

TERMS AND CONDITIONS OF COMPREHENSIVE VEHICLE INSURANCE S100/2017

Valid from: 26.09.2017



This is an unofficial text. In case of the dispute the Estonian wording shall prevail.

These terms and conditions of insurance (hereinafter also the Terms and Conditions) are a part of the personal liability traffic insurance contract entered into with AB Lietuvos draudimas Estonian Branch (hereinafter the Insurer or PZU) where the insured object is a **bus, trailer, motorcycle or truck** (hereinafter the Vehicle). The Terms and Conditions of Insurance are applied with the PZU General Terms and Conditions of Insurance Contracts. In any issues not regulated in the Terms and Conditions of Insurance the parties to the insurance contract will proceed from the Law of Obligations Act and other legislation effective in the Republic of Estonia at the time of occurrence of the insured event.

1. Insured object

- 1.1.** The insured object is the Vehicle indicated in the policy as it was before the insured event. The special equipment (for lifting, refrigerating, heating, etc.) are insured with the Vehicle, unless otherwise agreed in the insurance contract. The value of the special equipment must be included in the sum insured.
- 1.2.** The accessories of the Vehicle are the insured object to the extent specified in clause 5 of these Terms and Conditions and in the policy. Accessories mean the entertainment, multimedia, navigation, communications and consumer equipment, additional lights, elements that change the appearance/aerodynamics of the Vehicle, alloy wheels, spare wheels, spare bumpers, communication equipment, etc., that have been permanently attached to the Vehicle.
- 1.3.** The following are not insured objects:
- 1.3.1.** tools (excl. the repair kit provided with the Vehicle by the Manufacturer), equipment, helmet, driving clothes, spare parts and materials kept in the Vehicle;
- 1.3.2.** goods transported in the Vehicle;
- 1.3.3.** unauthorised reconstructions of the Vehicle;
- 1.3.4.** paintings and stickers on the Vehicle; and
- 1.3.5.** equipment and details that have been installed in violation of the requirements of legislation.

2. Insured event

- 2.1.** Insured event means a sudden and unexpected event in the course of which the insured object is damaged, destroyed or lost during the validity of the insurance cover. The insurer becomes obliged to indemnify for the damage upon the occurrence of an insured event.
- 2.2.** The insured events covered by the **Kasko** product are:
- 1) accident;
 - 2) vandalism;
 - 3) theft;
 - 4) damage caused to the vehicle or trailer upon loading (in the case of a special agreement indicated in the policy); and
 - 5) PZU Autoabi roadside assistance for motorcycles.
- 2.3.** **Accident** means the damage or destruction of the insured object as a result of an external mechanical impact, traffic accident, natural disaster, fire (incl. smoke, soot and fire-extinguishing operations) or explosion (incl. the detonation of an explosive).
- 2.4.** **Vandalism** means damage intentionally caused to the

vehicle by a third party.

- 2.5.** **Theft** means the loss of or damage to the insured object or parts thereof as a result of theft, unauthorized use, robbery or attempts thereof. Unauthorized use means unlawful possession of the insured object by a third party without the intent of acquisition.
- 2.6.** **Damage caused upon loading** means the damage or destruction of the Vehicle or trailer upon the loading or unloading of cargo, except for the damage specified in clauses 2.8.32. and 2.8.33.
- 2.7.** **PZU Autoabi roadside assistance** is only applied to motorcycles and only if driving further is obstructed by a sudden and unexpected event, for example a traffic accident or a technical breakdown, driving off the road, the motorcycle getting stuck in snow or sand, the motorcycle running out of fuel, a flat tyre, a malfunction of the alarm system or the motorcycle not starting. The PZU Autoabi roadside assistance service is only valid if ordered by calling the contact number of PZU. The persons who were on the motorcycle will be taken from the scene of the event to their destination within the territory of Estonia via the PZU Autoabi roadside assistance service.
- 2.8.** **The following will not be indemnified:**
- 2.8.1.** loss that occurred outside the insurance territory specified in the insurance policy;
- 2.8.2.** damage resulting from theft or unauthorized use of the Vehicle if the key to the Vehicle (a key means all mechanical or electronic keys, cards, consoles and other similar equipment that are used for opening the doors of the insured Vehicle as well as for using the security and alarm equipment of the Vehicle) was in the Vehicle when the Vehicle was stolen or taken for unauthorized use;
- 2.8.3.** loss caused by the theft or unauthorized use of the Vehicle or any insured parts thereof if the Vehicle was not locked or if the Vehicle lacked anti-theft equipment as required by PZU or if such equipment was not activated or in working order before the damage was sustained;
- 2.8.4.** the expenses of maintenance, repairs, washing or cleaning that are not related to an insured event;
- 2.8.5.** loss if the technical condition of the Vehicle does not comply with the requirements of the insurance contract and/or legislation;
- 2.8.6.** loss if PZU was not properly notified of the transfer of the vehicle in a format that can be reproduced in writing and the insured event occurs more than 30 days after the time when PZU should have received the relevant notice;
- 2.8.7.** loss caused by the overloading of the Vehicle or the equipment in the Vehicle during operation;
- 2.8.8.** loss caused by the Vehicle being used for the wrong purpose;
- 2.8.9.** the expenses related to the faster-than-usual delivery of the parts of the Vehicle and any other work done faster than usual;
- 2.8.10.** loss caused by non-standard reconstruction of the Vehicle (including performance tuning or chip tuning) unless otherwise indicated in the policy;
- 2.8.11.** loss caused by wear and tear of the Vehicle (including in relation to theft, robbery or unauthorized use);
- 2.8.12.** damage caused by corrosion, mold or any other long-winding processes;
- 2.8.13.** damage caused by frost;

