

# TERMS AND CONDITIONS OF COMPREHENSIVE VEHICLE INSURANCE A300/2017



Effective as of 28.03.2017

These terms and conditions of insurance (hereinafter also the Terms and Conditions) are a part of the comprehensive vehicle insurance contract entered into between AB Lietuvos draudimas Estonian Branch (hereinafter the Insurer or PZU) and the policyholder. These Terms and Conditions of Insurance are applied with the PZU General Terms and Conditions of Insurance Contracts. In any issues not regulated in the Insurance Terms and Conditions the parties to the insurance contract proceed from the Law of Obligations Act and other legislation.

## 1. Insured object

- 1.1. The insured object is the normal-use vehicle indicated in the policy in the state of completeness it was in at the time of the first sale and the accessories installed on the vehicle after the first sale within the maximum limit of indemnity specified in the policy. First sale means the first time the vehicle was sold to an end-user.
- 1.2. Short-term rental of the vehicle (for up to six months), provision of taxi or ride-sharing services (e.g. Uber or Taxify), and use as a courier, alarm, learning or security company's patrol vehicle is not regarded as normal use of the vehicle.
- 1.3. Any bicycles attached to the vehicle are insured against the risk of accidents within the scope of the sum insured of the accessories.
- 1.4. Accessories mean any equipment permanently attached to the vehicle and not provided with the vehicle by the manufacturer, such as entertainment, multimedia, navigation, communications and consumer equipment, auxiliary lights, body details (spoiler, front grille, etc.), alloy wheels, supplementary bumpers, nerf bars, winch, stickers, taxi devices and a safety seat or carry cot installed in the vehicle, a roof box, roof racks or bike rack mounted on the vehicle.
- 1.5. Any reconstruction of the vehicle and special equipment are also deemed to be accessories. *For example, the reconstruction and equipment of a recreational vehicle, refrigerating equipment, reconstruction and equipment of a medical, rescue, alarm or emergency vehicle.*
- 1.6. The following items attached to the vehicle after the first sale are not deemed to be insured objects:
  - 1.6.1. equipment and details intended for competing, racing or training;
  - 1.6.2. 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 respect of the policyholder and persons equivalent to the policyholder pursuant to clause 8.1 of the Terms and Conditions, in the course of which the insured object is damaged, destroyed or lost, and in the case of which the Insurer becomes obliged to perform the contract. An event is an insured event if any of the events described above take place during the term of validity of the insurance cover. The damage caused to the vehicle at different times is regarded as different insured events.
- 2.2. The insured events covered by the **Mini Kasko** product are:
  1. accident;
  2. vandalism;
  3. theft.

- 2.3. The insured events covered by the **Kasko** product and the related services subject to indemnification are:
  1. event covered by comprehensive insurance (incl. accident, vandalism, theft);
  2. PZU Autoabi roadside assistance;
  3. new value insurance (in the case of a special agreement indicated in the policy);
  4. lease value insurance (in the case of a special agreement indicated in the policy);
  5. replacement car (in the case of a special agreement indicated in the policy);
  6. trailer insurance (in the case of a special agreement indicated in the policy);
  7. luggage insurance (in the case of a special agreement indicated in the policy).
- 2.4. The insured events covered by the **Kasko Plus** product and the related services subject to indemnification are:
  1. event covered by comprehensive insurance (incl. accident, vandalism, theft);
  2. PZU Autoabi roadside assistance;
  3. new value insurance;
  4. lease value insurance;
  5. replacement car;
  6. technical breakdown;
  7. rental car insurance;
  8. trailer insurance (in the case of a special agreement indicated in the policy);
  9. luggage insurance (in the case of a special agreement indicated in the policy).
- 2.5. **Event covered by comprehensive insurance** means the sudden and unexpected damage, loss or destruction of the vehicle, except for the cases excluded in point 2.17 of the Terms and Conditions (events that are not insured events and in the case of which the Insurer is not obliged to indemnify the loss). Sudden and unexpected damage or destruction means an event in which the vehicle is damaged or destroyed as a result of an external mechanical impact. For example, the damage caused when the vehicle is driven off the road is subject to indemnification. Non-mechanical damage resulting from impairment or destruction caused by a technical fault in the vehicle's software, electrical equipment, meters, lights or other components is not subject to indemnification.
- 2.6. **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/or fire-extinguishing operations) or explosion (incl. the detonation of an explosive).
- 2.7. **Vandalism** means damage intentionally caused to the vehicle by a third party.
- 2.8. **Theft** means the loss of or damage to the insured object or parts thereof as a result of theft, unauthorised use, robbery or attempts thereof. Unauthorised use means unlawful possession of the insured object by a third party without the intent of acquisition.
- 2.9. **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:
  - 2.9.1. the vehicle has only been in normal use during the insurance period;
  - 2.9.2. the vehicle was registered for the first time in Estonia and no more than one year has passed since registration by the time of the insured event.
- 2.10. **Lease value insurance:** if the loss is not indemnified on the

