Liberty Insurance
#LiveWorryFree

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LAND TRANSPORTATION OPERATORS POLICY

		POLICY NO.
NAME AND ADDRESS OF **INSURED/ASSURED**	BUSINESS/PROFESSION	CONFIRMATION OF COVER NO.
	DATE ISSUED	OFFICIAL RECEIPT NO.
	PERIOD OF INSURANCE	
	FROM 12:00 Noon	TO 12:00 Noon

COVERED VEHICLE

MODEL	MAKE	TYPE OF BODY	COLOR	M.V. FILE NO.
PLATE NO.	SERIAL/CHASIS NO.	MOTOR NO.	AUTHORIZED CAPACITY	UNLADEN WEIGHT Kgs.

SECTION I/II	* LIMITS OF LIABILITY	PREMIUMS PAID
A. THIRD PARTY LIABILITY	**₱ 200,000.00**	₱
B. PASSENGER LIABILITY	**₱ 200,000.00**	

***SUBJECT TO THE SCHEDULE OF INDEMNITIES**

Section III			PREMIUMS	
Insured's Estimate of Value of Covered Vehicle…… ₱			Section 1-A/II	₱ _____
			Section 1-B/II	
Accessories:			Section III:	_____
			Own Damage	_____
1. ₱			Theft	_____
2.			Section IV-1	_____
3.			Section IV-2	
4. _____		₱ _____	Others:	
			Acts of Nature	_____
			Auto Personal Accident	_____
Deductible ₱	Towing ₱	Authorized Repair Limit ₱	_____	_____
			TOTAL PREMIUM	_____
Section IV			Documentary Stamps	₱ _____
1. Bodily Injury ₱	2.Property Damage ₱		Value Added Tax	_____
			Local Gov't Tax	_____
MORTGAGEE:			TOTAL AMOUNT DUE	₱ _____
FORMS AND ENDORSEMENTS MADE PART OF THIS POLICY AT TIME OF ISSUE:				

AUTHORIZED TO OPERATE THE COVERED VEHICLE:
Any of the following:
(a) **Insured/assured**; or
(b) **Authorized driver**, define as any person driving on the Insured/Assured's order or with his/her permission provided that the person driving is permitted, in accordance with the licensing law or other regulations, to drive the Covered Vehicle, and is not disqualified by order of a Court of Law or by reason of any enactment or regulation duly issued for that purpose, provided that for Sections I and II (Compulsory Third Party Liability) only of this Policy, an authorized driver shall include a duly licensed driver but whose license at the time of the accident had expired.

LIMITATIONS AS TO USE:
Use only for business of a **LAND TRANSPORTATION OPERATOR**, social, domestic and pleasure purpose.

This policy does not cover:
(1) Use for the hauling and/or carrying of logs, lumber, sand, gravel, bottled beverages, gasoline products and/or other inflammable articles or materials.
(2) Use for racing, pacemaking, reliability trial or speed testing or use for any purpose in connection with the Motor Trade.

SECTIONS I and II of this Policy cover Third Party and Passenger Liability arising from bodily injury and/or death in amounts set forth under the Schedule of Indemnities.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its duly authorized officer/representative at …….. Philippines, this ……. day of ……. 20…

Documentary Stamps to the value stated above have been affixed and properly cancelled on the office copy of this Policy.

IMPORTANT NOTICE
The Insurance Commissioner, with offices in Manila, Cebu, and Davao, is the Government official in-charge of the faithful execution and enforcement of all laws relating to insurance and has supervision over insurance companies. He is ready at all times to render assistance in settling any controversy between an insurance insurer and a policyholder relating to insurance matters.

Liberty Insurance Corporation

By_____

WHEREAS THE INSURED/ASSURED, by his corresponding proposal and declaration, and which shall be the basis of this Contract and deemed incorporated herein, has applied to the insurer for the insurance hereinafter contained, subject to the payment of the Premium as consideration for such insurance.

