



**MOTORCYCLE  
INSURANCE POLICY  
(SAMPLE)**

## **COLONIAL MOTOR CYCLE COVER**

The Colonial Insurance Company Ltd. (hereinafter referred to as “Colonial”) agrees to provide insurance in the Terms and Conditions set out in this Policy during the period of insurance stated in the Schedule or any subsequent period for which the Company may accept a premium.

- The proposal form and declaration signed by you the Insured are the basis of and form part of this contract.
- The policy will operate only in Bermuda.
- This Policy is a Contract of Indemnity between Colonial and you the Insured.
- We welcome you as a policyholder of Colonial.

Stamp Duty chargeable on this policy under the Stamp Duties Act, 1976 will be paid.

### **NO CLAIMS DISCOUNT**

Provided no claim has arisen under this policy during the previous period of insurance your renewal premium will be discounted as follows:

After

1 Claim Free Year	10%
2 Claim Free Years	20%

If only one claim arises in any period of insurance, your No Claim Discount will be reduced to nil.

Your entitlement to No Claims Discount cannot be transferred to anyone else.

# The Policy

Definition 'Your Motor Cycle' – The Motor Vehicle described in the Schedule of this Policy.

## SECTION 1 – LOSS OR DAMAGE TO YOUR MOTOR CYCLE

Colonial will pay for loss or damage to your motor cycle and its attached accessories and spare parts by:

- (a) fire, explosion, malicious damage,
- (b) theft,
- (c) accidental collision,
- (d) any other cause

**But** Colonial will not pay for:

- (a) wear and tear or depreciation,
- (b) mechanical or electrical fault or breakdown,
- (c) loss of use, cost of alternative transportation,
- (d) damage to tyres by punctures, cuts, bursts or braking,
- (e) loss or damage where the driver has been convicted (or a prosecution is pending against the driver) of an offence contrary to section 35, 35A or 35B of the Road Traffic Act, 1947.

Also see "Compulsory Claims Excess" below.

### Towing Costs

Colonial will pay for the reasonable cost of removing your Motor cycle to the nearest repairer.

### Claim Settlement

Colonial has the option to either:

- (a) repair your motor cycle,
- (b) replace your motor cycle,
- (c) pay in cash the amount of the loss or damage.

**N.B.** Any claim payment will not be for more than the market value of your motor cycle immediately prior to the loss or damage or the Insured's estimated value whichever is the less.

The market value is the cost of replacing your motor cycle with another of similar type, age and condition.

The Insured's estimated value at **the inception** of the Policy is stated in the Schedule. At each renewal of this Policy the Insured's estimated value is as stated on the Certificate of Insurance Form A issued as evidence of the existence of this Policy as required by law.

### Compulsory Claims Excess

If loss or damage (excluding fire, explosion, malicious damage or theft) covered by this policy occurs you will be responsible, in respect of each claim, for the amounts specified below:-

- |  |          |
|--|----------|
| (a) where the driver is age 26 or over | \$50.00  |
| (b) where the driver is under age 26   | \$100.00 |

If loss or damage caused by theft occurs you will be responsible in respect of each claim for the amount of \$200.00.

**Except** where the Insured's estimated value exceeds \$1500 in which case you will be responsible for the amount of \$300.00.

## SECTION 2 – **LIABILITY** TO THIRD PARTIES

### **Your Liability**

Colonial will indemnify you against your legal liability arising out of an accident in connection with your motor cycle for

an amount of up to BD\$5,000,000 (Five Million Dollars) in respect of the total claims arising out of any one accident and/or series of accidents arising out of one event (inclusive of Legal Fees;

Costs and Expenses as covered by this Policy)

but subject to

a limit of BD\$250,000 (Two Hundred and Fifty Thousand Dollars) in respect of liability for damage to property.

**However**, in the event of Colonial being required to indemnify you for such liability solely because of the requirements of the Motor Car Insurance (Third Party Risks) Act 1943, then the minimum limits as required of an insurance policy by that Act shall apply.

### **Other Persons Liability**

In the same way, we will indemnify any person permitted by you to drive or use your motor cycle as if they were you provided that the person is not driving or using your vehicle in contravention of any law.

### **Legal Fees; Costs and Expenses**

Colonial will pay all reasonable costs for legal services or any other costs or expenses incurred with our written consent in connection with any incident which might involve legal liability under this policy.

### **Indemnity to Legal Personal Representatives**

In the event of death of any person entitled to indemnity under this section, Colonial will indemnify his/her legal personal representatives.

### **Liability Not Covered**

Colonial will **NOT** indemnify you for:

- (a) liability for damage to your motor cycle or any other property owned by or in the possession of any person claiming indemnity under this section,
- (b) liability covered by any other policy,
- (c) liability for the death of or injury to any person traveling upon or getting on to or off of your motor cycle,
- (d) (i) compensation for damages in respect of judgements delivered or obtained in the first instance otherwise than by a Court of competent jurisdiction within Bermuda,  
(ii) cost and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in Bermuda.