- basis of the new value insurance when the vehicle is destroyed, the loss amount will be the residual value of the lease contract immediately before the insured event if all of the following conditions are met at the same time:
- 2.10.1. the vehicle has only been in normal use during the insurance period;
  - 2.10.2. the vehicle was registered for the first time no more than seven years ago;
  - 2.10.3. the residual lease value of the vehicle does not exceed 35,000 euros;
  - 2.10.4. the market value of the vehicle immediately before the insured event is smaller than the residual value of the lease contract immediately before the insured event.
- The residual value of the lease contract only means the value of the vehicle according to the lease contract and the schedule immediately before the insured event that does not include any other possible monetary obligations of the lessee (e.g. overdue lease payments, interest, contractual penalty, costs and charges related to the contract) to the lessor.
- 2.11.** The policyholder has the right to use the **replacement car** service in the case of an insured event subject to the indemnification by PZU on the following conditions:
- 2.11.1. the vehicle has only been in normal use during the insurance period;
  - 2.11.2. A replacement car can only be used if and for as long as the use of the insured vehicle in road traffic is not permitted or objectively possible after the occurrence of an insured event.
  - 2.11.3. A replacement car can be used for up to 30 days during a single insurance period.
  - 2.11.4. In the case of theft or complete destruction of the vehicle, a replacement car can be used for as long as the insurer has made the indemnification decision, but not longer than 30 days.
  - 2.11.5. A replacement car will not be provided if restoring the vehicle takes less than 24 hours or if the amount of the loss is smaller than the excess specified in the policy.
  - 2.11.6. A replacement car will not be provided in the case of events covered by PZU Autoabi roadside assistance and rental car insurance.
  - 2.11.7. In Estonia, a replacement car will be provided by a partner of PZU within a reasonable time at the place and time determined by PZU.
  - 2.11.8. In Estonia, the policyholder must enter into a contract for using the replacement car with the provider of the replacement car determined by PZU.
  - 2.11.9. The replacement car must be returned within 24 hours upon the demand of PZU or the provider of the replacement car determined by PZU.
  - 2.11.10. In the case of a loss event that occurs abroad, the replacement car will be rented by the policyholder. The maximum indemnity for the use of a replacement car per rental day is 50 euros including VAT.
- 2.12.** In the case of **rental car insurance**, the claims of the car rental company against the policyholder who is a private individual, which have arisen in relation to the rental car as a result of an accident, vandalism or theft defined in these Terms and Conditions, will be indemnified.
- 2.12.1. Rental car insurance is valid on the condition that the car specified as the insured object in the policy is not used in road traffic during the rental period of the rental car.
  - 2.12.2. For the purposes of Estonian legislation, a rental car means a category M1 or M1G vehicle, the rental period of which is not longer than 30 days.
  - 2.12.3. Rental car insurance is valid all over the world, except for vehicles rented in Estonia, Azerbaijan, Georgia, Kazakhstan, Moldova, Ukraine, Belarus and Russia or loss events that have occurred in these countries with rental cars rented from elsewhere.
  - 2.12.4. The maximum indemnity per insured event is 16,000 euros. The loss caused by up to three rental car insurance events will be indemnified during the insurance period.
  - 2.12.5. These Terms and Conditions and the agreements specified in the policy are applied upon the insurance of a rental car.
  - 2.12.6. A rental car may not be used for economic activities or driving practice.
  - 2.12.7. One of the preconditions for the indemnification of a rental car insurance event is that the rental company must have filed a claim for compensation against the policyholder.