NOW THIS POLICY WITNESSETH:
That, in respect of events occurring during the period of Insurance, and subject to the terms, exceptions and conditions contained herein or endorsed hereon (hereinafter collectively referred to as the Terms of this Policy):

SECTION I – LIABILITY TO THE PUBLIC

1. The Insurer will pay all sums necessary to discharge liability of the Insured/assured, arising from all expenses and damages directly resulting from any bodily injury and/or death to any THIRD PARTY or PASSENGER (excluding all moral, exemplary, and other incidental damages, expenses and loss of income) in an accident involving the use of the Covered Vehicle, provided that the Insured/assured/Assured's liability shall have first been determined, but not exceeding in the aggregate amount of Two Hundred Thousand Pesos (P200,000.00) per occurrence, regardless of the number of individual claims.

2. Subject to the terms and conditions of this Policy, the Insurer will indemnify:
   (a) The Insured/Assured or any authorized Driver who is driving the Covered Vehicle provided that he/she:
      (i) Observes, fulfills, and be subject to the Terms of this Policy insofar as they can apply;
      (ii) Is not entitled to indemnity under any other policy subject, however, to Condition No. 8 of the Conditions Applicable to All Sections;
   (b) The Insured/Assured while personally driving a private vehicle not belonging to him and not hired to him under a hired purchase agreement.

3. In the event of the death of any person entitled to indemnity under this Policy, the Insured's heirs or any of their authorized representative shall receive the benefits, subject to the terms and conditions hereof.

4. In the event of accident involving indemnity under this Policy to more than one person, the aggregate amount shall not exceed the Limits of Liability as stated in this policy.

5. Unless the Insured/assured objects, the Insurer shall:
   (a) arrange for representation at any inquest or investigation in respect of any death which may be the subject of indemnity under this section;
   (b) undertake the defense in the Insurance Commission under Section 398 of the Insurance Code, or in any court of law, for alleged offenses causing, or relating to, any event which may be the subject of indemnity under this Section.

SCHEDULE OF INDEMNITIES FOR BODILY INJURY AND/OR DEATH

The following Schedule of Indemnities shall be observed in the settlement of claims for death, bodily injuries, professional fees and hospital charges for services rendered to traffic accident victims under the Compulsory Motor Vehicle Liability Insurance Coverage.

A.	**DEATH INDEMNITY including Burial and Funeral Expense**		**₱ 200,000.00**
B.	**BODILY INJURIES AND FRACTURES -**		
	Types of Accommodation or Professional Attendance Extended	**Services Rendered**	**Maximum Reimbursable Fees and/or Charges**
1.	Hospital Rooms	Maximum of 45 days per accident	**₱ 500.00/day**
.		Laboratory Examinations / Diagnostic Procedures (X-ray, MRI, etc.)	**2,000.00**
2.	Surgical Expenses	Major Operation	**7,500.00**
		Medium Operation	**5,000.00**
		Minor Operation	**1,500.00**
3.	Anaesthesiologist's Fees	Major Operation	**2,500.00**
		Medium Operation	**2,000.00**
		Minor Operation	**500.00**
4.	Operating Room	Major Operation	1,500.00
		Medium Operation	**1.000.00**
		Minor Operation	**500.00**
5.	Medical Expenses	For daily visits of Practitioner or Specialists	400.00/day
		The total amount of medical expenses must not exceed (For a single period of confinement)	**5,000.00**
6.	Drugs and Medicine	Actual value of drugs and medicine used but not to exceed	**20,000.00**
7.	Ambulance	Actual amount charged for ambulance transport but not to exceed	**1,500.00**

C.	**PERMANENT DISABLEMENT**	**AMOUNT**
	Loss of or Loss of Use of:	
	Two Limbs	₱50,000.00
	Both Hands, or all fingers & both thumbs	50,000.00
	Both Feet	50,000.00
	One Hand and one foot	50,000.00
	Sight of both eyes	50,000.00
	Injuries resulting in being permanently bedridden	50,000.00
	Any other injury causing permanent total disablement	50,000.00
	Arm at or above elbow	20,000.00
	Arm between elbow and wrist	15,000.00
	Hand	15,000.00
	Four fingers and thumb of one hand	15,000.00
	Four fingers	12,000.00
	Leg at or above knee	20,000.00
	Leg below knee	15,000.00
	One foot	15,000.00
	All toes of one foot	10,000.00
	Thumb	8,000.00
	Index Finger	6,000.00
	Sight of one Eye	20,000.00
	Hearing of both Ears	30,000.00
	Hearing of one Ear	15,000.00

D. OTHER INCIDENTAL EXPENSES

The Insurer will pay all pertinent and reasonable expenses incurred in connection with the accident not provided under this Schedule of Indemnities (A), (B), and (C), subject to a maximum amount of ₱10,000 but in no case shall the Insurer's aggregate payment exceed the overall Limits of Liability under Sections I and II.

