



Terms and conditions of transport company liability insurance F100/2024

Effective as of 1 December 2024

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

This document constitutes a part of an insurance contract entered into with the Estonian branch of AB Lietuvos draudimas (hereinafter referred to as PZU) where the insured risk is the proprietary obligations of the transport company (hereinafter referred to as the Insured Person) in relation to their civil liability arising from a contract for transport services or the law. In matters not regulated by the Terms and Conditions of insurance, the Parties to the insurance contract follow the Law of Obligations Act and other Estonian legislation.

1. Policyholder and Insured Person

- 1.1. A Policyholder is a person with insurable interest who provides transport services.
- 1.2. An Insured Person is the policyholder or the transport company specified in the insurance contract whose risk has been insured.
- 1.3. If it is agreed upon in the insurance contract that the insurance cover also extends to the subsidiaries, branches or related persons of the Policyholder, these are also considered equivalent to the Insured Person.
- 1.4. The Policyholder is obligated to introduce the terms and conditions of the insurance contract to all Insured Persons and make every effort to prevent an insured event.

2. Insured event

- 2.1. An insured event means any unexpected and unforeseeable event occurring within the insurance territory during the term of validity of the insurance contract, which results in the Insured Person's obligation to compensate for loss or damage in connection with the performance of a contract for transport services indicated in clause 2.2. of these Terms and Conditions.
- 2.2. An insured event is an event that takes place during the performance of the following contracts for the provision of transport services:
 - 2.2.1. road transport of goods where the Insured Person acts as a carrier. The means of transport used for transportation must be indicated in the insurance contract and a licence card must have been issued for the means of transport;
 - 2.2.2. forwarding contract in the case of which the Insured Person acts as a carrier;
 - 2.2.3. forwarding contract in the case of which the Insured Person acts as a transport services intermediary without assuming any liability for the provision of transport services;
 - 2.2.4. storage contract in the case of which the Insured Person acts as the storer of the goods.
- 2.3. An insurance contract is only valid for the services indicated in the insurance policy. In the event of a conflict between the Terms and Conditions of insurance and the insurance policy, the insurance policy prevails.
- 2.4. Any damage or loss arising from the following is not considered an insured event and is not subject to indemnification:
 - 2.4.1. liability to third parties, except in the cases specified in the special conditions of the insurance contract (hereinafter referred to as the Special Conditions);
 - 2.4.2. the contractual liability of stevedores, shipbuilders and ship repair entrepreneurs, ship's and line agents, port administration, railway operators, maritime, railway or air transport operators, etc.;
 - 2.4.3. unless separately agreed on in the insurance contract, the insurance cover does not extend to the following transportation: transportation of people, cargo driven by its own power (e.g. a vehicle constituting an object of the transport contract), towed cargo, transportation by barges, removal (apartment and office furnishings, factory equipment, etc.), money, bank cards and other means of payment, telephone cards, securities, excise duty marks, documents accompanying the cargo (e.g. Bill of Lading, etc.), postage stamps, lottery tickets, memory, video and sound cards, precious metals and products made thereof, precious

stones and pearls, works of art, antiquities, deceased people, donor organs (including donor blood and embryos), live animals, live birds and other living beings, plants, including cut flowers, weapons, radioactive materials, transportation performed based on international postal conventions.

3. Indemnified losses

- 3.1. The losses described in the claim raised against the Insured Person in relation to the loss or destruction of the cargo or damage thereto are indemnified for based on the following:
 - 3.1.1. in the case of a contract for the road transport of the goods specified in clause 2.2.1. of the Terms and Conditions, any loss is indemnified for according to the Convention on the Contract for the International Carriage of Goods by Road (hereinafter referred to as the CMR Convention), in the case of road transport inside Estonia according to the Law of Obligations Act, in the case of other domestic road transport according to the local legislation but not to a greater extent than is provided for in the CMR Convention;
 - 3.1.2. in the case of forwarding contracts specified in clauses 2.2.2. and 2.2.3. of the Terms and Conditions, any loss is indemnified for according the General Terms and Conditions of the Estonian Logistics and Freight Forwarding Association (ELFA) or the Nordic Association of Freight Forwarders (NSAB); in the case of transport inside Estonia according to the Law of Obligations Act; in the case of other domestic transport according to the local legislation but not to a greater extent than provided for in the international agreements governing the liability of carriers of the respective type of transport (e.g. in the case of road transport the CMR Convention, in the case of marine transport the Hague Rules, Hague-Visby Rules or Hamburg Rules; in the case of air transport the Warsaw Convention; in the case of rail transport the CIM Convention or the SMGS Agreement);
 - 3.1.3. in the case of storage contracts specified in clause 2.2.4. of the Terms and Conditions, any loss is indemnified for according to the Estonian Logistics and Freight Forwarding Association's (ELFA) General Terms and Conditions for Warehousekeepers but not to a greater extent than is specified in the insurance policy.
- 3.2. In addition to any damage to the cargo specified in clause 3.1. of the Terms and Conditions, proprietary obligations associated with the damage (hereinafter referred to as Financial Losses) are indemnified for as follows:
 - 3.2.1. claims relating to damage to the cargo under clause 3.1 for the indemnification of any direct transport costs (freight charges, customs duties paid);
 - 3.2.2. claims arising from late delivery of goods if the delivery terms provided for in the CMR Convention or other similar legislation were violated. These losses are indemnified for to the maximum extent of the freight charges in the case of international transport, and to the extent of up to threefold freight charges in the case of transport inside Estonia;
 - 3.2.3. customs claims, i.e. claims relating to payment of taxes and fees (except for confiscation) which are based on the liability of the Insured Person arising from the contract for the provision of services;
 - 3.2.4. costs of re-dispatching the goods arising from the delivery of cargo to the wrong destination through the fault of the Insured Person to the extent such costs exceed the usual costs of delivery of the cargo to the right destination;
 - 3.2.5. costs of repacking or resorting the goods;
 - 3.2.6. claims relating to the issuance of goods, if the insured person's obligation not to issue the goods was violated;
 - 3.2.7. claims against the Insured Person arising from the general average (General Average Adjustment) in connection with the ownership or possession of the means of transport on the basis of a written rental agreement. The cover only applies to vehicles that are inc-

cluded in the list of vehicles and to trailers that are transported by vehicles included in the list of vehicles. In the case of maritime transport of a trailer without a vehicle, the insurance cover applies to the trailer, provided that it is transported from or to the port using the lorry specified in the list of vehicles. Claims arising from the general average in connection with the ownership or possession of the goods are not insured;

