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MOTOR INSURANCE UNDERWRITING GUIDELINES

APRIL 2023



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PREAMBULE

The premium rates indicated in this tariff, were derived from the Rwanda market data considering the changes happened in macroeconomic drivers in the country for last 5 years and are subject to be reviewed every year to consider inflation and to correct any possible deviation and accommodate the market development.



SECTION ONE: DEFINITIONS

For the interpretation of this tariff, the following terms means

MINIBUS: Any vehicle used to carry passengers with seat capacity above 9 but not exceeding 19 seats driver including.

BUS: Any vehicle used for transportation of passengers with seating capacity beyond 18.

Truck: Any vehicle used for transportation of own goods or for remuneration with maximum authorized load above or equal to 5 tons and moving on 6 tires or more.

Maximum authorized load: The loading capacity plus the vehicle weight when empty

Driving school vehicles: For driving school vehicles, apply the tariff of commercial vehicle (transport of goods) of same category.

Vehicles for Hire: Vehicles used for commercial purpose as hire, example Volkswagen vehicles when are hired to transport persons or doing commercial activities for reward, apply tariff of vehicles for hire.

Large vans/ Grande Camionnette: These are vehicles registered as Pick- ups with loading capacity above 5 tons and moving on over six wheels.

SECTION TWO: THIRD PARTY INSURANCE

Article 1. : Private Use Vehicles (Vehicles for pleasure or Transport of Staff)

The applicable tariff for vehicles utilised for private business (leisure) or carrying own staff for business trips is as follows:

<u>Vehicle Type</u>	<u>Proposed Base Premium Rwf</u>
Side Cars & Motor Bikes	39,000
Car_Voiture/Sedan/Saloon/Suzuki Jimmy	57,600
Jeep/SUV	76,200
Pickup_Camionnette (small lorry (< 5 tonnes))	86,100
Minibus/Van	129,600
Bus	207,000

Article 2. Base Premium for Vehicles Used for Taxi (Transport for remuneration)-PSV and Vehicles Used for Hire

2.1. Passenger /Seat Loading

a. Passenger Loading for Vehicles used for Taxi

- i. The passenger loading premium for minibus is : Rwf 14,000 per passenger (for example a minibus of 18 seats above driver seat, passenger loading is $\text{Rwf}14,000 \times 18 = \text{Rwf} 252,000$).
- ii. The Passenger loading for buses is: Rwf 14,000 per passenger (for example a bus of 29 seats above driver seat, passenger loading is $\text{Rwf}14,000 \times 29 = \text{Rwf} 406,000$).

b. Seat Loading for vehicles used for hire and school bus

- i. The seat loading for vehicles used for hire: 14,000 Rwf per seat including driver seat. This loading will be mandatory and will be charged based on number of seats selected regardless the number of occupants selected, for instance a vehicle with 3 seats the load for seating capacity will be $\text{Rwf}14,000 \times 3 = \text{Rwf}42,000$

- ii. The seat loading for school bus is: Rwf 5,000 per passenger (for example a school bus of 45 seats above driver seat, passenger loading is $Rwf 5,000 \times 45 = Rwf 225,000$).

2.2. Base Premium for Taxi vehicles (Transport of Passengers for remuneration)/ Passenger Commercial Vehicles and Vehicles used for Hire

The tariff to apply on Passenger commercial vehicles and vehicles for hire is as follows:

2.2.1. Passenger Commercial Vehicles (Taxi)

<u>Vehicle Type</u>	<u>Proposed Base Premium Rwf</u>
<u>Side-cars/Motor Bikes</u>	<u>103,606</u>
<u>Tricycle</u>	<u>103,606</u>
<u>Taxi Car Voiture/Sedan/Saloon</u>	<u>131,400</u>
<u>Taxi Jeep/SUV</u>	<u>131,400</u>
<u>Taxi Minibus/Van</u>	<u>153,600</u>
<u>Taxi Bus</u>	<u>153,600</u>
<u>School Bus</u>	<u>153,600</u>

2.2.2. Vehicles Used for Hire

<u>Vehicle Type</u>	<u>Proposed Base Premium Rwf</u>
<u>Car Voiture/Sedan/Saloon for Hire</u>	<u>131,400</u>
<u>Jeep/SUV for Hire</u>	<u>131,400</u>
<u>Pickup Camionnette for Hire</u>	<u>150,900</u>