- 2.8.14. damage caused by water getting into the engine;
- 2.8.15. loss caused by inadequate or incorrect maintenance, repairs or handling of the Vehicle;
- 2.8.16. loss caused to the fuel system by poor quality fuel;
- 2.8.17. loss resulting from the inadequate quantity or poor quality of oil, cooling liquid, brake and transmission fluid;
- 2.8.18. loss that has occurred due to a fault, error, damage, etc., that is repaired under warranty;
- 2.8.19. loss related to a technical fault;
- 2.8.20. loss caused by tyre damage (excl. vandalism) if this did not occur alongside any other damage to the Vehicle that is subject to indemnification;
- 2.8.21. loss caused in relation to the policyholder losing possession of the Vehicle as a result of fraud, embezzlement or extortion, and the damage caused to the Vehicle during the aforementioned events;
- 2.8.22. loss caused by theft or robbery of any parts removed or dismantled from the Vehicle by the policyholder or with the knowledge of the policyholder;
- 2.8.23. loss caused by theft or unauthorized use of the Vehicle if all of the keys to the Vehicle were not handed over to PZU with the request for indemnification;
- 2.8.24. loss caused by fuel leaking out of or being stolen from the Vehicle;
- 2.8.25. loss caused in relation to a painting or paintings on the Vehicle;
- 2.8.26. loss caused by using the Vehicle in competitions or training;
- 2.8.27. loss caused by driving the vehicle in areas not meant for traffic (terrain, coastal areas, water, swampy areas, etc.) or outside the ice roads officially opened for traffic;
- 2.8.28. loss resulting from war, civil war, invasion, terrorism, mass disturbances, revolution, coup d'état, strike, confiscation, seizure or lock-out;
- 2.8.29. loss caused by nuclear energy;
- 2.8.30. loss that became known to the owner of the Vehicle only after the Vehicle was returned to the owner and the exact circumstances of which are unknown to PZU;
- 2.8.31. loss caused by the relocation, towing or shifting of the Vehicle using equipment, tools or other vehicles not meant for this purpose (e.g. shifting a logging truck with a hoist, etc.);
- 2.8.32. loss caused by transporting cargo and/or passengers;
- 2.8.33. loss caused by loading or unloading cargo on a cistern or tank truck;
- 2.8.34. cargo or trailer damage that does not have an impact on its functioning (dents to painted, enamelled and polished surfaces, scratches, etc.).

3. Release of PZU from obligation to perform insurance contract

- 3.1. PZU will be released from the obligation to perform the insurance contract in part or in full if:
 - 3.1.1. the policyholder has intentionally or due to gross negligence violated at least one obligation stipulated in the insurance contract and the violation has affected the occurrence or amount of damage or the determination of the extent of PZU's performance obligation;
 - 3.1.2. the policyholder has failed to comply with the obligation to inform about changes in material risk circumstances;
 - 3.1.3. the policyholder has knowingly provided RSA with false information upon the entry into the insurance contract and/or about the circumstances or amount of damage;
 - 3.1.4. the damage has been caused with the policyholder's consent;
 - 3.1.5. the damage was caused at the time when the driver of the Vehicle was under the influence of alcohol, drugs or psychotropic substances;
 - 3.1.6. the person who drove the Vehicle refused to have their intoxication determined immediately after the occurrence of the damage. This will be regarded the same as an event whereby the driver was under the influence of alcohol,

drugs or psychotropic substances at the time damage was caused, also if said substances were taken after the occurrence of the damage, but before the arrival of the police or the making of the request to ascertain intoxication;

- 3.1.7. the person who drove the Vehicle at the time of the traffic accident did not have the right to drive a vehicle of the respective category;
- 3.1.8. the policyholder used the Vehicle to assist in the commission of a crime.