SECTION II – NO FAULT INDEMNITY

The Insurer will pay any claim for bodily injury and/or death to any PASSENGER or THIRD PARTY without the necessity of proving fault or negligence of any kind, provided that:

(a) The total indemnity in respect of any one PASSENGER or THIRD PARTY shall be Thirty Thousand Pesos (Php 30,000.00), subject to the foregoing Schedule of Indemnities in case of death or physical injury, without prejudice to the claimant from pursuing his/her claim further, in which case he/she shall not be required or compelled by the Insurer to execute any Quit Claim or document releasing it from liability under the policy of insurance.

(b) The following proofs of loss, when submitted under oath, shall be sufficient evidence to substantiate the claim:
   (i) Police report of accident or any evidence sufficient to establish the accident, and
   (ii) Medical report and evidence of medical or hospital expenses; and/or
   (iii) Death Certificate and evidence sufficient to establish the proper payee.

(c) Claim may be made against one motor vehicle only.

(d) In the case of an occupant of a vehicle, claim shall be made against the insurer of the vehicle in which the occupant is riding, mounting or dismounting from.

(e) In any other case, claim shall be made against the insurer of the directly offending vehicle.

(f) In all cases, the right of the party paying the claim to recover against the owner of the vehicle responsible for the accident shall be maintained.

SECTION III – LOSS OR DAMAGE

1. The Insurer will, subject to the Limits of Liability, indemnify the Insured against loss of or damage to the Covered Vehicle and its accessories and spare parts while thereon:
   a) by accidental collision or overturning, or collision or overturning consequent upon mechanical breakdown or consequent upon wear and tear;
   b) by fire, external explosion, self-ignition or lightning or burglary, housebreaking or carnapping, or any unlawful taking of the car accessories or any part while thereon, but excluding those committed by an employee of the insured or any person or persons to whom the covered vehicle has been entrusted;
   c) by malicious act; or
   d) while in transit (including the processes of loading and unloading) incidental to such transit by road, rail, inland waterway, lift or elevator.

2. At its own option, the Insurer may pay in cash the amount of the loss or damage, or may repair, reinstate or replace the Covered Vehicle or any part thereof or its accessories or spare parts. The Liability of the Insurer shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts or the value of the Covered Vehicle at the time of the loss or damage, whichever is less. The Insured's estimate of value stated in the Schedule shall be the maximum amount payable by the Insurer in respect of any claim for loss or damage.

3. In the event of a claim being payable under Section III of this Policy for the cost of replacement parts, the amount of settlement shall be the cost of brand new part(s) to replace the damaged part(s) of the covered vehicle less the share of the Insured on the cost of the replacement parts computed based on the following depreciation schedule:

Age of Vehicle	Rate of Depreciation (Share of the Insured)
First 6 months	15%
Over 6 Months to 1 year	25%
Over 1 year to 2 years	35%
Over 2 years to 3 years	45%
More than 3 years	Discretionary

4. In case of the TOTAL LOSS of the covered vehicle, the Depreciation Clause as stated in Item 3 shall not apply. Instead, settlement shall be based on the provisions of Section III, Paragraph No. 2 of the Policy and/or fair market value.

5. If the Covered Vehicle cannot be operated by reason of loss or damage, the Insurer will, subject to the Limit of Liability for towing, shoulder the reasonable cost of protection and removal to the nearest repairer.

6. Th Insured/Assured may authorize the repair of the Covered Vehicle necessitated by damage for which the Insurer may be liable under this Policy, provided that:
   (a) the estimated cost of such repair does not exceed the Authorized Repair Limit; and
   (b) a detailed estimate of the cost is forwarded to the Insurer without delay.

