

## **INSURANCE WORDING**

### **PHYSICAL DAMAGE INSURANCE**

*(Issued together with the Decision No.9998/QĐ-BHBV dated November 29<sup>th</sup>, 2018 of Baoviet Insurance Corporation)*

#### **IMPORTANT NOTE**

- 1. Customers read carefully the conditions and terms of the wording before insured;**
- 2. In the event of accident, the Automobile Owner (or driver) shall immediately inform to Baoviet for support and guidance**
- 3. This wording issued based on the approval of the Ministry of Finance in Official Letter No. 14544/BTC-QLBH dated 22/11/2018.**

# Category

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## SECTION I. DEFINITIONS

In this Policy, the terms shall carry the following meanings:

1. "Baoviet": Bao Viet General Insurance Corporation and Bao Viet Insurance Branches established, organized and operated under regulations of relevant laws for insurance business.
2. "Policy holder": are organizations and individuals that conclude insurance contracts with Baoviet and pay insurance premiums.
3. "The Insured": the owner of the automobile insured under the motor vehicle physical damage insurance contract.
4. "The Automobile Owner": refers to every entity that legally possesses or permitted to possess, use or drive motor vehicles by motor vehicle owners, or has purchase contract but has not yet to make property registration procedures as prescribed.
5. "Automobile": is a type of road transport vehicle powered by its own engine and has four or more wheels, including vehicles already specified in the road traffic TCVN - type - definition and terminology current, specifically:

### a. Goods Carrying Vehicles:

- Lorry truck: is a vehicle for carrying goods or special-use equipments with a volume of transport to be determined according to certificate for automobile's technical safety and environment verification of 1,500 kg or more. Or a vehicle for carrying goods with a permitted carriage volume of less than 1,500 kg.

- "Trailers or semi-trailers": means of construction so that the entire volume of trailers and semi-trailers is not placed on tractor.

- "Tractor": is a vehicle for carrying goods where its trunk is a trailer or semi-trailer designed to be connected to a tractor and to be towed, transmitting a significant portion of the weight to a tractor-trailer vehicle (tractor are vehicles designed to pull trailer and semi-trailer)

### b. Passengers Carrying Vehicles:

- "Private Car": is a vehicle for carrying passenges with a volume of transport to be determined according to certificate for automobile's technical safety and environment verification not over 09 passengers including driver.

- "Passengers Car": is a vehicle for carrying passenges with a volume of transport to be determined according to certificate for automobile's technical safety and environment verification over 09 passengers.

- "Bus": is a Passengers Car where sitting slots is less than standing slots or Passenger Car is prescribed to use public passenger transport

### c. Pickup Truck:

- "Pick-up truck": is a vehicle with a cargo container structure attached to the vehicle chassis, with a volume of transport to be determined according to certificate for automobile's technical safety and environment verification is less than 1,500 kg and has 5 seats or less.

- "Van-truck": enclosed tank with seamless cargo compartment with seating compartment with loadind/unloading door arrangement. Or vehicles that carry both passengers and other goods as prescribed.

d. Others vehicles:

- “Specialized vehicles”: Vehicles with a structure and equipped to perform a special purpose functions, including: road sweepers, septic tank trucks, concrete mixer lorry, concrete pump lorry, cranes automobile, bucket trucks, drilling vehicles, rescue vehicles; another specialized vehicles as: television-mobile trucks, bridge inspection trucks, underground-cable inspection trucks, mobile X-ray trucks, mobile surgery trucks, ambulance, bank trucks, funeral car...

- “Heavy-Duty vehicles”: construction vehicle, vehicle for agricultural or forestry uses and other types of military vehicles for the use of national security and defense that joining traffic.

- “Vehicles for Driving Practice”: is a Vehicle with a structure and equipment to perform driving practice. It is necessary to have a driving instructor and a brake system to arrange on the seats of the driving teachers when doing training.

6. "Fire" is a chemical reaction between oxygen and combustibles in the air with the heat and the light.

7. "Actual Value/Market Value" The average sale price of a similar vehicle production with the same year, the same manufacturer (make), the same model (model), the same odometers, the same purpose being offered on the market at the time of determining the market value of the car.

8. "The vehicle usage" shall be calculated from the month of initial registration in Vietnam to the month of signing the insurance contract. For imported vehicles which has been used in foreign countries, the time of use shall be calculated from January of manufacture year to December of the year in which insurance contract has been signed.