4. Insurance territory

- 4.1. PZU only has the obligation to indemnify in the case of insured events that occurred in the territory specified in the policy.

5. Sum insured, insurable value and maximum indemnity

- 5.1. Sum insured is the maximum amount of the payout by the insurer specified in the insurance policy.
- 5.2. Insurable value is the market price of the Vehicle in Estonia. In the case of an insured event, the insurable value is the market price of the Vehicle in Estonia immediately before the occurrence of the insured event.
- 5.3. The accessories installed after the first sale of the Vehicle will not be taken into account when the sum insured is determined. First sale means the first time the vehicle was sold to an end-user.
- 5.4. The maximum indemnity for the accessories installed by the manufacturer of the Vehicle is the market value of the accessories, but not more than the sum insured specified in the policy.
- 5.5. The maximum indemnity for the accessories installed after the first sale of the Vehicle is 1,000 euros.
- 5.6. Any insurance indemnity paid shall not reduce the sum insured.
- 5.7. New value insurance means that the purchase price (the price for which the Vehicle was acquired) is indemnified if all of the following conditions are met at the same time:
 - 5.7.1. the Vehicle was registered for the first time in Estonia and no more than one year has passed since registration;
 - 5.7.2. the kilometrage of the Vehicle does not exceed 40,000.

6. Underinsurance and overinsurance

- 6.1. Underinsurance means the situation where the sum insured of the Vehicle is smaller than the insurable value of the Vehicle at the time the insurance contract was entered into. In the case of underinsurance, PZU will be liable for the damage proportionally to the ratio of the sum insured to the insurable value at the time of entry into the contract.
- 6.2. Overinsurance means the situation where the sum insured of the Vehicle exceeds the insurable value of the Vehicle. In the case of overinsurance, PZU will not indemnify more than the actual loss amount or the insurable value of the Vehicle.

7. Excess

- 7.1. Excess means the part of the loss determined in the insurance contract not indemnified by PZU in the case of every insured event.
- 7.2. Only one, the largest agreed, excess is applied when the damage caused by an insured event is indemnified.

8. Insurance risk and increase of probability of insurance risk

- 8.1. Insured risk is the risk against which the insurance policy is taken. Any sudden and unexpected threat of damage to the Vehicle is an insurance risk pursuant to these Terms and

- 8.2. Conditions, except for the threats stipulated in clause 2.8. Transfer of the Vehicle, giving the Vehicle on rent, changing the use of the Vehicle, deletion of the Vehicle from the Traffic Register, reconstruction of the Vehicle, malfunctioning of the locking systems of the Vehicle, malfunctioning of the anti-theft equipment, loss of keys, loss of the registration documents of the Vehicle or parts thereof, etc., are primarily deemed to be significant circumstances that increase the insurance risk.
- 8.3. PZU has the right to inspect the insured object during the insurance period and in the case of increased insured risk, demand that the policyholder apply additional security measures and/or increase the insurance premium. The above does not preclude PZU's right to cancel the insurance contract.