<u>Minibus/Van for Hire</u>	<u>153,600</u>
<u>Bus for Hire</u>	<u>153,600</u>

Article 3. Commercial Transport of Goods

a. Seat Loading for vehicles used for commercial/transport of goods

- i. The seat loading for vehicles used for commercial/transport of goods: 7,500 Rwf per seat including driver seat. This loading will be mandatory and will be charged based on number of seats selected regardless the number of occupants selected, for instance a vehicle with 9 seats the load for seating capacity will be $Rwf 7,500 \times 9 = Rwf 67,500$

b. Base Premium for vehicles used for transport of goods

<u>Vehicle Type</u>	<u>Proposed Base Premium Rwf</u>
Bicycles & Tricycles	103,606
Car_Voiture/Sedan/Saloon	150,900
Jeep/SUV	150,900
Minibus/Van	165,990
Bus	165,990
Pick-Up/ small lorry (< 5 tonnes - Camionnette)	150,900
HOWO, SHACMAN, FUSO, FAW	378,000
Tractor & Trucks, Lorry \geq 5 tonnes – Camionnette	226,800
Trailer (Remorque) & Semi – Trailer (Semi-Remorque)	129,600
Flammable Goods	20% of respective vehicle category

Other Vehicles (Special Engine Vehicles): Specified Trailers, Ambulances, hearses, irrigation vehicles etc	Same as for private vehicles except for trucks
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Note: HOWO, SHACMAN, FUSO, FAW should not be confused with truck or lorry in any case, therefore, they should be quoted separately in its correct classification.

Article 4. Special Vehicles and Machineries

Are classified in this category, the following vehicles and machineries: Ambulances, funeral vehicles, machineries and military machineries moving on public roads, watering vehicles and cleaning vehicles, fire vehicles.

For all these special vehicles and machineries, the applicable tariff shall be the one of jeep or Truck

Machineries: For machineries apply the tariff of Trucks as defined in article 3 of the Minimum tariff.

SECTION THREE: OWN DAMAGE (MATERIAL DAMAGE), THEFT AND FIRE

Article 5. BASE PREMIUM

VEHICLE CLASS	VEHICLE TYPE	Material Damage	THEFT	FIRE	COMPREHENSIVE
PRIVATE VEHICLES	Side Cars & Motor Bikes, Tricycles	4.56%	3.57%	0.33%	8.46%
	Car/Voiture	2.97%	0.44%	0.3%	3.71%
	Jeep/SUV	2.46%	0.37%	0.25%	3.08%
	Pickup_Camionnette (small lorry (< 5 tonnes))	2.58%	0.38%	0.26%	3.22%
	Minibus/Van	2.56%	0.34%	0.3%	3.20%
	Bus	2.6%	0.35%	0.3%	3.25%
COMMERCIAL VEHICLES (Passenger)	Side-cars/Motor Bikes, Tricycles	6.95%	7.36%	0.54%	14.85%
	Taxi Car/Voiture	2.82%	0.71%	0.38%	3.91%
	Taxi Jeep/SUV	2.82%	0.71%	0.38%	3.91%
	Taxi Minibus/Van	3.17%	0.91%	0.46%	4.54%
	Taxi Bus	3.17%	0.91%	0.46%	4.54%
	Car/Voiture for Hire	3.13%	0.79%	0.42%	4.34%
	Minibus/Van for Hire	2.85%	0.83%	0.41%	4.09%
	Bus for Hire	2.85%	0.83%	0.41%	4.09%
	Jeep for Hire	3.13%	0.79%	0.42%	4.34%
	Pickup/ Camionnette for Hire	3.13%	0.79%	0.42%	4.34%
COMMERCIAL VEHICLES (Goods)	Side-cars/Motor Bikes, Tricycles	6.95%	7.36%	0.54%	14.85%
	Car/Voiture	2.82%	0.71%	0.38%	3.91%
	Jeep/SUV	2.82%	0.71%	0.38%	3.91%
	Pick-Up/ small lorry (< 5 tonnes - Camionnette)	2.80%	0.42%	0.28%	3.50%
	HOWO, SHACMAN, FUSO, FAW	4.20%	0.63%	0.42%	5.25%
	Truck (Camion) & Tractor, Lorry >= 5 tonnes – Camionnette	2.80%	0.42%	0.28%	3.50%
	Trailer (Remorque) & Semi-Trailer (Semi-Remorque)	2.80%	0.42%	0.28%	3.50%
	Flammable Goods	2.95%	0.84%	0.28%	4.07%
	Minibus	3.17%	0.91%	0.46%	4.54%