7. In the event of loss or damage to the Covered Vehicle or its accessories or spare parts necessitating the supply or a part not obtainable from stocks in the Philippines, or in the event of the Insurer exercising the option under Paragraph 2 to pay in cash the amount of the loss or damage, the liability of the Insurer 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/her Agents for the Philippines; or
   (ii) if no such catalogue or price list exists, the price last obtaining at the Manufacturer's Works plus the reasonable cost of transport other than by air, to the Philippines, and the amount of the relative import duty.
   (b) The reasonable cost of fitting such part; and
   (c) In the event of loss or damage to any accessory or accessories, spare part or spare parts forming part of a pair or set, the measure of loss or damage to such accessory or spare part shall be its pro-rata proportion to the total value

of the pair or set, giving consideration to the importance of said accessories or spare parts, but in no event shall such loss or damage be construed to mean a total loss of the pair or set.

8. This policy shall apply even while the covered vehicle is being used for the purpose of towing any one disabled mechanically propelled vehicle provided that such towed vehicle is towed without compensation. In any case, the Insurer shall not be liable in respect of damage sustained to such towed vehicle or property being conveyed thereby.

EXCEPTIONS TO SECTION III

The Insurer shall not be liable to pay for:

1. Loss or Damage in respect of any claim or series of claims arising out of one event, the first amount of each and every loss for each and every vehicle insured by this Policy, such amount being equal to **one and a quarter percent (1.25%)** of the Insured's estimate of Fair Market Value as shown in the Policy Schedule with a minimum deductible amount of **PHP4,000.00**;

2. Consequential loss, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages;

3. Damage to tires, unless the Covered Vehicle is damaged at the same time;

4. Any malicious damage caused by the Insured, any member of his/her family or by a person in the Insured's service.

5. Damage caused by overloading or strain; or

6. Damage caused by explosion of any boiler forming part of, attached to, or on the Covered Vehicle.

SECTION IV – EXCESS LIABILITY INSURANCE

1. The Insurer will, subject to the Limits of Liability, reimburse the Insured/Assured for all sums actually paid by the Insured/Assured to discharge liability in accordance with all the provisions of Section I but only in excess of its Limits of Liability when such limits have been exhausted.

   Coverage under this paragraph is not subject to the Schedule of Indemnities under Section I.

2. The Insurer will, subject to the Limits of Liability, pay all sums necessary to discharge liability of the Insured/Assured, in respect of damage of Third Party property in an accident caused by and arising out of the use of the Covered Vehicle, or in connection with the loading or unloading of the Covered Vehicle, provided that the Insured/Assured's liability shall have been first been determined either by final court judgment after actual trial, or by written agreement of the Insured/Assured, the Claimant, and the Insurer. Provided, further, that the Insurer shall not be liable in respect of damage to property belonging to the Insured/Assured, or held in trust by, or in the custody or control of the Insured/Assured or any member of the Insured/Assured's household, or being conveyed by the Covered Vehicle.

GENERAL EXCEPTIONS

The Insurer shall not be liable under any Section of this Policy in respect of:

1. Any accident, or liability caused, or incurred:
   (a) outside the Republic of the Philippines; or
   (b) while the Covered Vehicle is:
      (i) being used not in accordance with the limitations as to use;
      (ii) being driven by any person other than an Authorized Driver; or
      (iii) on board a sea vessel on inter-island transit;

2. Any liability which attached by virtue of an agreement but which would not have attached in the absence of such agreement, except liability arising out of an on the spot agreement or amicable settlement of minor accident to avoid impairing the flow of traffic.

3. Except in respect of claims arising under Section I and II of this policy, any accident, loss, damage or liability directly or indirectly, proximately or remotely occasioned by, contributed to by or traceable to, or arising out of, or in connection with flood, typhoon, hurricane, volcanic eruption, earthquake or other convulsion of nature, invasion, the act of foreign enemies, hostilities or warlike operations (whether war be declared or not) strike, civil commotion, mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law, or state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege, or by any direct or indirect consequences of any of the said occurrences and in the event of any claim hereunder, the Insured shall prove that the accident, loss or damage or liability arose independently of, and was in no way connected with, or occasioned by, or contributed to, any of the said occurrences, or any consequence thereof, and in default of such proof, the Insurer shall not be liable to make any payment in respect of such a claim.

4. Any sum which the insured would have been entitled to recover from any party but for an agreement between the insured/Assured and such party.