9. Policyholder's obligations

- 9.1. The beneficiary, the legal possessor of the Vehicle and the person to whom the legal possessor of the Vehicle has voluntarily given permission to drive the Vehicle as well as the family members of said persons and of the policyholder are considered equal with the policyholder. The policyholder shall be responsible for the conduct of such persons in performing the obligations arising from the insurance contract as they are for their own conduct.
- 9.2. The policyholder is obliged to:
- 9.2.1. explain the obligations arising from the insurance contract to the person in whose possession or use the Vehicle is given;
- 9.2.2. allow the representative of PZU to examine the condition and documents of the vehicle;
- 9.2.3. when leaving the vehicle:
- 1) close the doors, windows and hatches of the Vehicle;
 - 2) lock the Vehicle and activate the immobiliser of the Vehicle (excl. the trailer);
 - 3) not leave the removable front panel of the audio system, the keys and/or the registration documents of the Vehicle in the Vehicle;
- 9.2.4. keep the keys and registration documents of the Vehicle in such a manner that they cannot be accessed by a third party without applying force or threatening to use violence. The Vehicle keys may not be kept in the Vehicle;
- 9.2.5. immediately replace all locks and re-code or replace the electronic anti-theft equipment of the Vehicle if the Vehicle keys are stolen, robbed or lost. Until the locks are changed or re-coded or the anti-theft equipment is replaced, the policyholder must apply additional measures to prevent the theft or unauthorized use of the Vehicle, e.g. only leave the Vehicle in a locked garage when unattended;
- 9.2.6. comply with the additional instructions and regulations for reducing the insurance risk given by PZU;
- 9.2.7. not exceed the maximum speed limit established with legislation and traffic control equipment.
- 9.3. Upon the occurrence of an insured event, the policyholder will be obliged to:
- 9.3.1. make every effort to prevent an insured event and minimize any damage, avoid any increase in the probability of the insured risk and cause the persons who are deemed to be equal to the policyholder to do the same;
- 9.3.2. in the event of a traffic accident, document the traffic accident and inform about it according to applicable legislation;
- 9.3.3. immediately inform the police the a theft or unauthorized use of the Vehicle, vandalism and other unlawful incidents in a format that can be reproduced in writing;
- 9.3.4. immediately inform the Rescue Board about a fire;
- 9.3.5. call for the police and not leave the scene of the event if the Vehicle has been damaged by objects or substances that fell on the Vehicle or where strewn around;
- 9.3.6. inform PZU about an insured event as soon as possible, but not later than within five business days of becoming aware of the insured event. If the exact time of the insured event cannot be determined, the insured event will be deemed to

- 9.3.7. have occurred at the moment when the policyholder should have become aware of it;
- 9.3.7. in the event of a traffic accident with a truck or trailer, submit the data of the tachograph not later than within five working days of the occurrence of the loss event if the Vehicle is required to have a tachograph.
- 9.4. After a loss event, the Vehicle may only be used if the driver of the Vehicle has checked the Vehicle and made sure that the condition of the Vehicle complies with technical requirements. Above all, the driver must check that the Vehicle's oil, fuel or cooling liquid is not leaking, the steering system and the brakes are functioning and the tyres are undamaged.
- 9.5. The policyholder must present the damaged vehicle or its remains to PZU for inspection in the state they were in after the insured event. The policyholder may not make any changes, including start restoring or scrapping the vehicle, without the prior written consent of PZU.
- 9.6. The policyholder must submit the information and documents the policyholder has about the causes and amount of the loss to PZU.
- 9.7. The policyholder is obliged to deliver the remains of the Vehicle in the state they were in after the insured event to PZU in the territory of the Republic of Estonia, unless the parties agree otherwise. If PZU inspects or scraps the remains of the Vehicle in another country or organizes the transportation of the remains of the Vehicle to Estonia, the indemnity will be reduced by the respective costs.
- 9.8. All keys and registration documents of the Vehicle (all keys and documents that remained in the possession of the policyholder) must be immediately submitted to PZU in the case of theft, unauthorized use or robbery of the Vehicle.
- 9.9. The policyholder must ensure that the original driving license of the person who drove the Vehicle at the time of the insured event is submitted to PZU.
- 9.10. The policyholder is obliged prove that an insured event took place.
- 9.11. If the Vehicle that was stolen, taken for unauthorized use or robbed is found, the policyholder is obliged to immediately inform PZU about this in writing or in a format that can be reproduced in writing.
- 9.12. The policyholder must immediately inform PZU about any indemnification of the loss by a third party.
- 9.13. If PZU has paid out the indemnification for a Vehicle or a part thereof that left the possession of the entitled person, the policyholder is obliged to immediately inform PZU in a format that can be reproduced in writing about the Vehicle or a part thereof having been found or about the policyholder becoming aware of its location. The possession of the recovered Vehicle or part thereof must be transferred to PZU within ten business days or the insurance indemnity paid by the insurer for the Vehicle must be repaid.
- 9.14. Professional drivers must comply with the conditions of the AETR (the European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport) and the working and rest time legislation that regulates the work of drivers.

10. Obligations and rights of PZU

- 10.1. PZU is obliged to:
- 10.1.1. carry out or arrange an inspection of the damaged Vehicle as soon as possible but not later than within five business days of the receipt of the loss notice;
- 10.1.2. make a decision on whether to indemnify or refuse to indemnify for the loss within five business days of the receipt of the information, documents and materials necessary for determining the circumstances and extent of the loss event and for paying out the indemnity. PZU immediately informs the policyholder about any required information and documents that have not yet been provided.
- 10.2. PZU has the right to establish additional safety rules with regard to the insurance contract. They will become a document of the insurance contract if the policyholder does

not submit an application for withdrawal from the insurance contract within 10 days of receipt of the rules