- 3.3.** In addition to the provisions of the contract for the provision of services, the insurer also indemnifies for the following losses:
- 3.3.1. reasonable and expedient costs for the prevention of an insured event and the reduction of losses to be indemnified;
- 3.3.2. costs of legal assistance incurred in defending a claim filed against the Insured Person in connection with losses suffered as a result of an insured event. The costs of legal assistance include both court expenses as well as reasonable and required costs incurred in out-of-court proceedings;
- 3.3.3. any loss or damage provided for in the Special Conditions (e.g. liability arising from damage to, loss or destruction of a container or trailer, liability to any third parties, liability arising from damage caused due to gross negligence).

4. Exclusions

Unless otherwise agreed on in the insurance contract, PZU does not indemnify for any loss not caused by an insured event, and any losses or expenses that are specified below:

- 4.1.** loss caused by an error made by the person filing the claim;
- 4.2.** loss or damage caused by the inherent characteristics, errors or defects, normal leakage, reduction in volume or weight or wear and tear of the cargo;
- 4.3.** loss or damage caused by non-conformity of the package of the cargo to withstand normal risks during the route of the cargo or at storage premises, except in the case the packing or preparation of the cargo was carried out by the Insured Person (including their employees and persons representing the Insured Person);
- 4.4.** loss or damage caused by non-conformity or bad technical condition of the means of transport or goods handling equipment, including temperature adjustment equipment;
- 4.5.** loss or damage caused by any delay or violation of the term of the transport contract, if such delay or violation did not arise from any act or omission of the Insured Person (e.g. mistakes made by the consignor of the cargo upon formalisation of the documents, wrong instructions of the consignor, etc.);
- 4.6.** loss caused by insolvency or other financial problems of the consignor or consignee which may hinder the transportation of the cargo;
- 4.7.** loss arising from the insolvency or arrears of the Insured Person or any persons treated as equivalent to them;
- 4.8.** loss caused by a member of the management board of the Insured Person, in respect of which the liability of a member of the management board arising from law is applied;
- 4.9.** loss or damage resulting from temperature, air humidity or any changes therein (including condensation), except in the case such loss or damage was caused by failure of any temperature device or traffic accident or the temperature mode was set incorrectly by the Insured Person and did not comply with the requirements for the carriage of goods. A failure of the temperature device does not include a situation where the device is restarted to restore its operation. Failure to switch on the temperature control device is not regarded as an incorrect setup. A prerequisite for indemnification for losses is that the respective mode of transport has been specially ordered from the Insured Person and the Insured Person also presents the readings of the measuring instruments of temperature devices in addition to any other required documents;
- 4.10.** loss or damage caused by military activities, revolution, coup d'etat, state of emergency, mass disorder, expropriation, confiscation, seizure, preventive measures, exercise of public authority or other similar events which can be regarded as force majeure;
- 4.11.** loss or damage caused by mines, torpedoes, bombs or other abandoned weapons;
- 4.12.** loss or damage caused by strikes, lockouts, disturbances, riots, etc.;
- 4.13.** loss or damage caused by terrorism, including persons acting on the basis of political, ideological, ethnic or religious considerations;
- 4.14.** loss or damage resulting from the use of nuclear energy for any purpose or loss of control thereof, radioactive radiation and radioactive pollution;
- 4.15.** loss or damage caused by an electrical or mechanical fault or

- disorder of the equipment transported, except in the case of the existence of evidence of damage to the package, container or means of transport during the transport of the insured cargo;
- 4.16.** loss or damage caused outside the insurance territory or the insurance period indicated in the insurance policy;
- 4.17.** financial claims which are not caused by any direct proprietary damage (cancellation of the contract, fine, interest, fine for delay, loss of market share, lost profit, non-proprietary damage, absence of permits, including loss from non-admission of the cargo into the country of transit or destination, etc.);
- 4.18.** loss caused by the fact that the consignee refused to accept the goods;
- 4.19.** loss caused by transfer of the goods to a wrong consignee, i.e. to a person for whom the cargo was not designated or who had no right to accept it;
- 4.20.** loss caused by issuance of the goods if the consignee did not present the original copy of the warehouse receipt or a marine transport document (Bill of Lading);
- 4.21.** loss resulting from any circumstances which were or should have been known to the Insured Person before the beginning of the transport or entry into a contract for the provision of services;
- 4.22.** loss which is subject to indemnification on the basis of any compulsory insurance (including third party motor liability insurance) contract or mandatory insurance contract;
- 4.23.** loss which arises from a claim filed against the Insured Person on the basis of the TIR Convention, customs or tax or other guarantee or security or based on the standards of performing the contract;
- 4.24.** loss arising from any deficiency in the cargo, unless there is evidence of any damage to the package or seal of the goods or breaking into the means of transport;
- 4.25.** loss caused by pests or rodents;
- 4.26.** environmental damage and damage caused to the environment and the expenses incurred in the elimination thereof, including pollution;
- 4.27.** mutual claims of Insured Persons;
- 4.28.** loss caused by force majeure, i.e. events which are against the will of the Insured Person and not under their control;
- 4.29.** loss or damage caused by a computer failure, data processing and usage;
- 4.30.** loss or damage caused by the production, processing, testing, adjustment, installation, etc. of the cargo;
- 4.31.** loss which arises from a claim in connection with the ownership or possession of the means of transport, a voyage charter, etc., except for the cases specified in the Special Conditions;
- 4.32.** loss which arises from a claim in connection with the performance of obligations and guarantees arising from the contract of sale of the cargo, including 'cash on delivery' claims;
- 4.33.** loss which arises from a claim in connection with the provision of the services of the Insured Person in the US or Canada;
- 4.34.** loss which arises from the death, illness or injury of people (personal injury);
- 4.35.** loss which arises from a claim in connection with the obligation to enter into an agreement on the insurance of goods.

