



PHONGSAVANH INSURANCE (APA) CO., LTD

General Condition of Compulsory Motor Insurance.

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The insurance policy is the evidence of the Policy between the Insured and the Insurer or Insurance Company. The policy, specific condition, the motor insurance schedule, endorsements, and application form are the basis of this Policy that explains exactly what Insurer cover and what Insurer do not cover. When the Insured has paid to Phongsavanh Insurance Co., Ltd (hereafter called “Insurer”) the premium, Insurer will indemnify the Insured against accidental death, injury, damages or loss occurred during the period of insurance stated in the policy schedule subject to the terms, condition, or endorsements of the policy as set forth below:

IN WITNESS WHERE OF, this policy was signed by and on behalf of the Insurer.

The present Policy is governed by the General and Specific Conditions in Annex:

SECTION I: PROVISIONS RELATING TO COVERS

ENUMERATION AND TERRITORIAL LIMIT OF INSURANCE DEFINITIONS RELATING TO INSURED PERSON AND VEHICLES

Art 1 ENUMERATION OF COVERS

The present policy covers against the risks enumerated hereinafter, the insurance of which is stated in the specific conditions.

The insurance can be completed and extended to others risks by underwriting a particular appendix herewith enclosed, whilst defines the conditions for insurance cover.

Art 2 TERRITORIAL LIMIT OF THE COVER

This Policy insures against damages which occurred within the Lao PDR territory.

Art 3 GENERAL DEFINITION

ACCIDENT: any accidental, unexpected bodily injury, unintentional, independent of the insured and involving the vehicle mentioned in the specific conditions.

CONDITIONS OF POLICY: The Insured must observe fulfill the Conditions of the Policy.

Art 4 DECLARATIONS OF INFORMATION

Any information and declaration that the Insured has given to Insurer must be correct and true. If the Insured does not give accurate information, Insurer reserves right to not pay for any claim.

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

PREMIUM PAYMENT

Principle is “**paid before cover**”, the premium has to be paid to activate the coverage of insurance policy.

ENDORSEMENT

Amendment to the policy used to add, change, or edit coverage.

THE SUBSCRIBER (THE INSURED):

1.1. Persons entitled to be the insured

Any person, company, organization or legal entity is insured as named in the motor insurance schedule.

The voluntary driver of the insured vehicle.

The subscriber, the owner (If they are “corporate person” their legal representatives).

1.2. Necessary obligations for driver license and driver’s age

The aforementioned persons are only entitled to be the Insured if, at the time of the accident, the driver has fulfilled the requirements required by the regulations on the driving of the said vehicle as regards the necessary age and certificates (driver license, traffic license) still valid (not suspended nor expired) and which the driver must be the holder.

If these requirements are not fulfilled, there will be not insurance, even if the driver is having a driving lesson or he is helped by another person who holds a legal driver's license.

This exclusion shall not be applicable to the driver, who holds a driver's license, having declared to the Insurer at the moment of underwriting or renewal of the Policy but due to the place or length of residence of its holder no longer valid.

THE THIRD PARTY:

Third party is other person (driver, passenger, pedestrian, other person) which is affected by the insured vehicle, driver and passengers of the insured vehicle is not covered by a third party.

Art 5 DEFINITIONS RELATING TO THE VEHICLE

The word **insured vehicle** can be vehicles that run on gasoline, electric or other renewable energy.

SECTION II. INSURANCE COVERS

Art 6 COVER “A” AND “B” CIVIL LIABILITY WITH RESPECT TO ROAD TRAFFIC

6.1 Purpose of the cover:

The purpose of the cover is as following:

Compulsory Motor Insurance covers only damages to third parties in the event of injury, death or permanent disability, material damages from the accident that caused by the insured vehicle except the driver, passengers and material damages of the insured vehicle, the coverage would be according to Sum Insured mentioned in Motor Insurance Schedule which is the maximum limit of Insurer's liability.

The reimbursement will be made according to the Insured responsibility.