9. “Insurance Premium”: is the amount of money that the Policy holder must pay to Baoviet according to the term and method agreed by the parties in the contract.

## **SECTION II. GENERAL PROVISIONS**

### **Artical 1. Insurance Contract**

A motor vehicle insurance contract is a legal agreement between a motor vehicle owner and an insurer whereby the automobile owner shall pay premium in full and the insurer shall indemnify automobile owner upon the occurrence of an insured event.

Insurance contract must be established in writing, including: Insurance Wording, Terms and Conditions; Insurance proposal form of the automobile owner or the legal representative of the automobile owner; Insurance certificate / Insurance policy is evidence of contracting; Additional amendments and other agreements (if any) ... specifically:

- Physical damage insurance wording: comprises provisions regarding to rights and responsibilities of Automobile Owner and Baoviet, and is given by Baoviet upon request of the Automobile Owner. This Insurance wording is posted on BaoViet Website.

- Proposal Form (available in printed form): for Automobile Owner to request for insurance and insurance contract establishment. This is an integral part of insurance contract. When entering into insurance, the Automobile Owner shall have to fill all the information required in the Proposal Form. In case The Automobile Owner or Applicant have not signed on the Proposal Form but have paid the Insurance premium it means Automobile Owner or Applicant agreed with the information witten on The Contract / The Certificate of Insurance / Insurance Policy issued by BaoViet.

- The Certificate of Insurance / Insurance Policy: shall be issued by Baoviet upon request of Automobile Owner. It shall be considered as proof of insurance contract and regulated by this Wording.

- Contract's endorsements: are parts of insurance contract; accepted to add to the contract by Baoviet upon request of Automobile Owner.

- Other written agreements between Automobile Owner and Baoviet (If any).

## **Article 2. Insurance validity**

1. The commencement and termination are written on the Insurance Contract / Certificate of insurance/ Insurance Policy.

2. The Insurable interest shall remain in force during the period of insurance notwithstanding the possession of automobile has been transferred unless the previous automobile owner require termination of the contract

## **Article 3. Insurance contract termination**

1. Automobile owner must be obliged to fully pay insurance premiums as agreed in the insurance contract. Within 5 days from the date of termination, Baoviet shall refund to the automobile owner the excessive premium (if any) or request the automobile owner to pay the premium up to the time of termination. Baoviet shall not refund the insurance premium if any insurable event occurs.

2. Unilaterally terminate the insurance contract

During the term of insurance, either party may unilaterally terminate the insurance contract in accordance with the regulation by notifying in writing to the other party.

The Automobile Owner may terminate the insurance contract by giving 15 days' written notice to Baoviet. Where the termination is agreed by the parties, Baoviet shall return a proportionate part of 70% of premium corresponding to the unexpired period of insurance, unless any insurable event occurs during the validity of the insurance contract.

If it is due to requirement from Baoviet to cancel the insurance contract before the duration, it must sent the written notice to the Automobile Owner before 15 days and return a premium corresponding to the unexpired period of insurance.

## **Article 4. Baoviet rights and obligations:**

### **1. Rights of Baoviet:**

1.1. Collecting premiums according to the insurance contract

1.2. To request Automobile owners to provide accurate and reliable information stipulated in insurance contract; test motor vehicle conditions

1.3. Refuse to indemnify for damage not covered or exclusion damage agreed by insurance contract.

1.4. To request Automobile owners cooperate to mitigate property damage and injuries under regulations of laws;

1.5. To request third party to reimburse the insured amount of compensation paid by Baoviet.

1.6. Others rights under regulations of laws.

### **2. Obligations of Baoviet:**

- 2.1. Explain to Policy holder and Automobile owners of insurance terms and conditions; rights and obligations of Policy holder and Automobile owners when participating in insurance.
- 2.2. To issue insurance certificate, insurance policy or insurance contract after concluding insurance agreement
- 2.3. Baoviet shall be liable to consider and settle the claim within 15 (fifteen) days after receiving full reasonable documents and not beyond 30 (thirty) days if the inspection of documents is needed.

In case Baoviet does not have enough authority to verify the factors in the files, the claim files is considered sufficient and valid subject to the official conclusion of the competent authorities. If the verification results cannot be provided after 90 days since the date Baoviet send a written proposal on such verification to competent authorities, Baoviet shall actively verify and consider compensation based on evidence and document collected.