5. Release of PZU from obligation to perform insurance contract

PZU is released from the obligation to perform the insurance contract in part or in full if:

- 5.1.** the Insured Person has violated, intentionally or due to gross negligence, at least one of the obligations specified in the insurance contract and such violation of obligations had an impact on the occurrence of loss or damage or the size thereof or the determination of the extent of PZU's obligation to perform the contract. If there is a special agreement between the parties, losses caused through gross negligence are also indemnified for;
- 5.2.** the Insured Person has knowingly submitted false information to PZU about the circumstances of the occurrence of loss or damage or the size thereof;
- 5.3.** the Insured Person has caused the loss or damage through gross negligence, except in the case of indemnification for such loss or damage is separately agreed on in the insurance contract;
- 5.4.** the Insured Person has intentionally committed a criminal offence or aided in it or participated in the organisation or performance of illicit trafficking in connection with the provision of transport services;
- 5.5.** the reason for the insured event is the act of the Insured Person or any person treated as equivalent to them under the influence of alcohol or narcotic or other psychotropic substances, unless indemnification for such damage is separately agreed upon in the

insurance contract. If the person who transported/possessed the cargo refuses to ascertain the intoxication immediately after causing the damage, they are deemed to have been under the influence of alcohol, narcotic or psychotropic substances at the time of occurrence of the damage. The same applies in the event that the above-mentioned substances were consumed after the occurrence of the damage but prior to the arrival of the police or before the proposal to ascertain intoxication was made;

- 5.6. the loss or damage is indemnified for by a third party;
- 5.7. the claim filed against the Insured Person has expired or is unjustified;
- 5.8. the Insured Person is not liable for causing the loss or damage according to the current legislation and conventions or is released from liability but accepts the claim filed against them.
- 5.9. If the provision of the insurance service to the Policyholder or the Insured Person or the beneficiary is or becomes in contravention of internationally or domestically established restrictions, prohibitions or sanctions, the insurance cover will not apply as of the day when the aforementioned restrictions, prohibitions or sanctions are applied to the persons referred to.
- 5.10. PZU is released from the obligation to pay the insurance indemnity if the person entitled to receive the insurance indemnity or the final beneficiary of the insurance indemnity is the subject of a sanction of the Government of the Republic or an international sanction.

6. Insurance territory and insurance period

- 6.1. The insurance contract applies in the insurance territory (list of countries or regions) indicated in the policy, except in the insurance territory which is excluded pursuant to the Special Conditions.
- 6.2. The insurance period begins and ends during the period and on the terms and conditions indicated in the policy. The claim filed against the Insured Person must have been filed no later than within one year of the occurrence of the event constituting the basis for the claim and the event having caused the claim must have occurred during the insurance period and within the insurance territory.
- 6.3. The insurance cover commences from the moment the cargo (goods) has (have) been received by the Insured Person (or their subcontractor, agent or any other person for whom the Insured Person is responsible according to the contract for the provision of services) for the transport or handling of the goods (including storage).
- 6.4. The insurance cover terminates from the moment the cargo (goods) has (have) been delivered by the Insured Person (or their subcontractor, agent or other person for whom the Insured Person is responsible according to the contract for the provision of services) to the consignee of the cargo (goods).

7. Sum insured and limit of indemnity

- 7.1. The sum insured is the maximum amount payable per one insured event.
- 7.2. The sum insured is determined according to the value of the cargo at the place of receipt thereof. The value of the cargo is determined on the basis of the invoices of the seller of the goods and any other sale/purchase documents. In the absence of such documents, the market prices in force at the time and in the place of the receipt of the cargo, at which similar goods can be purchased from a free market, are taken as the basis.
- 7.3. The limit of indemnity is the maximum monetary indemnification. The limit of indemnity may be determined both for one insured event and for the whole insurance period, and special limits of indemnity (lower limit) may be determined for different losses. The limits of indemnity are reduced by any disbursed indemnities, the limit of indemnity can be restored by a special agreement. Special limits of indemnity are included in the general limit of indemnity.
- 7.4. The limit of indemnity does not exceed the limits provided for in the international legislation regulating transport (e.g. 8.33 SDR per gross kilogram of damaged or destroyed goods provided for in Article 23 of the CMR Convention); the same principles are applied to other modes of transport). The said limits remain in force upon the determination of the insurance indemnity even if the Insured Person has assumed a higher liability under the contract for the provision of transport services (e.g. Articles 24 and 26 of the CMR) or if these limits are not applied upon determining the liability of

the Insured Person based on a court judgment. The maximum indemnity does not exceed the sum of the value of the goods and the cost of the service insured in any case.

- 7.5. The limits of indemnity of storage contracts (clause 2.2.4.) are determined on the basis of a special agreement between the Policyholder and PZU which is indicated in the insurance policy. A separate limit of indemnity is also agreed on in an insurance contract in the case of other losses to be indemnified for (e.g. clauses 3.2. and 3.3.).

8. Excess

- 8.1. Excess means the amount of money agreed in the insurance contract, which will be covered by the Policyholder upon the occurrence of each insured event.
- 8.2. Several loss events caused at the same time and in the same place and by the same reasons and the claims based thereon are regarded as a single insured event. If multiple excess amounts can be applied as a result of an insured event (for example any special excess indicated in the contract), only the largest of the excess amounts is applied.