The settlement of Bodily Injury and Property Damage will be according to the percentage of responsibility but not exceeding Sum Insured. Regarding Partial Permanent Disability, the percentage of Disability will be applied with paid amount for Total Permanent Disability.

This coverage applies to the direct loss or damage that the Insured may incur in his liabilities because of bodily injury and or material damages caused to others in the course of or under road traffic circumstances the insured vehicle has met with.

6.2 Exclusions

Compulsory Motor Insurance does not cover the following circumstances:

- 6.2.1 Damages to the insured vehicle;
- 6.2.2 Damages to life and property of the driver and passengers in the insured vehicle;
- 6.2.3 Damages caused by the intention of driver's or victim's which cause an accident;
- 6.2.4 In the event that the driver violates traffic lights or laws, which causes an accident;
- 6.2.5 In case the vehicle driving license expires more than 03 months or the driving license is not correct according to the type of vehicle.
- 6.2.6 In case the driver has a concentration of alcohol in the body exceeding the amount prescribed by law.
- 6.2.7 In case the driver uses other prohibited drugs.
- 6.2.8 In case of damage caused by natural disasters, war, nuclear fission, radiation, or exposure to radiation from nuclear fuel.
- 6.2.9 Use of the vehicle outside Lao PDR.
- 6.2.10 Damages caused by the loading or unloading of goods up or down from an insured vehicle.

- 6.2.11 Indirect damages such as personal impairment, lack of due income and depreciation of insured vehicles.
- 6.2.12 Damages caused by any type of explosive ordnance contained in an insured vehicle.
- 6.2.13 Any settlement of damages without prior approval from the insurance company.
- 6.2.14 vehicles using for illegal purposes which cause the accident.

Art 7 MEDICAL EXPENSES

Nature of covered cost upon documentary evidence

Cover **medical expenses** as mentioned in Specific Conditions according to actual cost but not more than sum insured of the medicine, pharmaceuticals, medical examinations, orthopedics and functional rehabilitation, and dental cares and prosthesis resulting from the covered road traffic accident.

Repayment Transaction

The indemnity shall not higher than the actual expenses actually accounted and shall not be more than the sum insured.

SECTION III. SUBSCRIBER'S AND INSURERS LIABILITY INFORMATION ON THE RISK

Art 8 SUBSCRIBERS'S DECLARATION UPON UNDERWRITING AND DURING THE POLICY IMPLEMENTATION – SANCTIONS

1) UPON THE UNDERWRITING OF THE POLICY

The Policy is established according to the Subscriber's declaration and the premium is determined accordingly. The subscriber shall under penalty of sanctions provide hereinafter, give an exact declaration of all circumstances to his knowledge and which are likely to help the Insurer appreciate the risks he is liable for.

2) DURING POLICY IMPLEMENTATION

The Subscriber or the Insured, shall declare to the Insurer, all modification affecting the characteristics of the vehicle enumerated below:

- Capacity
- Body
- Attachment of a side-car to a two-wheeled vehicle
- Live load and dead weight (for commercial vehicles)
- Any transformation modifying the performance of the vehicle

The use of vehicle, even in case of temporary modification

For any new customary driver, the sex, age, date of their driving license

This declaration shall be completed prior to the modification if the latter results from the act of the Subscriber or of the Insured and in other cases, immediately from the moment when one or the other is aware of it.

When this modification constitutes an aggravation such as, if the new state of affairs existed at the time of the Policy underwriting, the Insurer would not have Policy or would only have done it by means of a higher premium.

The declaration by the subscriber or the insured shall be made under penalty of sanctions described hereinafter, and by virtue of the Decree provisions the Insurer can propose a new premium to accept the risk.

3) SANCTION

Any concealment, intentional false declaration, omission or inaccuracy in the declaration of circumstances or aggravations above mentioned is sanctioned even if they have no influence upon the accident, in the following cases:

by Policy nullification, in case of dishonesty on the part of the Subscriber or the Insured

Art 9 PREMIUM PAYMENTS

Premium must be paid to get the coverage as stated in the policy.