- 2.12.8. The contractual penalties and default interest arising from the rental contract or law will not be indemnified. The (traffic) fines received during the use of a rental car and/or the default interest arising from these are also not subject to indemnification.
- 2.12.9. PZU must be notified about any rental car insurance events as soon as possible, but not later than within 30 days of the occurrence of the insured event, otherwise PZU will have the right to reduce the indemnity or refuse to pay it out.
- 2.13.** A **technical breakdown insurance** event means a sudden and unexpected malfunction of the vehicle's engine, engine cooling system, engine control electronics; transmission, transmission cooling system, transmission control electronics, brake system or steering system, provided that none of the exclusions set out in clauses 2.17.18 and 2.17.19 of the Terms and Conditions exist. The costs of repairing a technical breakdown will be indemnified if all of the following conditions are met at the same time:
- 2.13.1. the vehicle has only been in normal use during the insurance period;
  - 2.13.2. the vehicle was registered for the first time no more than six years ago;
  - 2.13.3. the good technical condition and smooth functioning of a vehicle that was registered for the first time outside the Republic of Estonia has been confirmed by the Estonian distributor of the respective car brand or a company approved by PZU. The confirmation must be given in a format that can be reproduced in writing prior to the occurrence of the loss event, but not earlier than 30 days before the insurance contract enters into force;
  - 2.13.4. the actual distance covered by the car does not exceed 130,000 kilometres at the time of the insured event;
  - 2.13.5. the vehicle has undergone the maintenance prescribed by the manufacturer at the right time and it has been performed by a competent person.
- If all of the conditions listed in this clause and its sub-clauses are met, the expenses of disassembly of the vehicle, diagnostics and requesting an expert opinion, which are necessary for determining the cause and extent of the technical breakdown as well as the expenses of reassembly of the vehicle, will be indemnified.
- 2.14.** **PZU Autoabi roadside assistance** is applied if driving the vehicle further is obstructed by a sudden and unexpected event, for example a traffic accident or a technical breakdown, driving off the road, the vehicle getting stuck in snow or sand, the vehicle running out of fuel, a flat tyre, a malfunction of the alarm system or the vehicle not starting. The PZU Autoabi roadside assistance service is only valid if ordered by calling the contact number of PZU. The persons who were in the vehicle will be taken from the scene of the event to their destination within the territory of Estonia via the PZU Autoabi roadside assistance service.
- 2.15.** **Trailer insurance** is valid if the policyholder chose this additional cover when entering into the insurance contract. The damage caused to the trailer as a result of a comprehensive insurance event defined in these Terms and Conditions is indemnified on the following conditions:
- 2.15.1. the trailer was hooked up to the vehicle at the time of the insured event;
  - 2.15.2. the technical condition and equipment of the trailer correspond to the requirements established with legislation;
  - 2.15.3. the trailer that was hooked up complies with the requirements and restrictions established by the manufacturer of the vehicle that pulled the trailer;
  - 2.15.4. the damage caused to the luggage in the trailer will only be indemnified if the additional luggage cover was selected when the insurance contract was entered into. The term "luggage" is defined in clauses 2.16 and 2.16.1 of these Terms and Conditions;
  - 2.15.5. trailer damage will be indemnified to the owner of the trailer specified on the trailer's registration certificate;
- 2.16.** **Luggage insurance** is valid if the policyholder chose this additional cover when entering into the insurance contract. The loss caused to the personal belongings (luggage) of the possessor of the vehicle and the passengers, which were located in the boot of the vehicle, by the damage, destruction