### **Right of Recovery**

You will repay to Colonial all sums it must pay because of any law if Colonial would not have been liable for those payments under the Terms of the Policy.

## SECTION 3 – GENERAL EXCEPTIONS

Colonial will NOT be liable

- (1) whilst your motor cycle is being driven by
  - (a) you unless you hold a licence to drive your motor cycle
  - (b) any other person driving with your permission who does not hold a licence to drive your motor cycle  
unless the driver has held and is not disqualified from holding or obtaining a licence.
- (2) whilst your motor cycle is being used otherwise than in accordance with the Limitations as to Use.

### **Limitations As To Use**

Your Motor cycle may be used for social, domestic, and pleasure purposes, and for the Insured's business or profession. The Policy does not cover use for hire or reward, racing, pacemaking, reliability trial and speed testing, or use for any purpose in connection with the Motor Trade.

- (3) for liability which attaches by virtue of an agreement but would not have attached in the absence of such an agreement.
- (4) in respect of loss or destruction of or damage to your motor cycle or any consequential loss or any legal liability directly or indirectly caused or contributed to by or arising from
  - (a) ionising radiations or contaminations by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel.
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
  - (c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, civil commotion, rebellion, revolution, insurrection or military or usurped power except where it is necessary to meet the requirements of The Motor Car Insurance (Third Party Risks) Act 1943.
  - (d) earthquake, flood,
  - (e) riot or civil commotion.

### **SECTION 4 – GENERAL CONDITIONS**

- (1) Colonial will only provide the insurance described in this Policy if:
  - (a) any person claiming indemnity has complied with all its terms, conditions and endorsements.
  - (b) the declaration and information given in the proposal form, which forms the basis of the contract, is complete and correct.
- (2) You and any other person claiming indemnity must take all reasonable steps to:
  - (a) prevent loss or damage
  - (b) maintain your motor cycle in an efficient and roadworthy condition.
- (3) Colonial must be given free access to examine your motor cycle on request.
- (4) Colonial may cancel the policy by sending seven days notice by registered letter to your last known address, in which case you will be entitled to a pro rata refund of premium.  
You may cancel the policy by notifying Colonial and returning the Certificate of Motor Insurance. Provided no claim has arisen during the period of insurance, you shall be entitled to a return of premium less premium charged at the Company's Short Period rates for the time the policy has been in force.
- (5) When an accident, injury, loss, or damage occurs, you must advise Colonial in writing as soon as possible.  
In addition Colonial must be advised immediately of:
  - (a) any letter, claim, writ or summons whether civil or criminal received by you or any other person covered by this policy.
  - (b) any impending prosecution, coroners inquest, or fatal accident inquiry involving any person covered by this policy.
- (6) Any person claiming indemnity must:
  - (a) not admit liability or fault nor promise or offer any compensation without our written consent
  - (b) give all necessary assistance and information that Colonial may require.
- (7) Colonial will be entitled to:
  - (a) take over and with full discretion conduct the defence settlement or prosecution of any claim in the name of any person claiming indemnity.
  - (b) instruct legal representatives of its own choice in any civil or criminal proceedings arising from any event the subject of a claim under this policy.
- (8) If any difference shall arise as to the amount to be paid to you under this policy (liability being otherwise accepted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with current statutory provisions. Where any difference is by this Condition to be referred to arbitration, the making of an Award shall be a condition precedent to any right of action against Colonial.

## SECTION 5 – ENDORSEMENTS

These endorsements apply only if referred to by number in the Schedule.

(1) **Third Party Only**

Section 1 is cancelled

(2) **Third Party Fire and Theft**

No claim will be paid under Section 1 except for loss or damage caused by:

(a) fire, lighting or explosion

(b) or theft, attempted theft, or as the result of your motor cycle being taken without the consent of the Insured.

(3) **Excluding Named Persons from Driving**

The policy will not operate whilst your motor cycle is being driven by or is in the charge of any person named in the schedule against this endorsement number.

(4) **Reduction to Third Party Only for Named Drivers**

Section 1 of the policy will not operate whilst your motor cycle is being driven by or is in the charge of any person named in the schedule against this endorsement number.

(5) **Named Drivers Only**

The policy will not operate whilst your motor cycle is being driven by or is in the charge of any person other than a person named in the schedule against this endorsement number.

**Schedule Attached.**



OFFICE ADDRESS: JARDINE HOUSE 33-35 REID STREET HAMILTON HM 12  
POSTAL ADDRESS: P.O. BOX HM 1559 HAMILTON HM FX BERMUDA  
TEL: 441-296-3700 FAX: 441-295-1367 EMAIL: info@colonialbm