11. Types and procedure of indemnification

- 11.1.** The types of indemnification are monetary indemnity or compensation for the costs of restoring the damaged Vehicle (replacement of the damaged part with an equivalent one).
- 11.2.** The costs of restoring the damaged Vehicle will be indemnified on the basis of the documents that prove such costs.
- 11.3.** If PZU agrees with the manner and place of restoration of the Vehicle chosen by the policyholder, it will issue a letter of guarantee regarding the indemnification for restoration costs on the demand of the restorer of the Vehicle.
- 11.4.** PZU is not liable for the manner of restoration of the vehicle or the quality of the work of the restorer, unless the parties to the insurance contract have agreed in writing that PZU will arrange the restoration of the vehicle (the issue of a letter or guarantee for the repair of the Vehicle is not regarded as such an agreement).
- 11.5.** If the policyholder disagrees with the justified and reasonable manner or place of restoration specified by PZU, PZU will indemnify the necessary, justified and reasonable expenses required for the restoration of the Vehicle.
- 11.6.** Indemnification for restoration costs
Indemnification shall cover the following:
- 11.6.1. the Vehicle restoration costs caused by an insured event;
- 11.6.2. the necessary and justified costs of lifting the vehicle onto the road and the costs of transporting the vehicle to the nearest repair shop or the repair shop designated by PZU or to a storage facility, which are necessary due to an insured event, will be indemnified to the extent of 2,000 euros.
- 11.7.** Conditions of indemnification for restoration costs:
- 11.7.1. the Vehicle restoration costs will be indemnified by restoring the actual restoration costs if restoring the vehicle is economically and technically justified;
- 11.7.2. if the policyholder applies for monetary indemnity, but fails to submit expense receipts proving the restoration of the Vehicle, the difference between the market values of the car in Estonia before and after the insured event will be indemnified;
- 11.7.3. PZU has the right to demand that the parts whose degree of wear and tear corresponds to the age and technical condition of the vehicle are used for the restoration of the vehicle.
- 11.7.4. When loss caused by damage to or destruction of tyres is indemnified, their wear and tear and condition as of the moment of the insured event is taken into account, i.e. when tyres that were damaged as a result of the insured event are replaced, PZU has the right to offer tyres with the same level of wear as replacements. If equally worn tyres cannot be found at the time the repairs are performed, the damage resulting from the damage to the tyres will be compensated with a monetary indemnity the amount of which will be determined on the basis of the market price of equally worn and equivalent tyres.

11.7.5. When loss caused by damage to or destruction of the tent is

indemnified, its wear and tear and condition as of the moment of the insured event is taken into account, i.e. when a tent is replaced, PZU has the right to offer a tent with the same level of wear as a replacement. If an equally worn tent cannot be found at the time the repairs are performed, the damage resulting from the damage to the tent will be compensated with a monetary indemnity the amount of which will be determined on the basis of the market price of an equally worn and equivalent tent.

- 11.7.6. The restoration costs of a Vehicle less than three years old are indemnified at the dealership of the make of the Vehicle only with the prior special agreement of PZU.
- 11.8.** In the case of the destruction of the vehicle (incl. theft, unauthorized use or robbery), the insurance indemnity will be calculated according to the market price of the Vehicle in Estonia immediately before the insured event. The Vehicle will be deemed to have been destroyed if its restoration is technically or economically unjustified.
- 11.9.** PZU has the right to reduce the insurance indemnity by the usual value of the remains of a Vehicle or a part thereof. If the remains of the Vehicle or a part thereof have been transferred to PZU's ownership by an agreement between PZU and the owner of the property, the insurance indemnity will not be reduced by the value mentioned in the previous sentence.
- 11.10.** In order to determine the insurance indemnity subject to be paid out, the outstanding insurance premiums, deductibles specified in the insurance contract and taxes to be refunded pursuant to the law (such as VAT) will be deducted from the amount of the loss to be indemnified under the insurance contract. VAT will not be deducted from the insurance indemnity if this has been agreed between the parties and specified in the policy.
- 11.11.** If the Vehicle is destroyed, PZU will have the right to deduct the outstanding insurance premiums for the current insurance period from the insurance indemnity subject to be paid out, irrespective of whether the due date of the insurance premiums has arrived and to whom the insurance indemnity is paid.
- 11.12.** The ownership of the insured object will transfer to PZU as of the moment the possession of the insured object is transferred to PZU, unless PZU and the owner of the Vehicle have agreed otherwise.

12. Refunding the insurance indemnity

- 12.1.** The policyholder must refund the insurance indemnity to PZU if any circumstances that exclude indemnification have become evident after the indemnification of the loss or if the loss has been indemnified by a third party.