Art 10 CLAIM SETTLEMENT

CLAIMS NOTIFICATION

The insured must notify claim to the insurer immediately and without any delay or to the nearest police post.
The Insured must send all relevant documents such as summons, writ, or claim letters.

1) Claim Settlement Process

No	Claim procedure by The Insurer
1	Notify the claim to the insurer immediately / police
2	The insured is required to submit below documents to the Insurer (these documents got from accident site): 1. Photos of accident / damages (normally done by the adjuster, however, it's recommended to take photos clearly shown Registration Plate Number, Details of Damages, Impacted Parts of both vehicles for further reference) 2. Claim Notification Form (given by the insurer & the insured can fill it at the time of accident.) 3. Compensation Agreement (or any agreement made in respect of determining liability in the accident of each party issued by the adjuster/ surveyor of the insurer) 4. Police Report must be provided in case of needs to certify the genuine of the accident.
3	The insurer to repair the damages to the insured vehicle base on the terms and conditions of the insurance policy and to be considered in conjunction with the compensation agreement made with the opponent in the accident, the insurer reserves the right to subrogate to any third party who might have caused the accident and the insured must provide full cooperation in order to facilitate the process of the subrogation.

SECTION IV: CLAIMS PROCEDURE

Art 11 Initial instruction for claim settlement

Contact the insurer immediately.

Do not move the vehicles unless they are really hampering the traffic, before moving it's required to mark on the road dropping location (wheels) of the vehicles with the presence and consent from both parties.

If there is any injured person, please manage to transport him/her to the nearest hospital immediately.

In case the accident happened in remote area where the insurer adjuster may requires long time for travelling to the accident site, please follow below steps:

1. Contact police or local authorities (e.g. the chief of village) to witness and/or assist preparing document/evidence.
2. Please take photo of: (1) the damaged vehicles and objects in the accident that clearly show the damaged part(s) of the vehicles; (2) Vehicle Register Card of the insured vehicle; (3) Driver License for both drivers; and (4) Insurance Policy.
3. In case any negotiation undertaken, please create document and sketch the accident to certify.
4. Deliver all documents collected above to the insurer immediately.

Art 12 Claim Payments

Medical Indemnify

The bodily injury treatment must be treated accordingly to the doctor's advice with official diagnosis and prescription and tax invoice from the hospital. The insurer will not compensate medical invoice that is not related to accident.

Submit medical invoice to the insurers' adjuster who went to settle accident site. All documents shall be sent to the insurer head office for inspection.

The insurer will contact to the beneficiary to collect the claim payment after the insurer has thoroughly checked all documents base on the terms and conditions of the insurance policy.

Indemnity to physical damage

Before starting any repair, it's compulsory that the owner must call to the insurer for approval to avoid any unexpected problem relating to the quality of repairing as well as payment issue.

The insurer will not be liable for any consequence loss or damages in case the repair is done without prior approval from the insurer.

Appointing Representative to Claim

In case the beneficiary cannot come to pursue the claim and/or collect the payment, he/she can appoint representative by submitting us the power of attorney to his/her representative accompanied with photocopied of ID Card of both persons for certifying the appointment.

Art 13 Claim Settlement Procedure

1) Claim Processing Steps

After the accident is negotiated and settled by having clear responsibility involved, the insurer will compensate the loss incurred according to the terms and conditions of the insurance policy by following below steps:

1	Notifying Accident
2	Collecting Documents
3	Repair quotation from Workshop
4	Inspecting & Assessing Damages
5	Verifying & Negotiating Claim Cost
6	Reporting & Approving Claim
7	Preparing Claim Payment
8	Releasing Claim Payment

Art 14 Additional Instructions

1.) Determine Responsibility & Claim Pursuing

Should not make any compensation to any loss or damages without prior written consent of the insurer.

The insurer attached herewith a form named "Compensation Agreements", after the negotiation, the insurer adjuster will issue/fill the form determining all agreements made by the parties. To avoid any unexpected problem on later date, the insured should read all details thoroughly and make sure that the insured understood all terms and conditions, obligations, and liability before signing.