or loss arising from a comprehensive insurance event defined in these Terms and Conditions is indemnified on the following conditions:

- 2.16.1. cash, securities, valuables, jewellery, documents (incl. photos, plans, drawings), electronic data media, photographic equipment, audio and video equipment, computers, mobile phones and equipment and tools are not regarded as luggage;
  - 2.16.2. in the case of theft or robbery or luggage, the loss is subject to indemnification only if the luggage was hidden in the locked boot or roof box of the vehicle;
  - 2.16.3. in the case of the additional trailer insurance cover, the luggage that was in the trailer is subject to indemnification, excl. the loss caused by the theft or robbery of the luggage.
- 2.17. The following is not regarded as loss caused by an insured event and not subject to indemnification:**
- 2.17.1. loss that occurred outside the insurance territory specified in the insurance policy;
  - 2.17.2. loss caused by the theft or unauthorised use of the vehicle if the key of the vehicle was in the vehicle at the time the vehicle was stolen or taken for unauthorised use. "Key" means any mechanical or electronic keys, cards, remote keys and any other devices used for unlocking the vehicle or operating its security and/or alarm devices that were part of the vehicle configuration at the time the insurance contract was entered into;
  - 2.17.3. loss caused by the theft or unauthorised use of the vehicle, the insured parts thereof or luggage if the vehicle was not locked or if the vehicle lacked the anti-theft equipment required by PZU or if such equipment was not activated or in working order before the theft or unauthorised use, and also if the luggage was not in the locked boot or roof box;
  - 2.17.4. the expenses of maintenance, repairs, washing and cleaning that are not related to an insured event;
  - 2.17.5. loss if the technical condition of the vehicle does not comply with the requirements of the insurance contract and/or legislation;
  - 2.17.6. loss if PZU was not properly notified of the transfer of the vehicle and the insured event occurs more than 30 days after the time when PZU should have received the relevant notice;
  - 2.17.7. loss caused by overloading any equipment in the vehicle during operation;
  - 2.17.8. the expenses related to the faster-than-usual delivery of the parts of the vehicle and any other work done faster than usual;
  - 2.17.9. loss caused by non-standard reconstruction of the vehicle (incl. performance tuning or chip tuning)
  - 2.17.10. loss caused by wear and tear of the vehicle (incl. in relation to theft or unauthorised use);
  - 2.17.11. loss caused by corrosion, mould or any other long-term processes;
  - 2.17.12. loss caused by freezing;
  - 2.17.13. loss caused by water getting into the engine;
  - 2.17.14. loss caused by inadequate or incorrect maintenance, incorrect repairs and/or handling of the vehicle;
  - 2.17.15. loss caused to the fuel system of the vehicle (incl. high-pressure pump and injection system) due to the use of low-quality or wrong fuel;
  - 2.17.16. loss resulting from the inadequate quantity or poor quality of oil, cooling liquid, brake and/or transmission fluid;
  - 2.17.17. loss that has occurred due to a fault, error, damage, etc., that is repaired under warranty;
  - 2.17.18. loss related to a technical fault in the vehicle's fuel system (incl. in the turbo and displacement compressor, intercooler, injection pump and accumulator); in the exhaust system and exhaust treatment system (incl. the catalytic converter); in the climate control equipment (incl. the conditioner); and in the display, suspension system, chassis, wheel bearing or a brake disc, shoe or calliper;
  - 2.17.19. loss arising from a technical fault if the fault is related to the modification (incl. tuning) of the vehicle or a part thereof;
  - 2.17.20. loss arising from a technical fault if the vehicle has previously been declared fully destroyed by an insurance company or authority. This provision is also applied if the relevant decision was made by an insurance company or authority located in a foreign state;
  - 2.17.21. loss caused by tyre damage (excl. loss caused by vandalism)

if it did not occur alongside any other damage to the vehicle that is subject to indemnification;

- 2.17.22. loss caused to the vehicle in relation to the policyholder losing possession of the vehicle as a result of fraud or extortion;
- 2.17.23. loss caused by theft or robbery of any parts removed or dismantled from vehicle by the policyholder or with the knowledge of the policyholder;
- 2.17.24. loss caused by theft or unauthorised use of the vehicle if all the vehicle keys were not handed over to PZU along with the request for indemnification;
- 2.17.25. cost of the fuel that leaked out of the vehicle as a result of an insured event or resulted from the theft of fuel;
- 2.17.26. car art damaged as a result of an insured event;
- 2.17.27. loss caused by using the car in competitions or training;
- 2.17.28. 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;
- 2.17.29. loss to the trailer that occurred before it was hooked on and after it was unhooked from the vehicle;
- 2.17.30. loss caused by the theft, unauthorised use or robbery of the trailer, incl. the luggage in the trailer;
- 2.17.31. loss that became known to the owner of the vehicle only after the owner regained possession of the vehicle and the occurrence of which as a result of an insured event set out in these Terms and Conditions cannot be proven by the policyholder;
- 2.17.32. loss caused as a result of pets being inside the vehicle;
- 2.17.33. loss caused by the appropriation of the vehicle.