9. Insured risk and increase in probability thereof

- 9.1. An insured risk is an unexpected and unforeseeable event against which insurance is made and which can result in the filing of a claim against the Insured Person, except for the cases excluded in clause 4 of these Terms and Conditions.
- 9.2. Increase in the insured risk means circumstances which increase the likelihood of an insured event taking place or the amount of damage which could be caused. Such circumstances include, in particular, any information requested by PZU from the Policyholder before entering into the insurance contract (for example the composition, route, value, package, carrier or forwarding agent, means of transport, carriage period, transshipments and interim storages, security measures, etc. of the cargo). Any material circumstances affecting an insured risk also include failure to comply with or improper compliance with a special or additional condition relating to the insured risk or a safety measure or agreement provided for in the insurance contract.
- 9.3. If the probability of an insured risk increases, the Policyholder must immediately notify PZU thereof, unless the increase in the probability of the insured risk is caused by a commonly known factor which does not affect the insured risk of only this Policyholder.
- 9.4. After entry into the insurance contract, the Policyholder may not increase the probability of the insured risk or permit Insured Persons to do so without the consent of PZU.
- 9.5. If the Policyholder breaches the notification obligation or the obligation to avoid any increase in the probability of an insured risk, PZU is released from the obligation to perform the insurance contract to the extent of the increase in the insured risk provided that the increase in the insured risk affected the occurrence of the insured event.
- 9.6. During the insurance period, PZU is entitled to inspect the goods relating to the provision of services and, in the case of an increase in the probability of an insured risk, request that the Policyholder take additional security measures and/or increase insurance premiums. The above does not exclude the right of PZU to cancel the insurance contract if the probability of the insured risk increases.
- 9.7. The means of transport, goods handling equipment, refrigeration equipment, etc. must be in good technical condition and comply with current legislation and international conventions (ISM Code, etc.).

10. Policyholder's obligations

- 10.1. The Policyholder is obligated to:
 - 10.1.1. comply with the current legislation of the countries of departure, destination and transit of the cargo, the safety measures and special conditions indicated in the insurance contract for safe transportation of the insured cargo;
 - 10.1.2. enter into contracts for the provision of services and give instructions to their employees or persons who represent the Policyholder upon provision of the services, if possible in writing or in a format which can be reproduced in writing;
 - 10.1.3. preserve and submit, at the request of PZU, any documents relating to the transport (e.g. transport order, transport contract,

- delivery notes, invoices for goods, etc.);
- 10.1.4. carefully choose the persons used by the Insured Person upon provision of the services. The Insured Person must also check the existence and validity of insurance contracts covering the activities of such persons (subcontractors);
- 10.1.5. if the Insured Person enters into a contract for the provision of the insured service with a subcontractor, such subcontract must determine the responsibility of the subcontractor at least to the same extent as specified in the contract of the Insured Person entered into with the client;
- 10.1.6. explain the obligations arising from the insurance contract to the persons who are treated as equal to the Insured Person and to the persons organising or executing the transport;
- 10.1.7. give clear instructions in a format which can be reproduced in writing to subcontractors for compliance with the safety requirements arising from the nature of the cargo, including for the preservation of the required temperature or humidity;
- 10.1.8. enter into a property insurance contract against fire, water and burglary risks with regard to the goods stored if the insured service also includes the storage of the goods;
- 10.1.9. enable a representative of PZU to examine the documentation essential for entry into the insurance contract, and to inspect the cargo, as appropriate, prior to the commencement of the transport and at any other time;
- 10.1.10. provide complete and accurate information for the assessment of the insured risk and, upon entry into the insurance contract, disclose all the circumstances known to them which affect PZU's decision to enter into the insurance contract or to do so on the agreed terms and conditions;
- 10.1.11. immediately inform PZU of any increase in the probability of an insured risk (e.g. if changes appear in comparison with the provisions of the insurance contract, if any circumstances become known which increase the probability of an insured event or the amount of possible damage);
- 10.1.12. make every effort to prevent the insured event and minimise the damage, avoid any increase in the probability of any insured risks and not permit the persons equivalent to the Insured Person to increase any insured risks;
- 10.1.13. immediately inform of the emergence of multiple insurance.
- 10.2.** Upon receipt of the cargo, the Insured Person must check the external appearance of the cargo and the package thereof, the number of cargo items, and make a relevant notice in the delivery note in the case of any deficiencies or damage. The condition of the seals of the container or any other goods compartments and the correspondence of their numbers to the accompanying documents of the cargo must also be checked. In the case of any observations, the respective entry must be made in the delivery note or any other goods receipt document.
- 10.3.** The Insured Person and any persons equivalent to them are required to abide by the safety and other goods handling requirements arising from the legislation applicable in the countries of departure, destination and transit and from the insurance contract.
- 10.4.** If the driver of the means of transport carrying the cargo leaves the means of transportation unattended, they must close and lock the windows, doors and hatches of the means of transport, switch on the anti-theft equipment (including the alarm system, immobiliser, etc.) and take with them the delivery documents of the insured cargo and all the keys.
- 10.5.** The driver of the means of transport must ensure reasonable and elementary conditions for storing and preserving the cargo during any rest periods.
- 10.5.1. Rest period means the time when the driver of the means of transport rests or is required to rest pursuant to legislation regulating working and rest time (including breaks for eating).
- 10.5.2. According to these Terms and Conditions, at least one of the following preservation conditions is considered reasonable and elementary:
- physical guarding or guarding ensured by a security company in the territory where the cargo is kept;
 - closed, locked and carefully secured doors, windows, hatches and functioning alarm systems of the means of transport switched on for the rest time if the driver is forced to leave the means of transport temporarily unattended (for a short time, e.g. for the formalisation of documents);
 - the driver of the means of transport is staying in the immediate vicinity of the insured cargo (including in the driver's cab) so that they have an overview of what is happening around the cargo and can intervene in the case of any danger, e.g. notify the police or the rescue board.
- 10.6.** If the occurrence of damage can be presumed, the consigner and other persons whose services the Insured Person uses when organising and performing the carriage must immediately be informed thereof pursuant to the provisions of the transport contract and legislation applicable to transportation. PZU and/or the claims handler appointed by PZU and indicated in the insurance policy must also be immediately informed.
- 10.7.** Upon occurrence of the insured event, the Insured Person is obligated to:
- 10.7.1. immediately take measures to salvage the cargo, prevent any increase in damage and minimise the damage;
 - 10.7.2. immediately inform the following of what happened:
 - a) the police, if theft, stealing of a vehicle, robbery, vandalism or other unlawful acts of a third party are suspected;
 - b) the local rescue board in the event of a fire or explosion of explosives;
 - c) in other cases, a competent authority or person;
 - 10.7.3. upon visible defects or deficiency in the cargo, document the damage (corresponding notations in the delivery notes) immediately after the receipt of the goods; upon hidden defects or deficiency, inform the previous carrier pursuant to the provisions of the transport contract;
 - 10.7.4. submit a written loss notice to the previous carrier or any other person from whom the damaged cargo was received pursuant to the time limits specified in the transport contract and the legislation regulating it;
 - 10.7.5. inform PZU either personally or through their representative of the insured event as soon as possible after becoming aware thereof. If the exact time of the occurrence of the insured event cannot be determined, the insured event is deemed to have occurred as of the moment the Insured Person or a person treated as equivalent to them should have become aware thereof;
 - 10.7.6. if possible, keep the site of the insured event untouched until further notice from PZU.
 - 10.7.7. If the insured event occurs through the fault of any third parties (including carriers and forwarding agents), the Insured Person is required to protect their rights (e.g. prepare a claim in due time against the previous carrier) against the person having caused the loss and for assignment of the right of claim to PZU so that the latter can file a recourse action;
 - 10.7.8. comply with the instructions received from PZU and have the costs incurred upon handling the claim approved, including costs for legal assistance, and obtain an approval for a potential agreement procedure with the person filing the claim.
- 10.8.** The Policyholder must allow the person appointed by PZU to inspect the damaged cargo in its post-insured event condition. The Insured Person is not allowed, without the consent of PZU, to commence the transfer of the damaged insured cargo or disposal of the destroyed cargo.
- 10.9.** The Insured Person is required to submit to PZU all the information which is required to determine the contractual obligations of PZU, including all the accompanying documents of the insured cargo, documents concerning the causes of the loss and the size thereof, and the information exchange with the transport company.
- 10.10.** Documents to be submitted to PZU when learning about the loss (the following list is not exhaustive and the submission of all the documents specified may not be required in the case of each cargo or each event, depending on the nature thereof):
- 10.10.1. loss notice with a short description of the insured event;
 - 10.10.2. claim filed against the Insured Person;
 - 10.10.3. calculation of the amount of damage;
 - 10.10.4. delivery notes of the cargo or other transport documents (Bill of Lading, Airwaybill and CMR document) or other documents accompanying the transport contract;
 - 10.10.5. invoices for goods, commercial invoices, sales contracts and other documents evidencing the value and delivery terms of the cargo;
 - 10.10.6. packing lists, cargo manifests;
 - 10.10.7. instrument of receipt or inspection of the cargo;
 - 10.10.8. letter of explanation of the driver or any other representative of the Insured Person directly related to the case constituting the basis of the claim;
 - 10.10.9. copy of the claim/notice to the carrier/forwarding agent or other person involved in the transport;
 - 10.10.10. statement by the police;
 - 10.10.11. documents certifying the expenses;
 - 10.10.12. customs statements regarding the destruction of/damage to the seals, etc.;
 - 10.10.13. exchange of information with the parties related the damage;