Please kindly read this instruction guideline thoroughly for better understanding of our claim settlement procedure and for easier in the stage of contacting and requesting supports from related staffs of the insurer.

2.) Nullification of Insurance Policy

Insurance Policy subject to nullification (unenforceable) in case the insured violated the terms and condition:

The insured driver has no driver license for the class of vehicle that he/she was operating. However, for case that the insured forgot to bring driver license along but can convince the insurer that he/she has a valid driver license, adjuster will consider issuing compensation agreement identifying "the parties fully acknowledge that if the insured driver cannot submit his/her driver license with specific class of vehicle that he/she operated and caused the accident, all legal liability of the insurer as stipulated in the agreement shall be fully charged to the insured driver".

The insured driver was under the influence of alcohol or drug.

The insured driver escaped from accident to avoid liability in the accident intended to hide/destroy evidence tracing to his/herself, didn't provide good cooperation to police aiming to violate traffic rules and law of Lao PDR.

3.) Additional Instruction on Claim Payment

In case of any urgent petty cash requirement to cover emergency expense e.g. medical expense or repairing vehicle just after the accident, the insured or any third person can advance the payment and the insurer will consider reimbursing it later. Please follow below steps:

Prepare document to be signed by both payer and receiver.

Copy ID Card of both parties (payer & receiver) as evidence. If the payer has no direct relation-ship to the accident (an individual or relatives of either party), please clearly indicate the relationship on the photocopied of ID Card before sending to the insurers' adjuster.

Remark: Advance Payment Form is provided to facilitate the claim settlement only aiming to cover emergency payments on short-coming. Therefore, this does not mean the insurer will reimburse in full amount as stipulated on the form. However, the insurer will consider reimbursing by referring to the actual damages base on market value of the said damages/part of vehicle as same as regular fee for medical expense from hospital.

Art 15 Fraud Claims

If the Insured has made a fraud claim, the insurer will not pay for any claim and the Policy will be automatically cancelled, then no refund of the remaining premium to Insured.

Art 16 Customer Consent

The insurer has been working on improving customer satisfaction on claim service. Therefore, the permission from client is important to use personal information related to the accident that the insurer had in the system such as name, contact number and address to the partners for processing the customer satisfaction survey. The survey will be made in the form of questionnaire that the insurer will be sent to the client via SMS.

SECTION V. PROVISION RELATING TO POLICY

Art 17 ESTABLISHMENT AND ENFORCEMENT OF THE POLICY

An insurance proposal is not a Policy agreement neither for the Insurer but only an insurance policy and a cover note certifying Policy agreement,

The insurance Policy is completed after the parties have agreed on it. Concerned from that moment on the Insurer can follow up it come into effect when the premium is paid and legally expires on the date stated in the Special Conditions.

The same provisions apply to any modifications or additional clauses of the Policy.

Art 18 POLICY DURATION

The Policy expires according to the duration stated in the Special Conditions.

Art 19 POLICY CANCELLATIONS

Non-cancellable and non-refundable of this policy.

Art 20 TRANSFER OF VEHICLES OWNERSHIP

Death of the Subscriber

In the event of the death of the Subscriber of the insured vehicle, the insurance by right assigned to the person who inherits the vehicle-

Vehicle transfer

In case of transfer of the vehicle, the Insured shall inform the Insurer of such transfer by means of a registered letter or direct information.

The insurer's Right

All motor insurance policies are designed and underwritten in order to respond to normal risk of the insured in traffic circulation where the insurer is well aware of the extend of risks and the insured has declared fully any potential risk associated in the way the vehicle is used, in the case the insurer becomes aware of abnormal risk after the policy date, the insurer reserves the right to consider appropriate solution in order to respond to the new risks discovered or to find proper solution to accept the risk.