- 2.4. In case of refusal to indemnify, Baoviet have to explain in writing the reasons for refusing to compensate within 15 (fifteen) days after receiving full reasonable documents
- 2.5. For case serious or particularly serious losses, upon request of the automobile owner / driver, Baoviet will coordinate the settlement immediately and when determining the responsibility under the insurance Baoviet may made payment on account with a part of claim amount to minimize the consequences of loss.
- 2.6. Baoviet is responsible for guiding the automobile owners, the insured to collect documents for compensation as specified in Article 7 hereof.
- 2.7. Baoviet is responsible for re-assessing risks and charge premiums within 5 days upon receipt of a notice of changing risk factors of the insured motor vehicle and for refunding premium or collecting additional premium in proportion to the remaining term of the insurance contract.
- 2.8. Others obligations under regulations of laws.

## **Article 5. Policy holder rights and obligations**

### **1. Rights of the policy holder, automobile owner:**

- 1.1. To request Baoviet to explain the insurance conditions and terms; issue insurance certificates or policies.
- 1.2. To request Baoviet to indemnify as agreed upon in the insurance contract upon the occurrence of an insured event
- 1.3. To transfer the insurance contract as agreed upon in the insurance contract or under regulations of laws
- 1.4. Others rights under regulations of laws.

### **2. Obligations of the policy holder, automobile owner:**

- 2.1. To pay premiums in full and on time and in the manner as agreed upon in the insurance contract;
- 2.2. To fill faithfully all the information required in the Insurance Proposal form provided by Baoviet;
- 2.3. To facilitate Baoviet to check the vehicle prior to the issuance of an Insurance Certificate;

2.4. Where changes in risk factors lead to changes in premium calculation basis, the policy holder, automobile owner shall notify Baoviet within 15 days from the date of such changes (e.g. changes in purposes of use, vehicle structure, scope of operation, etc.);

2.4.1. Where changes in premium calculation basis leads to reduce of risks subject to insurance, the policy holder is entitled to request Baoviet to reduce the premiums for the remaining term of the insurance contract. Within 5 days from receipt of such written request from the policy holder, Baoviet shall answer in written to the policy holder about approval of or objection to such reduction.

Where Baoviet refuse to reduce premiums, the policy holder is entitled to unilaterally cease the performance of the insurance contract as specified in Item 2 Article 3 hereof.

2.4.2. Where changes in premium calculation basis leads to increase of risks subject to insurance, Baoviet is entitled to re-calculate the premiums for the remaining term of the insurance contract. Where the policy holder does not agree to increase premiums, Baoviet is entitled to unilaterally cease the performance of the insurance contract as specified in Item 2 of Article 3 hereof.

2.5. To comply with the regulations on road traffic safety.

2.6. In event of accident, the automobile owner/ policy holder shall be responsible for:

2.6.1. Immediately notifying Baoviet to cooperate in settlement, actively rescuing victims, minimizing injury to people and damage to property, protecting the scene of the accident; and notifying the nearest Police or local authority (except in cases of force majeure);

2.6.2. The Automobile Owner shall not be permitted to remove, dismantle or repair the damaged automobile without obtaining the Baoviet's consent, unless such actions are considered to be necessary either for the safety of the automobile or the observance of the order of the competent authority.

2.6.3. Within 5 (five) days after the date on which the accident occurred, the Automobile Owner shall reconfirm by sending a written notice (following the printed form) to Baoviet.(except for force majeure)

2.7. The policy holder, automobile owner shall in good faith collect and provide necessary information, documents in the claim files and facilitate the insurer in the process of verifying the authenticity of such information and documents.

2.8. Where the accident occurred due to third party's liability, the Automobile Owner shall reserve his rights of recourse against such party and transfer to Baoviet his rights of recovery together with all necessary documents concerned thereof and closely cooperate with Baoviet to recourse such party within the amount of compensation paid or to be paid by Baoviet.

2.9. For accident requiring replacement of damaged parties which are compensated by the insurer, the motor vehicle owner/ policy holder shall be responsible for returning the salvages to the insurer after replacement.

2.10. When the automobile is stolen or robbed, the policy holder / automobile owner shall immediately notify (within 24 hours) the Police and Baoviet and follow up with given instructions by the Police and Baoviet.