### 3. Release of PZU from obligation to perform insurance contract

In addition to the bases set out in the General Terms and Conditions of Insurance Contracts, PZU will be partially or fully released of the obligation to perform an insurance contract if:

- 3.1. the person who drove the vehicle was under the influence of alcohol, drugs or psychotropic substances at the time of the traffic accident;
- 3.2. the person who drove the vehicle refused to have their intoxication determined immediately after the occurrence of the loss or consumed the substances specified in clause 3.1 after the occurrence of the loss;
- 3.3. the person, who drove the car at the time of the traffic accident, does not have the right to drive a vehicle of the respective category;
- 3.4. the policyholder used the vehicle to assist in the commission of a crime or an attempted 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 and maximum indemnity

- 5.1. The sum insured is the market value of the car in Estonia immediately before the insured event. The cost of any accessories installed on the vehicle after the first sale will not be taken into account when the sum insured is determined.
- 5.2. The maximum indemnity for the accessories installed after the first sale of the car, luggage insurance and trailer insurance is specified in the policy.
- 5.3. The sum insured will not decrease by the indemnity (indemnities) that have been paid out.

### 6. Excess

- 6.1. Excess means the part of the loss determined in the insurance contract not indemnified by PZU in the case of every insured event. If the damages to the vehicle were caused at different times and independently of each other, PZU will have the right to apply excess in the case of each insured event.
- 6.2. The amount of applicable excess will be doubled if the person who drove the vehicle at the time of the traffic

accident was under 24 years of age and the fact that the primary user of the vehicle is a person under 24 years of age is not specified in the policy issued to the policyholder who is a private person. The aforesaid shall not apply in the case of a policyholder who is a legal person.

- 6.3.** The cost of repairing and replacing window glass will be indemnified without the application of excess, unless otherwise specified in the policy. Sunroofs or glass roofs are not deemed to be window glass.
- 6.4.** Loss caused by a collision with a wild animal will be indemnified without the application of excess. Excess will be applied to the indemnification for a loss related to avoiding a collision with a wild animal.
- 6.5.** Double excess will be applied to insured events covered by the Kasko product if the vehicle is repaired, restored or replaced outside Estonia.
- 6.6.** In the case of the Kasko Pluss product, the cost of replacing the lost (incl. stolen or robbed) vehicle keys will be indemnified to the extent of 500 euros without the application of excess. The cost of replacing the keys will be indemnified on the condition that two sets of keys existed at the time the insurance was taken out.

## **7. Increase in probability of insurance risk**

- 7.1.** Transfer of the vehicle, deletion of the vehicle from the Traffic Register, changing the use (normal use) of the vehicle, malfunction of the locking systems of the vehicle, malfunction of the anti-theft equipment, loss of keys, loss of the vehicle registration documents or parts thereof, change of the primary user of the vehicle specified in the policy, etc., are primarily considered significant circumstances that increase insurance risk pursuant to these Terms and Conditions.
- 7.2.** Short-term rental of the vehicle (for up to six months), provision of taxi or ride-sharing services (e.g. Uber or Taxify), and use as a courier, alarm, learning or security company's patrol vehicle is not regarded as normal use of the vehicle.
- 7.3.** PZU has the right to inspect the insured object during the insurance period and in the case of increased insurance risk, demand that the policyholder apply additional security measures or/and increase the insurance premium. The above does not preclude PZU's right to cancel the insurance contract.

## **8. Policyholder's obligations**

- 8.1.** 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 the policyholder are equalised with the policyholder. The policyholder is responsible for the conduct of such persons in performing the obligations arising from the insurance contract in the same manner as they are for their own conduct.
- 8.2.** The policyholder is obliged to:
  - 8.2.1.** explain the obligations arising from the insurance contract to the person in whose possession or use they give the vehicle;
  - 8.2.2.** allow the representative of PZU to examine the condition and documents of the vehicle;
  - 8.2.3.** when leaving the vehicle:
    - 1. close the doors, windows, hatches and roof box of the vehicle and the roof in the case of a convertible;
    - 2. lock the vehicle and activate the anti-theft equipment specified in the policy;
    - 3. not leave the removable front panel of the audio system, the keys and registration documents of the vehicle, personal belonging, incl. luggage, in the vehicle in any other manner than hidden in the locked boot;
  - 8.2.4.** keep the keys and registration documents of the vehicle in such a manner that no third party can have access to them without applying force or using or threatening to use violence. The vehicle keys may not be kept in the vehicle;
  - 8.2.5.** 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 recorded or the anti-theft equipment is replaced, the insurance cover against theft is valid if the policyholder only

leaves the vehicle unattended in a locked garage or in a closed and guarded territory;