5. Bodily injury and/or death to any person in the employ of the Insured arising out of and in the course of such employment, or bodily injury and/or death to any member of the Insured's household who is riding the Covered Vehicle.

6. Death, bodily injury or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of the load to the Motor Vehicle for loading thereon or the taking away of the load from the Motor Vehicle after the unloading therefrom.
7. Damage to any bridge, weighbridge or viaduct or to any road or anything beneath by vibration or by the weight of the Motor Vehicle or of the load carried by the Motor Vehicle.

DEFINITIONS

1. **MOTOR VEHICLE** is any vehicle as defined in Section Three, paragraph (a) of Republic Act – Numbered Four Thousand One Hundred Thirty-Six, otherwise known as the "Land Transportation and Traffic Code".

2. **THIRD PARTY** is any person, whether inside the covered vehicle or otherwise, except:
   (i) PASSENGER as defined herein;
   (ii) a member of the household of the vehicle owner;
   (iii) a member of the family of a motor vehicle owner within the second degree of consanguinity or affinity; or
   (iv) the motor vehicle owner's employee, in respect of death or bodily injury arising out of and in the course of employment.

3. **PASSENGER** is any fare paying person being transported and conveyed in and by a motor vehicle for transportation of passengers for compensation, including persons expressly authorized by law or by the vehicle's operator or his agents to ride without fare.

CONDITIONS APPLICABLE TO ALL SECTIONS

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

2. Every notice of loss/claim or such other notices and/or communication to be given or made under this Policy shall be delivered in writing or other alternative means to the Insurer.

3. The Insured/Assured shall take all reasonable steps to safeguard the Covered Vehicle from loss or damage and to maintain the Covered Vehicle in efficient condition, and the Insurer shall have, at all times, free and full access to examine the Covered Vehicle or any part thereof or any driver or employee of the Insured/Assured. In the event of any accident or breakdown, the Covered Vehicle shall not be left unattended without proper precaution being taken to prevent further loss or damage and if the Covered Vehicle be driven before the necessary repairs are effected, any extension of the damage or any further damage to the Covered Vehicle shall be excluded from the scope in the indemnity granted by this Policy.

4. In the event of any accident which may give rise to a claim under this Policy, the Insured/assured shall, as soon as possible, give notice thereof to the Insurer with full particulars. Every letter, claim, writ, summons and process shall be notified or forwarded to the Insurer immediately on receipt. Notice shall also be given to the Insurer immediately as soon as the Insured/Assured shall have knowledge of any impending prosecution, inquest or fatal inquiry in connection with any such occurrence. In case of carnapping or other criminal act which may give rise to a claim under this Policy, the Insured/ Assured shall give immediate notice to the Police and cooperate with the Insurer in securing the conviction of the offender.

5. Without prejudice to No. 2 of the General Exceptions, the Insurer shall be entitled to take over the conduct in the Insured/Assured's name, the defense or settlement of any claim, or to prosecute in his/her name for its own benefit any claim for indemnity or damages or otherwise, but shall not exercise any discretion prejudicial to the interest of the insured/assured in the conduct of any proceedings in the settlement of any claim, and the insured/assured shall give all such information and assistance as the Insurer may require. If the Insurer shall, with the consent of the Insured/Assured, make any payment in settlement of any claim, and such payment includes any amount not covered by this Policy, the Insured/Assured shall reimburse the Insurer the amount not so covered.

6. At any time after the happening of any event giving rise to a claim or series of claims under this Policy, the Insurer may pay to the Insured/assured and the Third Party claimant jointly the full amount of the Insurer's liability and relinquish the conduct of any defense, settlement or proceedings. The Insurer shall not be responsible for any damage alleged to have been caused to the Insured/assured in consequence of any alleged action or omission of the Insurer in connection with such defense, settlements or proceedings or of the Insurer relinquishing such conduct, nor shall the Insurer be liable for any costs or expenses whatsoever incurred by the Insured/assured or any claimant or other person after the Insurer shall have so relinquished.