2.11. Others obligations under regulations of laws.

## **Article 6. Loss assessment**

1. When the occurrence of an insured event, Baoviet or a person authorized by Baoviet shall closely coordinate with the automobile owner/driver, related party or legal representatives of related parties in order to identify the cause and extent of loss. Assessment results must be recorded in writing with signatures of related parties. The insurer shall bear all loss assessment costs.
2. If both parties cannot agree on the cause and extent of damage, a qualified technician shall be appointed by them (Unless otherwise). If both parties fail to reach an agreement on the selection of third-party inspection agency, either of them may request a local court where the damage incurs or the motor vehicle owner resides to appoint a third-party inspection agency. The written award of independent inspector/local court is binding on the parties.
3. Where the conclusion of the third-party inspection agency is inconsistent with that of Baoviet, Baoviet shall pay all incurring costs for the third party inspection agency's assessment. Where the conclusion of the third-party inspection agency matches Baoviet, the Automobile owner shall pay all incurring costs for the third party inspection agency's assessment.
4. Where it is unable to carry out the damage assessment, Baoviet is responsible for guiding the automobile owner/driver to collect sufficient detailed information on the cause, development and extent of damages and documents and images of the damages and relevant documents as the basis to determine the claim amount.

## **Article 7. Claim files**

For each specific case, the Claim files shall include one or more document(s) as follows:

1. Documents provided by The Automobile owner/ Policy holder:
  - 1.1. Accident notice and Claim for compensation (the form ready made by Baoviet)
  - 1.2. Documents related to the motor vehicle, the driver (certified copies by competent authorities or the verification of insurer's employee after comparing with the originals) including:
    - a. Insurance Certificate and/or Insurance Contract and other written agreements (if any);
    - b. Certificate of automobile registration, (a valid copied by bank / credit institution may be used), valid driving license of the driver of the damaged automobile;
    - c. Documents relating to the purchase, sale, transfer, giving, donation, authorization to use the motor vehicle (if any);
    - d. Valid Certificate of technical safety and environment verification of motor vehicles on the road traffic (except for motor vehicles which have temporary registration or in the process of having first registration and inspection in Vietnam).
  - 1.3. Documents evidencing the property's damage, including:
    - a. Valid invoices, documents of repair or replacement of the damaged property;
    - b. Documents proving necessary and reasonable costs paid by the automobile owner to mitigate loss or to conform to Baoviet's instructions.
  - 1.4. Minutes of agreement/reconciliation (in case of reconciliation);



- 1.5. Effective judgments or decisions of the Court (if any);
- 1.6. Documents necessary to transfer to Baoviet the right to recourse against the party causing damage to the insured automobile for which the automobile owner has been compensated by Baoviet (in case of recourse against third parties).
2. Documents collected by Baoviet in coordination with the automobile owner:
  - 2.1. Certified minute from the Traffic Police in case of accidents with the involvement in settlement of the Police, including:
    - a. Minutes of inspection at the scene of accident (if any)
    - b. Attached drawing/photos of the accident scene (if any)
    - c. Minutes of inspection of the automobile related to accident (if any)
    - d. Preliminary report of investigation results of the accident (if any);
    - e. Minutes of accident settlement (if any); Police's accident final report (if any)
  - 2.2. Documents relating to third parties' liabilities (if any);
  - 2.3. Minutes of loss adjustment agreed by the parties.
3. Other relevant documents (if any).
4. Additional documents provided by the policy holder, automobile owner in case of theft or robbery:
  - 4.1. Report on the theft, robbery to the Police with the Police's confirmation;
  - 4.2. Decision on prosecution and criminal investigation (if any) related to the theft or robbery of the insured automobile;
  - 4.3. Decision on suspension of investigation or prosecution of the criminal case related to the theft or robbery of the insured automobile (if any);
  - 4.4. Declaration on the loss of documents and materials related to the stolen, robbed automobile with the certification of the Police (if any).

#### **Article 8. Coincident insurance on insurance contracts**

Coincident insurance is the case in which the same subject is insured with the same terms and conditions by 2 or more than 2 insurers. Total sum insured of the Insurance Certificates/Insurance Contracts shall not exceed total actual loss amount of the automobile. The claim settlement shall be implemented in the following principles:

1. For the loss/damage under the same coverage among insurance contracts/insurance certificates, Baoviet shall be liable to compensate in proportion of total insured sum of all contracts which the automobile owner/driver has entered into.
2. For the loss/damage under the different coverage among insurance certificates/insurance contracts: Baoviet is responsible for compensating under each signed insurance contract.