- 10.10.14. all other documents or information relating to the given transport or loss event.
- 10.11.** The Policyholder is obligated to immediately inform PZU of the recovery of any stolen or robbed cargo or of becoming aware of the location thereof in writing or in a format which can be reproduced in writing.
- 10.12.** If a third party indemnifies for the damage, the Policyholder must immediately inform PZU thereof.
- 10.13.** Upon expiry of the insurance period (unless otherwise agreed on in the insurance contract), to submit information concerning the turnover of the services covered by the insurance contract or any other actual amount of units of account no later than within 30 days of the end of the insurance period.
- 10.14.** The above list of the Policyholder's obligations is not exhaustive. Other obligations may arise from other provisions of these Terms and Conditions and other documents relating to the insurance contract.
- 11. PZU's obligations**
- PZU is obligated to:
- 11.1.** introduce the documents relating to the insurance contract to the Policyholder or their representative before entry into the insurance contract. The documents are deemed to be introduced if the texts thereof are made available on paper or via PZU's website; in the case of questions, PZU explains the terms and conditions;
- 11.2.** maintain the confidentiality of the information they have become aware of in connection with the insurance contract;
- 11.3.** register the loss notice and introduce the claims handling and indemnification procedures to the Policyholder or their representative;
- 11.4.** after the receipt of a loss notice from the Policyholder, immediately start handling the claim and ascertain the amount of damage to be indemnified;
- 11.5.** inform the Policyholder as soon as possible of the documents necessary for the ascertainment of the reason for and amount of damage caused as a result of the insured event;
- 11.6.** make a decision on the indemnification of damage or refusal to indemnify at least within 10 working days of the receipt of all the required documents and the ascertainment of the amount and circumstances of occurrence of the damage.
- 12. Insurance indemnity and types of indemnification**
- 12.1.** The insurance indemnity is the amount of money paid in compensation for the property damage caused as the result of an insured event and of necessary and justified additional expenses agreed upon in the insurance contract and incurred in eliminating the consequences of the insured event.
- 12.2.** Indemnification can be monetary or consist in the indemnification for the expenses incurred in restoring or reacquiring the cargo or replacing it with an equivalent one. The type of indemnification is determined by PZU. If the currencies of the sum of the claim against the Insured Person and the sum of indemnity are different, the indemnity is calculated on the basis of the daily exchange rate of the European Central Bank on the day of the occurrence of the loss or damage, or if the day of the occurrence of the loss or damage is unknown, on the day of becoming aware of the loss or damage.
- 13. Indemnification procedure**
- 13.1.** In the case of an insured event, PZU indemnifies for the value of the cargo or any part thereof which is damaged, destroyed or lost as the result of the insured event and other necessary and justified additional expenses agreed on in the insurance contract. The amount of the insurance indemnity is calculated on the basis of the value of the cargo damaged, destroyed or lost as the result of the insured event according to the invoices of goods or other documents specified in clause 7.2.
- 13.2.** The necessary and justified additional expenses agreed in the insurance contract include:
- 13.2.1. reasonable expenses incurred in preventing or minimising damage in the case of an insured event, even if the desired result is not achieved;
- 13.2.2. expenses incurred due to night work or overtime, work on public holidays, expenses related to express deliveries (including air carriages);
- 13.2.3. travel and accommodation costs of the representatives of the manufacturer, importer or distributor repairing the cargo;
- 13.2.4.** expenses incurred in salvaging the cargo to the extent of the amount indicated in the policy (clause 3.3.1). If it is unavoidable and absolutely necessary that the vehicle and/or trailer with a goods compartment be lifted onto the road in order to save the cargo, the costs of lifting it onto the road will be compensated in proportion to the value of the cargo, the vehicle and/or the trailer. The lifting costs are only eligible for reimbursement if the goods are in the means of transport, e.g. in the goods compartment. The value of the cargo is calculated on the basis of a maximum of 8.33 SDR per gross kilogram of goods; the value of the vehicle and trailer is calculated on the basis of the market price in Estonia at the time of the occurrence of the damage. The limit of indemnity for the lifting costs is 5 000 euros per case and these will only be reimbursed if they are not covered under the mandatory insurance or vehicle insurance contract. The lifting costs are not reimbursable if the goods in the vehicle or trailer are not in danger. PZU does not reimburse the costs of transporting the vehicle and trailer to a repair shop, car park, etc.
- 13.2.5. expenses incurred in transporting the damaged cargo from the accident site to the storage facility.
- 13.3.** If the restoration of the cargo is not technically or economically justified, the insured cargo is deemed to have been completely destroyed (total loss).
- 13.4.** Upon total loss of the cargo, the value of the insured cargo (up to the sum insured), less the residual value of the cargo and excess, is indemnified.
- 13.5.** PZU is entitled to use the services of third parties when handling insurance claims.
- 13.6.** If PZU has issued a confirmation of the existence of an insurance contract to any third parties, this information is of an informative nature and does not constitute an acknowledgement of any obligations or waiver of any rights by PZU.
- 13.7.** PZU is entitled to set off their obligation assumed under the insurance contract against the insurance premiums payable under the insurance contract but not yet paid until the end of the insurance period.
- 13.8.** PZU has the right, upon agreement with the Policyholder, to indemnify the person submitting the claim against the Insured Person directly for the loss. The Policyholder is obligated to reimburse the excess.
- 13.9.** If the Policyholder or Insured Person recovers the property stolen or robbed after the insurance indemnity has been paid out, the property must be transferred to PZU or the insurance indemnity must be repaid.
- 13.10.** If the loss arose due to the acts of any third parties, PZU has the right to delay the indemnification decision until the termination or suspension of the administrative or criminal proceedings or until charges are brought against the person at fault or until a judicial decision is reached in the judicial proceedings related to the case. Any delay in making the indemnification decision is permitted only in a situation where the procedural decisions made by competent authorities with respect to any activities of third parties have an impact on determining the indemnification obligation of PZU and the extent thereof.
- 13.11.** The value added tax or other taxes refunded to the owner or possessor of the cargo according to the Value Added Tax Act or other legislation, and the loss indemnified for pursuant to law or an administrative ruling of the state, local government entity or a legal person governed by public law is not subject to indemnification.
- 13.12.** The cargo is deemed lost if no information has been received of the cargo and/or the means of transport used to carry the cargo within 30 days in the case of domestic carriages or within 60 days in the case of international carriages as of the expected date of arrival in the destination.
- 13.13.** After the disbursement of the insurance indemnity, the right of claim of the Policyholder or Insured Person against the person responsible for the damage is transferred to PZU to the extent of the disbursed indemnity. At PZU's request, the Policyholder is obligated to enter into a written agreement on the assignment of the right of ownership of the cargo and assignment of the claim.
- 13.14.** PZU indemnifies for any reasonable and unavoidable expenses incurred in removing the remains of the cargo from the place where the damage was caused and the expenses incurred in removing the cargo from the means of air or maritime transport, except for expenses relating to contamination or other environmental damage or related to causing damage to the environment. The indemnity payable under this clause may not exceed EUR