	Bus	3.17%	0.91%	0.46%	4.54%
OTHER VEHICLES (SPECIAL ENGINE VEHICLES)	Specified Trailers, Ambulances, hearses, irrigation vehicles etc	3.34%	0.51%	0.28%	4.13%

***Note:** Driving school: applicable rate is the rate of commercial vehicle transport of goods

Article 6. Mandatory deductible/Excess

Below is a mandatory deductible/excess that is non waivable for own damage, theft and fire covers:

S/N	VEHICLE TYPE	% of claim amount Material Damages	Theft & Fire (Total Loss)	MINIMUM (RWF)
1	MOTORCYCLE	5%	2.50%	100,000
2	CAR/SALOON/VOITURE	5%	2.50%	150,000
3	JEEP/SUV	5%	2.50%	200,000
4	PICK UP	5%	2.50%	200,000
5	TRUCKS,LORRIES, TRAILERS,TRACTORS	5%	2.50%	850,000
6	MINIBUSES, BUSES, SCHOOL BUS	5%	2.50%	500,000
7	PSV	5%	2.50%	500,000
8	ENGINS SPECIAUX	5%	2.50%	500,000
9	SPECIAL VEHICLES	5%	2.50%	500,000

The waiver of excess (Rachat Franchise) shall only be authorized for Government Institution on condition that the premium is loaded by Excess Loading factor 10% of premium of Own Damage, Theft and fire subject to a minimum of Rwf90,000 for private use vehicle and Rwf130,000 for commercial use vehicles.

In case of partial loss, excess amount shall be payable to insurer before release of purchase order and shall be deducted from indemnity in case of total loss.

Article 7: Sum to be insured under Comprehensive Cover

For all vehicles below or equal to 5 years of age, the sum to be insured is the value of new vehicles. In this case, partial losses/repairs shall be done using new spare parts.



Vehicles beyond 5 years can be insured at their actual value. In this case, partial losses/repairs shall be repaired using second hand spare parts or applying the average condition in comparison with new spare parts.

In the two scenarios, the indemnity in case of total loss shall be limited to the pre-accident value (value of the vehicle at the time of loss).

It is specially mentioned that all vehicles must be insured all taxes inclusive even if they have been purchased free of tax.

SECTION FOUR: COMMON UNDEWRITING FACTORS TO, THIRD PARTY, OWN DAMAGE, THEFT AND FIRE

Article 8 : AGE LOADING

For Third Party cover and Own Damage, Theft and Fire covers (OTF) a loading of 25% of the base premium shall apply on all vehicles aged beyond 5 years and less or equal to 10 years old. For all vehicles beyond 10 years old, a loading of 50% of base premium shall apply. It is specified that age loading does not apply on passenger loading (extra premium).

Beyond **15** years the Own Damage, Theft and Fire (OTF) covers is not allowable even for existing/insured vehicles in portfolio.

Vehicles to be covered under comprehensive (OTF) insurance must be having a valid technical control motor certificate.

Article 9 : Requirement of photocopy of vehicle log book:

All individual policies or fleet vehicle policies with less than 10 vehicles must contain a photocopy of the log book or any other document enabling the identification of the insured vehicle.

However, if it is not possible to find a photocopier machine in the selling area, the underwriter is authorized to issue the insurance without taking photocopy for the log book of the insured vehicle and the exception is subject to the appreciation of the control committee during the periodic audits. In any of these cases, the vehicle shall be insured at the ceiling condition (With maximum age loading).

Article 10: COMESA EXTENSION

The applicable rate is 30% of net premium charged on any one insured vehicles. Theft is excluded.

For Comesa Medical Fees, apply a premium of 3.000 Rwf per person per year.

For the Comesa Yellow Card, the payable fees is 10.000 Rwf per issued COMESA yellow Card.

10.1. Territorial Extension of theft cover

By derogation of article 10 of Minimum Tariff, the territorial extension of the theft cover « **Theft** » is authorized on the following conditions and modalities:

10.2. For all vehicles:

An anti theft equipment must be installed in the vehicle prior to the issuance of the cover by the Insurer. The insured theft is total loss and not theft of parts of the vehicle.