#### **Article 9. The duration for claiming, lodging complaints and dispute settlement**

1. The time limit for claiming shall be 01 (one) year since the accident occurred. The period of force majeure circumstances or objective reasons shall be excluded from the period for claiming. All claims shall be invalid after such period.

2. The period for lodging complaints about claim settlement decision of Baoviet shall be 90 (ninety) days after the automobile owner receives claim notice of Baoviet. All complaints shall be invalid after such period.
3. The period of legal proceedings for the Insured shall be within 3 (three) years after the date of receiving payment or refuse to compensate from Baoviet. All claims shall be invalid after such period.
4. Any disputes arising out of the insurance contract shall be referred to a court in Viet Nam for settlement if Baoviet and the Automobile Owner failed to resolve that dispute by amicable negotiation.

### **SECTION III. SPECIFIED REGULATION**

#### **Article 10. Insurance Coverage**

1. Baoviet will indemnify the Automobile owner for any loss or damage to the insured automobile due to natural disasters, unforeseen accident and out of control in the following

1.1. Crashing, flipping, dropping, shifting the center, sinking, dropping whole car, crashed by other objects, touching, destructive behavior of others.

1.2. Fire, burning, explosion;

1.3. Unforeseen disasters caused by nature;

1.4. The entire automobile is stolen.

2. In addition to the amount of compensation, BaoViet also compensates the Owner with necessary and reasonable expenses as agreed in the insurance contract to implement the tasks required and guided by BaoViet when the loss occurs (belongs to insurance coverage), including as following costs:

2.1. Cost to prevent further loss;

2.2. Cost of rescuing and transporting the damaged automobile to the nearest repair gara which not exceed 10% of the sum insured of that automobile.

#### **Article 11. Insurance Exclusions**

Baoviet will NOT indemnify the Automobile Owner for any loss or damage to the automobile insured due to:

1. Acts by an Automobile Owner, Driver, or beneficiary deliberately causing damage;

2. At the time of accident when joining traffic the certificate for technical safety and environment verification of the automobile is not valid (new vehicles waiting for registration and not exceeding 30 days from the effective date of insurance) as prescribed by law.

3. Driver does not have qualified driving license or legal document to prove driver's capability to control special vehicles. The driver is considered not having Driving License if it is forfeited temporarily or permanently. Non applicable for learners driving on practice vehicles, driving tests for examination.

4. The driver has blood or breath alcohol contents exceed 50 milligrams / 100 milliliters of blood or 0.25 milligrams / 1 liter of breathing air or uses drugs and stimulants prohibited by the law.

5. Violation of traffic law such as: driving on restricted road, going in the opposite direction, crossing red light, wrongly turning, wrongly changing direction in one-way roads, failure to comply with police commands, does not have lighting equipment as prescribed when joining traffic at night.
6. Racing (legal or illegal); using the insured vehicle to tow other vehicles contrary to the law.
7. The automobile is used to transport prohibited goods as prescribed by law.
8. Losses occur out of the territory of the Socialist Republic of Vietnam;
9. Losses occur in case of war and terrorism.
10. Wear and tear; depreciation in quality or value, breakdown through defect or additional damage due to repair, during repair process (including test running).
11. Electrical breakdown or part of electrical breakdown due to overload, over pressure, short circuit, self-heating, electric arc or electrical leakage due to any cause.
12. Electrical or mechanic breakdown due to operation in the flooded area.
13. Damages to tires, canvas cover, logo unless damage is occur to other parts of the automobile by the same cause and at the same time
14. Partial loss due to theft
15. The entire car is stolen due to fraud, abuse of trust (leasing or lending of the vehicle or foreclosure or dispute).
16. Vehicle carried exceedingly more than 50% its standard loading capacity (with goods carrying vehicle) or seats (with passenger carrying vehicle (excluding children under 07 (seven) years old)). Maximum loading amount or number of passengers allowed is in compliance with the certificate for technical safety and environment verification of the automobile (based on the load for cargo trucks, based on the number of passengers for passenger vehicles, for the vehicle to transport both passengers and cargo, based on the load or number of passengers on the vehicle).
17. Losses to supplementary components not assembled by the manufacturer (unless components that protect the vehicle: alarm system, front bumper, rear bumper) and losses to automobile insured due to the exclusion components installed above.