7. The Insurer may cancel this Policy in accordance with Sections 64, 65, 80, and 393 of the Insurance Code, in which case, the Insurer shall thereupon return to the Insured/Assured premiums paid less the pro rata portion thereof for the period when the Policy has been in force. The Insured/assured may, at any time, cancel the Policy by surrendering it to the Insurer and (provided no claim has arisen during the then current period of Insurance) the insured/assured shall be entitled to a return of the premium at the Insurer's Short Period Rates for the period when the policy has been in force. However, in respect of Sections I and II, the cancellation made by the Insured/assured shall not be effective unless he has secured a similar policy of insurance to replace the policy to be cancelled and without any gap file within five (5) working days from the date of cancellation the required documentation with the Land Transportation Office.

8. If any claim arises under this Policy and there is any other insurance covering the same loss, damage or liability, the Insurer shall not be liable to pay or contribute more than its ratable proportion of any loss, damage, compensation, costs or

expenses provide that nothing in this Condition shall impose on the Insurer any liability from which it would have been relieved under proviso (ii) of Section 1-2(a) of this Policy.

9. In the event of any controversy or claim arising out of or relating to this contract, or a breach thereof, the parties hereto agree first to try and settle the dispute by mediation, administered by the Insurance Commission or any recognized mediation institution under its Mediation Rules before resorting to litigation, or some other dispute resolution procedure. If a claim be made and denied, and an action or suit be not commenced within one (1) year after such denial, then the claim shall, for all purposes, be deemed to have been abandoned and shall not hereafter be recoverable hereunder. The filing of a request for reconsideration of such denial shall not stop to one (1) year period from running. Provided, however, that in case of any dispute in the enforcement of the provisions of Section I and II of this Policy, the adjudication of such dispute shall be within the original and exclusive jurisdiction of the Insurance Commissioner, subject to the limitations provided in Section 439 of the Insurance Code, as amended.

10. The due observance and fulfillment of the Terms of this Policy, insofar as they relate to anything to be done or not to be done by the Insured/assured, and the truth of the statements and answer in the proposal, shall be conditions precedent to any liability of the Insurer to make any payment under this Policy.

11. In the event that the Insurer should pay or be held liable to pay any claim or claims under the “No Fault” provision of the Insurance Code, the Insured/assured shall reimburse the Insurer all such sums, whenever the Insured/assured or his/her authorized driver or representative has committed a breach of any of the warranties, clauses or conditions of the Policy, or whenever the circumstances fall under any of the EXCEPTIONS listed in the Policy, for which the Insurer would not have been liable were it not for the application of the “No-Fault” provision of the Insurance Code.

12. In the event that there is a change of ownership of the insured vehicle, the insured/assured/previous owner and/or the new owner must coordinate with the insurer to transfer the insurance coverage to the new owner of the insured vehicle through endorsement or issuance of a new policy.

13. Claims immediately settled or paid by the insured/assured without the prior consent of the insurer is valid provided that it does not exceed the amount of Five Thousand Pesos (Php 5,000.00).

14. Section 251 of the Insurance Code, as amended, imposes a fine not exceeding twice the amount claimed and/or imprisonment of two (2) years, or both, at the discretion of the court, to any person who presents or causes to be presented any fraudulent claim for the payment of a loss under a contract of insurance, and who fraudulently prepares, makes or subscribes any writing with intent to present or use the same, or to allow it to be presented in support of any claim.

NUCLEAR EXCLUSION CLAUSE

1. This Policy does not cover:
   (a) Loss or destruction of, or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom, or any consequential loss;
   (b) Any legal liability of whatever nature, directly or indirectly caused by, or contributed to by, or arising from, ionizing radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only combustion shall only include any self-sustaining process of nuclear fission.

2. The indemnity provided by this Policy, shall not apply to nor include any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to, by, or arising from, nuclear weapons material.

WAIVER CLAUSE
(CIVIL CODE ARTICLE 1250)

The provision of Article 1250 of the Civil Code of the Philippines (Republic Act No. 386) which reads:

“In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment” shall not apply in determining the extent of liability under the provisions of this Policy.

SHORT PERIOD RATE SCALE

It is hereby agreed, in the event this Policy is surrendered by the Insured for cancellation, the Insurer shall retain a premium in accordance with the following scale for the time the Policy has been in force:

No. of Month/s	1	2	3	4	5	6	7	8	9	10	11
Percentage	20	30	40	50	60	70	75	80	85	90	95