Art 21 DATA PROTECTION

The Insurer obtains and processes personal information for the purposes of preparing quotations, underwriting policies, collecting premium, paying claims and for any other purpose which is directly related to administering policies in accordance with the insurance Policy. The confidentiality of the Insured information is of paramount concern to the insurer. The Insured has a right to access the personal data that is held about them. The Insured also has the right to request that the insurer amend or delete any information which the Insured believes is inaccurate or out of date. The insurer will not retain the Insured's data for longer than is necessary for the purposes for which it was obtained.

The insurer may disclose personal information of the insured to others with whom the insurer has business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to the insured. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, advisers, persons involved in claims, external claims data collectors and verifiers, parties that the insurer has an insurance scheme in place with under which the insured purchased the policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law

The insurer may record incoming and/or outgoing telephone calls for training or verification purposes. Where the insurer has recorded a telephone call, the insurer can provide the insured with a copy as request, where it is reasonable to do so.

By providing personal information the insured and any other person on behalf of the insurer that the insured provide personal information for, consent to these uses and disclosures until otherwise. If the insured wish to withdraw the consent, including for such things as receiving information on products and offers by the insurer has an association with, please contact the insurer for further support .

Art 22 REGULATIONS

All acts resulting from this present Policy is prescribed in conformity with the provisions in the regulation and law.

Art 23 THE COURT CONCERNED

The court concerned which has the decisive power to settle the dispute between the Insured and the Insurer is the local Court where the Insured lives.

For property damage Insurance, it is the Court where the property is situated. For accident Insurance, it is the Court where the accident occurred.

Art 24 DISPUTES SETTLEMENT

Any disputes arising under the policy shall be settled by the Insured and the insurer through reconciliation and amicable negotiation, If this dispute cannot be settled, the parties have the right to refer the case to the court in order to consider the case.

SECTION VI. ANNEXES

ANNEX I

SCALE FOR PERMANENT TOTAL DISABILITY (100%)

- Total of both eyes and sight in both eyes;
- Complete loss of capacity of both lower and upper limbs;
- Incurable mental disorder resulting directly and exclusively from a covered accident.

SCALE FOR PERMANENT PARTIAL DISABILITY

Description of loss	Right	Left
Total loss of arm, hand	60%	50%
Total loss of Shoulder movement	25%	20%
Elbow movement	20%	15%
Joint movement	20%	15%

- Thumb for finger	30%	15%
Three fingers, including thumb or forefinger	25%	20%
Three fingers, besides thumb or forefinger	25%	20%
Thumb and one finger besides forefinger	25%	20%
Forefinger and one finger besides thumb	20%	17%
Only one thumb	20%	15%
Only one forefinger	15%	10%
Middle finger, ring finger or little finger	10%	8%
Two of those last fingers	15%	12%
One leg or one foot	50%	50%
Partial amputation of one foot including all toes	30%	
Ablation of lower jaw	30%	
Total loss of an eye or half reduction of binocular sight	25%	
Complete deafness in both ears	40%	
Complete deafness in one ear	10%	
Non-consolidated fracture of one leg or one foot	25%	
Non-consolidated fracture one of knee-cap	20%	
Total loss of movement of a hip or a knee	20%	
Abridgment of at least 5 cm of one lower limb	15%	
Total loss of one big toe	10%	
Total loss of another toe	5%	

For left-handed people the incapacity percentage is the reserve of the percentage applicable to right-handed people.

Infirmities not enumerated above, even of a lesser importance are indemnified proportionally, and to their gravity compared to that of the listed cases without considering the victim's occupation.

Complete functional importance of an organ is considered as its total loss.

Total indemnity due to several infirmities resulting from the same accident is obtained by addition within the limit of the integral sum Insured for the case of permanent total disability.

ANNEX II Bonus/Malus

No bonus and no malus policy, premium is single fixed rate by car type and car usage characteristics

ANNEX IV Depreciation Value of Vehicle

To refer to claim guideline in separate wording.

NOTICE TO POLICYHOLDER

The Scope of cover is set out in this policy. Please examine the Insurance Policy to ensure that it meets your requirement.

To avoid misunderstanding, it is very important that the Policy, Schedule and any Endorsements attached therein be read thoroughly.