**Article 12. The sum insured and insured value (market value)**

1. The sum insured is an amount which the automobile owner requests Baoviet to insure for his motor vehicle and it is stated in the Insurance Certificate/Insurance Contract.
2. The motor vehicle owner may negotiate with the insurer to buy insurance with the sum insured equal to or less than the market value of motor vehicle.
3. Baoviet determines the value of the vehicle subjected to the insurance request as follows:
  - 3.1. For a brand-new motor vehicle (100%), the value of such motor vehicle is its selling price announced by domestic manufacturers in the Vietnamese market, or is the price of the imported motor vehicle, including all types of taxes as prescribed by the Government.
  - 3.2. For a used motor vehicle, the value of such motor vehicle is the selling and purchase value of a vehicle of the same type (same manufacturer, model, cylinder capacity, year of manufacture).

4. In any case the total payment shall not exceed the total sum insured mentioned in the Certificate of Insurance

### **Article 13. Settlement of Insurance Beneficiary**

1. Compensation for partial loss:

1.1. Bao Viet is responsible for paying actual reasonable costs for repair and replacement of parts (in case it cannot be repaired to ensure technical safety when operating according to manufacturer's standards) or paid in cash to the Automobile Owner for losses under insurance coverage on the basis of determining reasonable expense for repair after applying the deductible or deduction rate (if any). In case, BaoViet guarantees payment of repair costs, the Automobile Owner does not receive compensation directly from BaoViet, BaoViet will pay directly to the garage / repair shop.

1.2. Determine Compensation Amount:

a. In case of automobile is insured under the market value, the amount of compensation will be calculated according to the ratio between the sum insured and the market value of automobile at time of signing insurance contract.

b. In case of automobile is insured by the market value, the compensation amount is equal to the reasonable costs to recover or repair the damaged automobile. The method of determining reasonable costs for replacement parts must be calculated by actual replacement costs minus the depreciation amount (except for the case having an additional insurance agreement with non-depreciation article), specifically as follows:

- The vehicle usage less than 3 years: 0% deductible;
- The vehicle usage from 3 years to less than 6 years: 15% deductible of the new parts replaced value;
- The vehicle usage from 6 years to under 10 years: 25% deductible of the new parts replaced value;
- The vehicle usage from 10 years to under 15 years: 35% deductible of the new parts replaced value;
- The vehicle usage from 15 years: 50% deductible of the new parts replaced value.

1.3. Baoviet shall pay the cost of repainting the automobile provided that the extent of damaged of its painted surface incurred in the accident is above 50% thereof and on the basis of the calculation as stipulated in item 1.2a, 1.2b Article 13 this Wording.

2. Total loss compensation:

2.1. BaoViet will indemnify total loss compensation in case the automobile has actual damage of over 75% of the market value of the vehicle; or the cost of repairing damage over 75% of the market value of the vehicle at the time of the loss.

The insured automobile shall be considered as total loss in the following cases:

- a. The estimate repair cost quotation approved is over 75% the actual value of the automobile.
- b. When it is reported as missing, theft, robbery (concluded/temporary suspended by the authorized agencies).

2.2. BaoViet will indemnify total loss compensation in case of robbery, theft when the police agency suspends investigation or suspends criminal prosecution related to theft and loss of robbery of the vehicle itself.

2.3. The total amount of compensation shall be equal to the market value of the vehicle at the time of the loss and shall not exceed the sum insured stated in the Insurance Certificate or Insurance Contract.

### 3. Recovery of assets after claim settlement:

When Baoviet has paid for a partial loss or total loss, it shall take possession of such motor vehicle or damaged parts, in particular:

3.1. In case of replacement with new parts, Baoviet shall take back damaged parts which have been replaced with new ones (even in case of depreciation deduction).

3.2. In case of payment of total loss, after Baoviet has paid, Baoviet shall have the possession of total salvage of the damaged vehicle. In case underinsurance clause is applicable, Baoviet shall have the right to take the salvage of such vehicle with equivalent value in accordance with the insurance participation ratio. Where automobile owner requests to re-take the wholly-damaged automobile, Baoviet shall reduce the payment for total loss equivalent to the salvage of the damaged vehicle in accordance with valuation of Baoviet.

3.3. Where the insurer has paid for loss due to theft or robbery but then such motor vehicle is found, the insurer shall take possession of such motor vehicle.