10,000.

- 13.15.** If the damaged part of the cargo can be replaced, the expenses incurred in replacing this part (including transportation costs) are indemnified for provided that the expenses do not exceed the value of the cargo.

14. Refunding insurance indemnity

The Policyholder is required to immediately refund the insurance indemnity to PZU if, after indemnification, any circumstances excluding indemnification have become evident or if the damage has been indemnified by a third party.

15. Processing of customer complaints

- 15.1.** If the Policyholder or any other person concerned is not satisfied with the activities of the insurer, they are entitled to submit a complaint to PZU.
- 15.2.** The complaints are processed according to PZU's procedure for processing of customer complaints, the principles of which are published on the website of PZU.
- 15.3.** Dissatisfaction of customers stated either in writing or in a format which can be reproduced in writing is registered as a complaint.
- 15.4.** PZU registers customers' complaints as soon as possible but no later than within one working day as of the receipt of the complaint. The customer is informed of the registration of their complaint and the deadline for replying to it.
- 15.5.** Complaints are responded to as soon as possible but no later than within seven working days of filing the complaint. PZU may extend the deadline for responding to the complaint with good reason by informing the client of the new deadline and the reasons for delay in responding immediately when the need for extension of the deadline arises.

16. Settlement of disagreements

- 16.1.** The Policyholder has the right to turn to the insurance conciliation body operating under the Estonian Insurance Association in order to settle a dispute with PZU. The insurance conciliation body will be contacted and the dispute will be settled therein in accordance with the procedure of the insurance conciliation body (see the website of the Estonian Insurance Association at www.eksl.ee).
- 16.2.** Any disputes arising from the insurance contract, including disputes which the insurance conciliation body failed to resolve, are settled in court.

17. Procedure for delivery of notices

Any notices communicated upon performance of the insurance contract have to be delivered in a format reproducible in writing or by calling PZU at the telephone number indicated in the insurance policy.

18. Other terms and conditions

PZU has the right to record phone calls related to the performance of the insurance contract.