10.3. Commercial Vehicles (transport of Goods):

The insured theft is the one perpetrated with physical violence on the person assigned to the watching of the vehicle.

10.4. Premium Rate:

The premium rate for this guarantee is fixed as follows:

- On commercial vehicles (Transport of goods): **1 %** of the vehicle sum insured;
- On all other vehicles: **0.6 %** of the Insured value.

10.5. Territorial extension of the Personal accident or « Occupants »

The Comesa extension applies on the Personal Accident (Sécurité routière) or « Occupant Covers » according to modalities stipulated in the article 10 of Motor Minimum Tariff.

10.6. VAT on COMESA Fees

VAT applies on COMESA fees in the same conditions as other fees charged on issued policies.

Article 11: Short Term Rates

Any insurance for a period less or equal to seven months, a short term tariff as follows:

Duration	% of Annual Premium
1 Day	5
2 Days	7.5
3 Days	7.5
From 4 Days to 8 Days	10
From 9 Days to 15 Days	12.5
From 16 Days to 1 Month	25

From 1 Month and 1 day to 2 Months	40
From 2 Months and 1 day to 3 Months	50
From 3 Months and 1 day to 4 Months	60
From 4 Months and 1 day to 5 Months	70
From 5 Months and 1 day to 6 Months	75
From 6 Months and 1 day to 7 Months	90
From 7 Months and 1 day to 12 Months	100

The short term rates are applicable in a continuous manner only from insurance period of one month.

1. For Clients who wishes that, other instalments period can be allowed on short term rates for the same period of insurance for them to pay the balance on annual insurance cover.
2. The number of continuous allowable instalments in a period of 12 months is fixed at three (3) maximum. In this case, the total paid premium for the three instalments equal to 100% of annual premium. The agreed premium instalments are the following:

Option	Period	%
1	1 Month	25%
	2 Months	25%
	9 Months	50%
2	3 Months	50%
	9 Months	50%
3	6 Months	75%
	6 Months	25%
4	1 Month	25%
	3 Months	35%
	8 Months	40%

3. The premium for last instalment shall be taken as balance on the annual premium and the insurance period of the last instalment shall be considered as balance of annual insurance period.
4. Each new instalment must normally commence or be paid before the expiry of the previous instalment period. Failure to do that, a waiting period of 15 days shall be allowed to the insured for him to continue the same scheduled instalments. The Insured shall pay the total premium due and shall not be covered during the period of lapse or delayed payment. Therefore, for any client who comes during the 15 days, his contract must start from the day of payment and shall be extended up to initial scheduled expiry date for that instalment.

11.2. Extendable Short Term Policies:

For all extension of short term policies, apply the minimum tariff by charging the balance or remaining premium to attain the annual expiry date of the contract.

For comprehensive contracts where premium is paid in instalments, a mandatory clause should be inserted in the contract making the remaining premium due before any payment of total loss claim.

Article 12 : Fees

The fee is **Rwf2,500** (Two thousand Five Hundred Rwandan francs) per insured vehicle alone or in fleet for local cover and **Rwf10,000** for COMESA cover. For any insured vehicle including trailers, semi trailers and all extensions of short term periods, the fees per vehicle shall be **Rwf2,500** for local cover and **Rwf10,000** for COMESA cover. For additional guarantees (a mandatory third party liability, OTF, Occupants, COMESA extension) transaction fees are cumulative.

SECTION FIVE: PERSONAL ACCIDENT OR OCCUPANT COVER

Personal Accident or occupant cover can be given to the lorries of Pick-ups, lorries trucks who request to transport staff (or in certain circumstances, third parties) in the back. But the ASSAR member is free to deny such coverage if it is deemed that security conditions are not sufficient.

Article 13 Covers and Sum Insured

Special cases :

- i. This cover can be given to owners of trucks and pick-ups on request, for occasional transport of staff and students and in some circumstances transport of third parties taking place in the rear boxes.

However, the insurance company is free to deny this cover if the security condition is deemed insufficient.

- ii. In the case of tenders, minimum sum insured for this guarantee shall be as follows:

In the case of tenders, minimum sum insured for this guarantee shall be as follows:

- 1,000,000 Rwf/ seat for Motorcycles;
- 3,000,000 Rwf /seat for other category of vehicles.

It is specified that these sums insured are set by default when no other details have been provided by the customer in the tender document.



In no case, sum insured shall be less than those listed above.