### 4. Compensation deduction and deductible applying method:

In case the loss is concurrently reduced in Article 15, with general deductible in Article 14 and separately withheld under the provisions of Section IV of the supplementary clause, the deductible of the additional clause shall be applied first. Then apply compensation deduction and finally apply the general deductible.

## **Article 14. Deductible**

1. Deductible is the amount that is specified on the Insurance Certificate and Insurance Contract that the Insured must bear in each claim case for partial damage. Automobile Owners have to bear the loss in each case. Deductible is recorded on the Certificate of insurance/Policy/insurance Contracts issued to the automobile owners. Deductible of at least: VND 500,000.

2. Baoviet applies minimum deductible is 500.000 (five hundred thousand) dong/each claim case (apply deductible on compensation amount).

## **Article 15. Compensation Deduction**

1. BaoViet shall reduce compensation as rate deduction as following cases:

1.1. Reducing 10% of compensation amount in the following cases:

a. The Automobile Owner does not send a notice of loss (in writing) to BaoViet within 05 days from the date of the loss (except for force majeure or damage has been inspected by BaoViet during this time);

b. The Automobile Owner does not fully implement measures to cure, limit bodily injury and property damage, protect the loss scene except for moving to ensure safety or must comply with the request of the competent authority.

1.2. Reducing 25% of compensation amount in the following cases:

a. The Automobile Owner arbitrarily dismantles or repairs the property without the approval of BaoViet (except in necessary cases to ensure safety and prevent bodily injury and property or to comply with the request of the competent authority);

b. The Automobile Owner exceeds the permitted speed and has a written conclusion of the competent authority that exceeds 20% or more;

1.3. Reducing maximum 100% of compensation amount depending on fault level of the Automobile Owner in the following cases:

a. The Automobile Owner does not reserve the right to claim and transfer the right to claim a third party to BaoViet with all the documents, necessary documents, not to cooperate with BaoViet to claim a third party or automatically deals compensation with a third party causing damage to BaoViet;

b. The Automobile owner is dishonest in providing information, claim documents related to accidents.

1.4. Reducing the amount of compensation corresponding to the percentage of carrying capacity overload or the number of allowed people (from over 20% to under 50%) as prescribed in automobile's technical safety and environment verification of means of transport road motor.

1.5. Reducing the compensation amount according to the ratio between the actually paid premium and the specified premium in the below cases:

a. The Automobile Owner declared incorrectly in the proposal form (not in accordance with the purpose car of use), leading to lack of insurance premium as regulations;

b. The Automobile Owner did not notify BaoViet in case of increase additional insurance risks, which requires additional premium, such as changing usage purpose, reforming, upgrading to raise the automobile value).

2. Principle of Deducting the Compensation Amount

When the Automobile Owner is reduced the amount of compensation according to different rates for different violations, BaoViet will choose to apply only one type of deduction compensation amount at the highest rate.

#### **SECTION 4- SUPPLEMENTARY CONDITIONS**

In addition to the provisions of this Wording, BaoViet will provide additional terms for customers to choose.

BaoViet will report specifically additional terms to the Ministry of Finance. Expansion of coverage must increase premium. Narrowing the coverage, the premium is reduced but not lower than the pure premium as stipulated by the Ministry of Finance.

Supplementary conditions apply only for physical damage covered Insurance. The automobile owner may add one or more supplementary conditions to enlarge insurance coverage or to lower the insurance premium.

##### **1. Non-deductive upgrading accessory insurance (Appendix No.1 -BVVC)**

In consideration of proposal and the payment of addition premium by the Insured, this endorsement modifies insurance provided under the following:

- Remove regulation of partial loss compensation at the Section 13 Point 1.2.b Automobile Physical Damage Insurance Wording.

- Expanded coverage: Materials, spare parts covered by insurance liability are able to be upgraded without being charged for any deduction or depreciation for upgrading.

Other terms and conditions of this Automobile Insurance Wording remain unchanged.

## **2. Repair at genuine authorized garage insurance (Appendix No.02-BVVC):**

In consideration of proposal and the payment of addition premium by the Insured, Baoviet agrees to give the right for the Insured to repair at genuine authorized workshop (repair shop).

Terms of application: Applicable for automobile with maximum 10 years old since the year of its production and being insured by automobile Physical Damage Insurance at Baoviet

Other terms and conditions of this Automobile Insurance Wording remain unchanged.