- 8.2.6.** inform PZU of any changes made in the engine power (incl. chip tuning);
- 8.2.7.** comply with the additional instructions for reducing the insurance risk given by PZU;
- 8.2.8.** not exceed the maximum speed limit established with legislation and traffic control equipment when driving the vehicle;
- 8.3.** Upon the occurrence of an insured event, the policyholder is obliged to:
  - 8.3.1.** document the traffic accident and inform about it according to applicable legislation;
  - 8.3.2.** immediately inform the police about theft, unauthorised use, robbery, vandalism or any other unlawful incident in a format that can be reproduced in writing;
  - 8.3.3.** immediately inform the Rescue Board about a fire in a format that can be reproduced in writing;
  - 8.3.4.** call the police without leaving the scene of the event if the vehicle was damaged by objects or substances that fell on the vehicle or were strewn around;
  - 8.3.5.** immediately inform the police or the Environmental Inspectorate about a collision with a wild animal;
  - 8.3.6.** 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 have occurred at the moment when the policyholder should have become aware of it.
- 8.4.** After an insured 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.
- 8.5.** 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 consent of PZU given in a format that can be reproduced in writing.
- 8.6.** The policyholder must submit the information and documents the policyholder has about the causes and amount of the loss to PZU.
- 8.7.** Unless otherwise agreed between the parties, the policyholder is obliged to deliver the remains of the vehicle to PZU in the state they were in after the insured event and in the territory of the Republic of Estonia. If PZU inspects or scraps the remains of the vehicle in another country or brings the remains of the vehicle to Estonia, the indemnity will be reduced by the respective costs.
- 8.8.** In the case of theft, unauthorised use or robbery of the vehicle, the policyholder is obliged to immediately submit all the keys and registration documents of the vehicle (in the event of robbery, all the keys and documents in their possession) to PZU.
- 8.9.** The policyholder must ensure that the person who drove the vehicle at the time of the insured event submits their original driving licence to PZU.
- 8.10.** The policyholder is obliged to prove that an insured event took place.
- 8.11.** The policyholder must immediately inform PZU in a format that can be reproduced in writing about any indemnification of the loss by a third party or the waiver of a claim filed against PZU.
- 8.12.** If PZU has paid out the indemnification for a vehicle or a part thereof that unlawfully left the possession of the entitled person, incl. as a result of theft, unauthorised use or robbery, 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. If possession of the vehicle or a part thereof is regained, the recovered vehicle or part thereof must be handed over to PZU or the indemnity paid out by the Insurer to the policyholder must be refunded to PZU.



## 9. PZU's obligations and rights

- 9.1.** PZU is obliged to:
- 9.1.1. carry out or arrange an inspection of the damaged vehicle as soon as possible but not later than within five business days of receipt of the loss notice;
- 9.1.2. make a decision on whether to indemnify or refuse to indemnify the loss within five business days of receipt of the information, documents and materials necessary for determining the circumstances and extent of the insured event and for paying out the indemnity. PZU immediately informs the policyholder about any required information and documents that have not yet been provided.
- 9.2.** PZU has the right to file additional claims in order to reduce the insurance risk. The additional claims become a document of the insurance contract if the policyholder fails to submit the request for withdrawal from the insurance contract within ten days of receipt of the claims.
- 9.3.** In the case of an increase in the insurance risk, PZU has the right to collect the difference in the insurance premium payable on the basis of the actual insurance risk and the insurance premium specified in the policy if the vehicle's use or data do not comply with those disclosed upon the entry into the insurance contract.