19. Terms and definitions

- 19.1.** Trailer – means of transport designed and built for carriage of goods which is not independently mobile and which is drawn by a vehicle or traction unit.
- 19.2.** ISM Code, i.e. International Safety Management Code – rules regarding requirements for vessels and their owners and operators.
- 19.3.** Goods handling equipment – pallets, frames, boxes, lifting and supporting structures, cables, belts and other means for fastening goods, partitions for separating goods, containers, trailers, temperature or humidity regulators and other equipment used for safe loading of goods, fastening of goods in the means of transport or for securing the cargo in any other manner for safe carriage thereof.
- 19.4.** Insured services – services provided by the Insured Person to clients which are indicated on the insurance policy and to which the insurance contract applies.
- 19.5.** Insurable interest – the Insured Person must be the person related to the transportation or handling of the cargo. The possessor of the cargo, the person organising or providing the transport service

or any other person with a proprietary interest in the insured cargo is the interested person.

- 19.6.** Insurance certificate – a certificate issued by PZU to the Policyholder which certifies the existence of an insurance contract. The list of insured services and the limits of indemnity according to the terms and conditions determined in the insurance contract are indicated on the certificate. The certificate is to be presented to the service provider or any other persons with proprietary interest in the goods transported or handled.
- 19.7.** Client – owner, buyer, seller, consignor, consignee, carrier, forwarding agent of the goods and other persons holding the right to dispose of the goods and having entered into a service contract with the Insured Person.
- 19.8.** Third party – any person not related to the provision of the transport service governed by the insurance contract and not the owner or possessor of the goods related to this transport service.
- 19.9.** Constructive total loss – a situation where the costs of the restoration of the cargo, its carriage to the destination and salvaging thereof exceed the insurable value thereof.
- 19.10.** Container – any receptacle of goods with a certain shape adjusted for the carriage of goods, which can be separated from the means of transport (lorry, trailer) and which is designed and built for the repeated carriage of goods and can be handled by lifting gear and various mechanisms.
- 19.11.** Minimum insurance premium – the minimum payment due for the insurance period which is not reduced even if the actual turnover of the services or any other unit of account falls below the estimated one.
- 19.12.** Burglary – theft of the cargo from its storage premises or means of transport by breaking into it by means of removing the barrier (lock, fence, trailer tent, etc.).
- 19.13.** Package – cardboard boxes, wrapping or framework of film, paper, plastic and any other material prescribed by the producer for the transportation or realisation of the goods. Containers and other goods handling equipment are not regarded as packages.
- 19.14.** Estimated services turnover – a forecast submitted by the Insured Person to PZU for the turnover of the services, including fees payable to subcontractors (cash turnover according to the invoices issued to the buyers, quantities of goods handled, etc.) during the insurance period which constitute the basis for the assessment of the risk and calculation of the insurance premium by PZU.
- 19.15.** Gross negligence – failure to comply with the due diligence requirement to a significant extent.
- 19.16.** Standard contract – standard terms and conditions for the provision of services and the form of contract which constitutes the basis for the legal relationship between the Insured Person and their client.
- 19.17.** Tariff – a percentage of the turnover of the services or the amount of money for one unit of account (e.g. means of transport, container, unit of weight of the goods, etc.) based on which the insurance premium is calculated and which is also used for the recalculation of the insurance premium.
- 19.18.** Delivery terms – Incoterms, the international rules which stipulate the obligations of the purchaser and seller under a sales contract and the transfer of the risk of accidental loss or destruction of cargo upon delivery thereof.
- 19.19.** Actual turnover of the services – the actual turnover of the services declared by the Policyholder to PZU, including fees payable to subcontractors (cash turnover according to the invoices issued to the buyers, quantities of goods handled, etc.) during the insurance period which can constitute the basis for the recalculation of the insurance premium.
- 19.20.** Means of transport – lorry, hoist, carriage, trailer, etc., which are used for transporting the cargo. Containers and goods handling equipment are not regarded as means of transport.
- 19.21.** Transport contract – a contract entered into by the consignor or consignee of the cargo for the carriage thereof via the agreed route. For the purpose of these Terms and Conditions, a contract organising the transport or any other contract for handling of the goods in connection with the transportation of the insured cargo is also regarded as a transport contract.
- 19.22.** Legislation applicable to transport contracts – national or international provisions, conventions or rules (e.g. the Law of Obligations Act, Convention on the Contract for the International Carriage of Goods by Road, the Hague-Visby Rules, etc.), which provide for the carrier's liability and other legal relationships between the parties to a transport contract.
- 19.23.** Cargo (goods) – a movable the transportation, storage or handling

of which is performed or organised by the Insured Person based on a contract for the provision of services entered into with their client.

- 19.24.** Provider of transport services – a person organising or performing the transport of the insured cargo or a person involved in the transportation process, i.e. a forwarding agent, carrier, stevedore, terminal or warehouse keeper and other similar companies who have been issued the respective activity licence and who adhere to international or national legislation in their activities.
- 19.25.** General average – a situation where a part of the cargo is sacrificed for rescuing the vessel and the cargo on the vessel (cargo, means of transport) and where the principles of General Average Adjustment (described in the York Antwerp Rules) are applied upon determination of the indemnities to the injured persons, i.e. owners of the vessel and the cargo whose assets were rescued are liable to the owners of the assets sacrificed (injured persons) in proportion to the value of the assets rescued.

Special Conditions

Liability of Insured Person to third parties with regard to containers and/or trailers F200/2024

Effective as of 1 December 2024

If PZU and the Policyholder have reached a separate agreement, the insurance cover also applies to any damage or loss incurred due to destruction of, damage to or loss of any containers and/or trailers not belonging to the Insured Person but temporarily granted into their possession or use for the time of provision of the insured service, provided that

- the loss arose due to the fault, error or negligence of the Insured Person upon provision of the insured service;
- the loss arose in the insurance territory and during the insurance period indicated in the policy;
- the Insured Person has the obligation to indemnify for such loss pursuant to the contract entered into with the owner or possessor of the containers and/or trailers, respectively, or pursuant to the law.