Article14. Guarantees (Covers) and Sums Insured

COVER		SUM INSURED (Rwf)				
		I	II	III	IV	V
Death		1,000,000	2,000,000	3,000,000	4,000,000	5,000,000
Permanent Disability		1,000,000	2,000,000	3,000,000	4,000,000	5,000,000
Medical Fees		100,000	200,000	300,000	400,000	500,000
Net Premium (Rwf)		0.5% of death benefit limit for Private use vehicle, 0.8% of death benefit limit for Private use motorcycle, and 1% of death benefit limit for Commercial use vehicles	0.5% of death benefit limit for Private use vehicle, 0.8% of death benefit limit for Private use motorcycle, and 1% of death benefit limit for Commercial use vehicles	0.5% of death benefit limit for Private use vehicle, 0.8% of death benefit limit for Private use motorcycle, and 1% of death benefit limit for Commercial use vehicles	0.5% of death benefit limit for Private use vehicle, 0.8% of death benefit limit for Private use motorcycle, and 1% of death benefit limit for Commercial use vehicles	0.5% of death benefit limit for Private use vehicle, 0.8% of death benefit limit for Private use motorcycle, and 1% of death benefit limit for Commercial use vehicles

NOTE: EXTENDED THIRD PARTY OR THIRD PLUS covering family member will be priced under occupant and limits of indemnity will be limited to benefits selected. There should be no longer separate cover extending third party liability cover to family members.

Article15. The application of the proportional rule or Average Condition

The following clause should be inserted into any contract with the "Own Damage, Theft and Fire (OTF)" guarantee:

The premium having been calculated on basis of the market value of the insured vehicle, if at time of loss, it is assessed that the value of the vehicle is more than the sum insured, the insured shall be



considered as self insurer for the difference.

In case of total loss: Compensation shall be based on the fair (pre-accident) value at the time of the loss;

In case of partial loss. Repairs shall be done using second hand spare parts and it will be applied the proportional rule (average condition) on new parts according to the following formula:

* $I = (AV * SI) / MV$ where I = Indemnity; AV = Assessed Value; SI = Sum Insured; MV = Market Value of the vehicle.

Article 16. Obligation of submission of Police report

The insured agrees that for any accident involving a third party in accordance with article 2. & 1 of Decree Law No 32/75 of 7 August 1975 on Mandatory Motor Third Party Liability shall do diligence and make sure the Traffic Police has taken abstract and shall endeavour to obtain a copy of police report and submit it to Insurer.

Any breach of this requirement automatically leads to a penalty equal to 10% to be deducted from the assessed loss amount or repudiation of claim at the discretion of the Insurer.

Article 17. Obligation of declaring the sum insured

At the time taking insurance, the subscriber of an All Risks (Comprehensive « OTF »), and commit to declare the sum insured and sign the declaration.

Scope

This disposition applies on:

- i. New Business, meaning any business which was inexistent in the books or portfolio of the Company;
- ii. Renewal of expired policies as well as new policies issued in replacement of policies in force;
- iii. Endorsements to be made on contract.

Article 18. Modalities of compensation/Indemnification

If the Insurer is not having a police report statement of the accident at the time of issuing a purchase order or the authority to repair of the involved vehicle into accident with a third party, this will automatically attract a penalty of 10% of the assessed loss amount issued to garage.



This amount shall only be paid by the Insurer, when a police report shall be submitted to him.

Article 19: Insurance Policy Wording

Underwriters shall include in the schedules of comprehensive policies, a clause with prescriptions of article 15&18 above.

Article 20: No Claim Bonus or Penalty

No claim Bonus (NCB) or Claim Penalty shall be introduced to reward policy holders with no claim history or penalize those who claimed on their insurance policies.

The modalities of application of these discounts and penalties shall be released after a central market database has been put in place and a Directive is issued in this regard.

SECTION SIX: TRANSITIONAL DISPOSITIONS

Article 21: Policies in force

21.1. Renewable Short Term: Extendable Short term policies (Policies with premium payable in instalments), the extensions will be done according to previous conditions/terms.

21.2. Incorporation in Motor Fleet Insurance Policies

For all incorporations of new vehicles in motor fleet policies written before publication of Minimum Tariff, apply the tariff of the respective contracts.

21.3. Effective date of the tariff/Enforcement

This Tariff shall be applicable on all businesses written on or after from 1st April 2023.

Done at Kigali, on 3rd March 2023