## 10. Types of indemnification

- 10.1.** The types of indemnification are indemnity for the costs of restoring the vehicle or a monetary indemnity.
- 10.2.** The costs of restoring a damaged vehicle will be indemnified on the basis of the documents that prove such costs.
- 10.3.** 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 upon the demand of the restorer of the vehicle.
- 10.4.** 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 of guarantee for having the vehicle repaired is not construed as the relevant agreement.
- 10.5.** 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. Procedure for indemnification

- 11.1.** The following will be indemnified as restoration costs:
- 11.1.1. the vehicle restoration costs caused by an insured event in the case of the Kasko and Kasko Pluss products;
- 11.1.2. only the loss caused by complete destruction of the vehicle in the case of the Mini Kasko product. Pursuant to these Terms and Conditions, complete destruction means a situation where the vehicle cannot be restored or the restoration of the vehicle is not economically reasonable or technically justified.
- 11.1.3. The necessary and justified costs of lifting the vehicle onto the road, costs of transporting the vehicle to the nearest repair shop or the repair shop designated by PZU, or the costs of transporting the car to a storage facility, which are necessary due to an insured event, will be indemnified to the extent of 500 euros in the case of the Mini Kasko and Kasko products and to the extent of 3200 euros in the case of the Kasko Pluss product.
- 11.2.** Conditions for indemnification for restoration costs:
- 11.2.1. The vehicle restoration costs will be indemnified if restoring the vehicle is economically and technically justified.
- 11.2.2. 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 vehicle in Estonia before and the market value in Estonia after the insured event will be indemnified.
- 11.2.3. PZU has the right to demand that 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.

- 11.2.4. In the case of the Kasko and Kasko Pluss products, the costs of restoring a vehicle older than three years by the distributor of the vehicle brand will only be indemnified by special agreement with PZU.
- 11.2.5. PZU indemnifies the cost of restoring the part of the vehicle that was damaged during the insured event irrespective of any previous damage to the part of the vehicle, provided that both of the following conditions are met:
1. the cost of eliminating the damage does not depend on the previous condition of the detail; and
  2. the part of the vehicle that was damaged was not seriously damaged before the accident.
- 11.2.6. If the cost of repairing the damage caused by an insured event is higher due to the previous condition of the vehicle and the part of the vehicle that was damaged had not been seriously damaged before the insured event, PZU will indemnify the cost of restoring the vehicle without the additional cost caused by earlier damage. The cost of repairing earlier impairments and damage must be paid by the policyholder. If the policyholder does not want to pay this cost, the damage caused by the insured event will be indemnified in money by agreement with PZU.
- 11.2.7. PZU does not pay any indemnity if no damage was caused. No damage was caused if the damaged part of the vehicle had been seriously damaged before the insured event.
- 11.3.** In the case of complete destruction of the vehicle (incl. theft, unauthorised use or robbery), the insurance indemnity will be calculated according to the market value of the vehicle in Estonia immediately before the insured event.
- 11.3.1. If the loss is not indemnified on the basis of new value insurance (clause 2.9) in the case of the Kasko Pluss product, the market value of the vehicle in Estonia immediately before the insured event plus 10% as cover for possible car replacement costs will be used as the amount of the damage. The car replacement costs will be paid out to the policyholder. If the market value of the vehicle and the car replacement costs in total exceed the sales price of an equivalent new vehicle in Estonia, the sales price of the new vehicle will be the amount of the loss.
- 11.3.2. If the loss is not indemnified on the basis of new value insurance (clause 2.9) in the case of the Kasko product, the market value of the vehicle in Estonia immediately before the insured event will be used as the amount of the damage.
- 11.4.** If the accessories insured with the vehicle are damaged, lost or destroyed, the insurance indemnity will be calculated on the basis of the market value of such accessories in Estonia before the insured event.
- 11.5.** PZU will reduce the insurance indemnity by the usual value of the vehicle or its remains, unless the vehicle or its remains have been transferred to PZU's ownership by an agreement between PZU and the owner of the property.
- 11.6.** The outstanding insurance premiums that have become due, the indemnity reductions and the taxes to be refunded to the policyholder on the basis of law (such as VAT) will be deducted from the amount of the loss subject to indemnification when the insurance indemnity is determined, unless otherwise specified in the policy.
- 11.7.** In the case of complete destruction of the vehicle, PZU will reduce the insurance indemnity to be paid out by the outstanding insurance premiums for the current insurance period, irrespective of whether the due date of the insurance premiums has arrived and to whom the insurance indemnity is paid out.
- 11.8.** Unless otherwise agreed between PZU and the owner of the vehicle, the ownership of the insured object will transfer to PZU at the moment of transfer of the object to PZU when the loss caused by an insured event is indemnified.

## 12. Refunding insurance indemnity

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