Any damage to containers and/or trailers which are owned by the Insured Person or are in the long-term possession of the Insured Person based on a lease or other financing contract is not subject to indemnification. For the purposes of these Terms and Conditions, long-term possession is deemed to mean a situation where the containers and/or trailers have been granted into the possession or use of the Insured Person not only for the time of provision the insured service but for repeated operations during a longer time period.

The indemnification determined on the basis of this Special Condition does not exceed the repair costs, reinstatement value of the containers and/or trailers, the declared value agreed on in the insurance contract or the market value of such containers and/or trailers, whichever is the lowest. If it becomes evident that the value of the insured containers and/or trailers is higher than the limit of indemnity indicated in the policy, the provisions concerning underinsurance apply upon determination of the indemnity.

In the case of containers and/or trailers, any losses arisen from the following are not subject to indemnification:

- the fact that the container and/or trailer was used by a third party;
- a circumstance that is in a causal relation to the non-intended use of the container and/or trailer or violation of any manufacturer's specification or restriction;
- rust, oxidation, corrosion, discoloration;
- scratches, denting, chipping etc.;
- electrical, electronic or mechanical failure, fault or disorder, etc.;
- inherent characteristics, error or defect, normal wear and tear or rupture;
- failure of tyres or brakes;
- seizure, establishment of preventive measures, etc.;
- inexplicable disappearance or damage.

PZU indemnifies for any reasonable and unavoidable expenses arising from the rescue, destruction or towing of any containers and/or trailers belonging to third parties from the place of occurrence of damage, except for any costs in connection with contamination, other environmental damage or damage caused to the environment. The maximum amount of indemnity payable under this clause is EUR 10,000 (ten thousand).

Indirect costs and profit lost in connection with the lack of possibility to use containers and/or trailers, lease or rent payments of containers, trailers or goods handling equipment, etc. are not subject to indemnification.

A loss is not indemnified for if the Insured Person has made the containers and/or trailers available to any third parties.

Liability of Insured Person to third parties F210/2024

Effective as of 1 December 2024

If the implementation of this Special Condition has been agreed on in the insurance contract, any loss arisen to the assets of third parties during the transportation or loading of the cargo in connection with the provision of insured transport services by the Policyholder is also indemnified for under the insurance contract.

Any person who is not the Insured Person or a person whose services the Insured Person uses upon provision of freight forwarding services (carrier, other forwarding agent, stevedore, etc.) is regarded as a third person.

The following losses are not subject to indemnification:

- damage to means of transport or lifting equipment (hoist, car, trailer, vessel, airplane, etc.);
- loss caused by soil, air or water pollution (including costs of decontamination of soil, air or water);
- loss the indemnification of which is excluded by other terms and conditions of the insurance contract.

Work equipment and personal effects of Insured Person F230/2024

Effective as of 1 December 2024

If PZU and the Policyholder have separately agreed thereon, any loss which has arisen, due to the performance of the contract for the provision of services, to the work equipment, devices and samples of employees of the Insured Person which are owned or possessed by the Insured Person is also subject to indemnification.

For the purposes of these Special Conditions, the following high-tech equipment and their components are not covered by the insurance:

- laptop and tablet computers, mobile phones;
- navigation equipment;
- plasma and LCD screens;
- hard disks, CDs and DVDs;
- components of high-tech equipment, such as chips, processors, memory, audio or video cards or other components used in high-tech equipment.

Storage F240/2024

Effective as of 1 December 2024

If the extension of the insurance cover to storage has also been agreed on in the insurance contract, these Special Conditions apply to such storage. The extent of the liability of the Insured Person is determined on the basis of the Estonian Logistics and Freight Forwarding Association's (ELFA) General Terms and Conditions for Warehousekeepers. The indemnity is determined on the basis of the limits specified in the ELFA's General Terms and Conditions for Warehousekeepers, but the indemnity payable in no case exceeds the one indicated in the insurance policy.

All the terms and conditions of the insurance contract apply to storage at the places specified in the insurance contract and during the period of storage of the cargo, except as regards any damage or loss for which the Insured Person is not liable according to the ELFA's General Terms and Conditions for Warehousekeepers and except for any damage or loss resulting from the following (i.e. damage not subject to indemnification):

- unexplained loss or accounting deficit;
- processing or handling of the cargo or changes made to the cargo in any other manner;
- theft of the cargo from an open territory (not surrounded with a fence and not constantly guarded by a security company);
- theft of the cargo from a building or a territory which is surrounded with a fence and is guarded by a security company is only indemnified in the case of a burglary. The

building where the insured cargo is stored has to be equipped with all basic fire extinguishing devices required by the legislation applicable in the respective country, and with fire and anti-theft alarm systems; and

- the Insured Person must have a valid maintenance and security contract;
- the storage place may not be left unguarded, unless there is a functioning alarm system connected with a security company and the system is switched on.

If the contract entered into between the Insured Person and a security company expires or is amended, PZU must be informed thereof and PZU's instructions have to be followed.

The Insured Person must comply with the user manuals of the fire extinguishing devices and alarms and adhere to their inspection or testing terms. PZU must be informed of any replacement of or changes to the fire extinguishing devices and alarm systems. PZU is entitled to suspend the insurance cover during the replacement, change or repair period.

At PZU's request, the Policyholder must allow PZU to inspect the storage facility and the fire extinguishing and alarm systems.

Gross negligence F250/2024

Effective as of 1 December 2024

If PZU and the Policyholder have separately agreed thereon, the insurance cover also applies to any losses which were caused by gross negligence of an employee of the Insured Person or any person equivalent to the Insured Person or by any acts of an employee of the Insured Person or any person equivalent to the Insured Person under the influence of alcohol or narcotic or other psychotropic substances.

However, the limits of insurance indemnity do not exceed the limits provided for in international transport conventions (for example 8.33 SDR per gross kilogram of damaged or destroyed goods provided for in Article 23 of the CMR Convention, the same principles are applied to other modes of transport), and this even if the Insured Person or any person treated as equivalent to them cannot rely on the given limits when raising objections against a claim raised against them due to their acts which are regarded as gross negligence. The maximum amount of indemnity (limit of indemnity) is indicated in the insurance policy.