## **3. Flooded automobile Insurance (Appendix No.03-BVVC):**

In consideration of proposal and the payment of addition premium by the Insured, this endorsement modifies insurance provided under the following:

- Remove provision at Article 11 Section 12 Automobile Insurance Wording - Electrical or mechanic breakdown due to operation in the flooded area.

- Baoviet shall indemnify for enginery or electrical damages of the automobile, caused by operating in the flooded area due to action of the driver, if the automobile is insured in Automobile Physical Damage Insurance at Baoviet.

- Deductible: 10% of compensation amount and at least VND 3,000,000.

Other terms and conditions of this Automobile Insurance Wording remain unchanged.

## **4. Stolen Component Insurance (Appendix No.04-BVVC):**

In consideration of proposal and the payment of addition premium by the Insured, this endorsement modifies insurance provided under the following:

- Remove provision partial loss due to theft at the Article 14 Section 11 Automobile Insurance Wording.

- Expanded coverage: Baoviet shall indemnify for the stolen/robbery component in accordance with conditions as follows:

+ Two times in 12-months to 18 months-years contract. (Do not apply for less-than-12-months contract.)

+ Three times in more-than-18-months contract.

- Deductible: 20% of compensation amount and at least VND 2,000,000.

Other terms and conditions of this Automobile Insurance Wording remain unchanged.

## **5. Automobile Deductible Insurance (Appendix No.05-BVVC)**

Based on choosing the deductible being higher than standard by the Insured, Baoviet will offer discount rate for the insured. The deductible will be stipulated in the Certificate of insurance/Policy/insurance contract.

In case that the damage is less than or equal to the deductible, the Insured shall bear all costs; Or

The damage is greater than the deductible, Baoviet will be paid the amount exceeding the deductible.

Other terms and conditions of this Automobile Insurance Wording remain unchanged.

## **6. Pay rental cost (Appendix No.06-BVVC)**

In consideration of proposal and the payment of additional premium by the Insured, this endorsement extends to cover for losses of operation interruption due to automobile accident as follows:

- In case that the insured automobile is being repaired as consequence of an accident covered by this policy, Baoviet shall be charged the fees paid by the Insured for hiring Taxi. (invoices and receipts showing the total hiring-costs are required).

- VAT Invoices issued by Rental Party.

- In any circumstances, the limit of liability should not exceed the limit of liability per day & the limit of liability per occurrence.

- Deductible for Renting car cost = the limit of liability per day x 3 days.

Other terms and conditions of this Automobile Insurance Wording remain unchanged

## **7. Limited Liability Insurance (Appendix No.07-BVVC):**

In consideration of proposal and the payment of addition premium by the Insured, this endorsement modifies insurance provided under the following:

- Remove provision partial loss compensation at the Article 13 Section 1.2.1.a Automobile Insurance Wording.

- Expanded coverage: The automobile insured by “limited liability insurance” condition which is understood as it is physically insured at a value below its actual value. The remaining value is self-covered by the owner. When damage occurrence belongs to insurance coverage, Baoviet shall indemnify equally to the automobile insured at its actual value (for partial damage) or indemnify the sum insured (for total loss).

Other terms and conditions of this Automobile Insurance Wording remain unchanged.

## **8. Insurance for accident occurring outside the territory of the Socialist Republic of Vietnam (PLNLT)**

In consideration of proposal and the payment of addition premium by the Insured, this endorsement modifies insurance provided under the following:



- Remove provision at the Article 1 Section 8 Automobile Insurance Wording - Insurance for accident occurring outside the territory of the Socialist Republic of Vietnam.

- Expanded coverage: Baoviet will be indemnity for the accident occurring outside the territory of Vietnam and in China, Laos, Cambodia and Thailand.

Other terms and conditions of this Automobile Insurance Wording remain unchanged.

**9. Other supplementary conditions (under the control of Head Quarter):**

Apart from the above supplementary conditions, automobile owner and Baoviet may reach to other written supplementary conditions (for example: legal racing, driving practice, specialized equipment...) for other insurance requests of each party, upon the acceptance of Baoviet follow as: enlarge coverage ~ increase premium; narrow coverage ~ decrease premium./.

**CHIEF EXECUTIVE OFFICER**

*(Signed and sealed)*

**Nguyen Xuan Viet**