laid down in the preceding paragraphs. However, for the computation of the return-premium regard shall be had only to that portion of the cover which exceeds the amount of the claim or claims if such amount was not reinstated.
4. Any return of premium in accordance with the provisions in the preceding paragraphs is conditional upon the Insured surrendering the current third party liability card or the provisional certificate of insurance.

Article 26 Arbitration

1. 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 to do so by either of the parties.
2. In case the Arbitrators do not agree the decision shall be that of an Umpire appointed in writing by the arbitrators before entering upon the reference. The Umpire shall preside at the meetings of the Arbitrators.
3. In case the Arbitrators do not agree upon the appointment of the Umpire, an Umpire will be appointed by the court of Macau.
4. Each of the parties in difference shall pay the expenses of his Arbitrator and half of the expenses of the Umpire.
5. The making of an Award shall be a condition precedent any right of action against the Company.

Article 27 Jurisdiction

The Court of Macau is qualified in respect of judgments arising from this contract.

SPECIAL CLAUSES APPLICABLE WHEN EXPRESSLY REFERRED TO IN THE SCHEDULE

Clause 1- Endorsement of rights

In case the rights of the Policy are endorsed to the beneficiary mentioned in the Special Terms in the Schedule, the Company cannot, in the case of cover on the motor vehicle, arbitrate or pay any indemnity without the agreement of such beneficiary.

If the Company intends to cancel the cover on the motor vehicle it shall notify such beneficiary by sending at least 30 (thirty) days' notice.

Clause 2- Exception of "trailer use"

Whereas the Insured has expressly stated that "trailer service" is not required to be covered by this Policy, the Company shall be under no liability for accidents whilst the insured motor vehicle is in movement pulling any other vehicle.

Clause 3- Inclusion of "trailer service"

The insurance by this Policy in respect of Third Party risks is extended to apply whilst the insured motor vehicle is pulling the unit mentioned in the Schedule and also covers the identified trailer(s) parked or not attached.

Clause 4 – Extension of the cover on the Motor Vehicle to the "extras"

The cover on the motor vehicle is extensible to the "extras" that are mentioned with their respective values in the Schedule.

Clause 5 – Application of excess in Third Party cover

The Cover of the Third Party is subject to the excess stated in the Schedule, but only in relation to material damage; however in no case shall such excess be applicable to the claimants or to their heirs.