

# Liiklus+ Insurance Terms and Conditions 1/2019

Valid as of 01.01.2019

- 1 Seesam Insurance LTD (hereinafter Seesam) shall only enter into an Liiklus+ insurance contract if a motor vehicle insurance contract has also been signed at the same time.

## PURPOSE OF THE INSURANCE

- 2 The purpose of an insurance contract is to compensate for damage to or destruction of the insured object and other separately listed expenses when caused by an insured event according to the Liiklus+ contract and Seesam's general contract conditions, and accounting for exclusions.

## INSURED EVENT

- 3 An insured event is a traffic accident which occurs on the road or other area intended for the normal movement of motor vehicles, where all the following conditions are also met:
  - 3.1 As the insured object, the insured vehicle strikes another vehicle or pedestrian on the road or other area intended for the normal movement of motor vehicles;
  - 3.2 As the insured object, the insured vehicle damages or destroys the other vehicle or pedestrian as a result of the accident;
  - 3.3 On the basis of the motor vehicle insurance laws, Seesam incurs a responsibility to render compensation to the owner of the other vehicle or the pedestrian.

### Exception

- 4 In addition to the above conditions, it will also be considered an insured event if the insured vehicle as the insured object is damaged or destroyed as the result of striking large game on the road or other area intended for the normal movement of motor vehicles
  - 4.1 Wolves, bears, lynxes, wild boars, deer, elk and roe deer are considered large game.

## INSURED OBJECT

- 5 The insured object is a motor vehicle or small truck registered in the Estonian national motor vehicle registry and in its original manufactured form (hereinafter vehicle), including when the complete form from the manufacturer includes alloy wheels.
- 6 The insured object is not any item which is not included in the original manufactured form of the vehicle.

## KINDLUSTUTERRITORIUM

- 7 The insurance territory is an area defined by the insurance contract (on the green map) within which the insured object is covered against risks defined by the insurance contract.
- 8 Damage caused to the vehicle outside the defined territory is not valid for compensation on the basis of the insurance contract.

## INSURANCE FOR TOWING EXPENSES

- 9 The cost of towing a car or small truck for general use is included in the insurance without supplemental insurance
  - 9.1 Providing taxi or ridesharing services (Uber, Bolt, etc.) is not considered general use of a vehicle.
- 10 In the event of an insured event, towing costs for a motor vehicle or small truck will be covered up to 500 Euros.
- 11 Towing costs shall be understood as reasonable costs arising from the need to move a damaged or destroyed vehicle from the scene of an insured event.

## EXCEPTIONS TO AN INSURED EVENT

### 12 No compensation shall be paid for:

- 1 damages and costs arising from an event not caused by an insured event as defined by point 3;
  - 2 damage, if prior to the insured event, the vehicle was already so damaged and/or worn that it would have required repair or replacement regardless of the insured event. In the above event, Seesam shall not consider the damage to be caused by the insured event;
  - 3 damage caused before or after the insurance period.
- 13 In the event that the drivers involved in the accident have partial responsibility for the insured event, Seesam shall only compensate that part of the damage which was not covered by the insurance carrier of the other driver.

## RESPONSIBILITIES OF THE POLICYHOLDER WHEN ENTERING INTO THE INSURANCE CONTRACT

- 14 When entering into the insurance contract, the policyholder must inform the insurance carrier of all matters regarding which the carrier has, in a form reproducible in writing, directly requested information.
- 15 If false information has been presented to Seesam at the time of establishing coverage, upon the basis of which a smaller premium has been calculated, damage shall be compensated proportionately to the relationship of the inaccurate premium to the proper premium based on correct information.

## IMPORTANT SITUATIONS WHICH AFFECT THE INSURED RISK

- 16 An increase in the probability of the occurrence of an event described in point 3 shall be handled as an increased insurance risk.
- 17 Activities which affect the probability of the occurrence of an insurance risk are defined in the given safety requirements, which the policyholder is obligated to follow.

## SAFETY REQUIREMENTS (RESPONSIBILITIES OF THE POLICYHOLDER BEFORE AN INSURED EVENT)

- 18 The policyholder is required to fulfil the safety requirements set forth herein and follow traffic laws and the vehicle's user manual.
- 19 The driver of the vehicle must have a valid driver's license of the appropriate category.
- 20 The vehicle must not be driven under the influence of alcohol, narcotics, or any other intoxicating substance or when exhibiting signs of intoxication or in a state of fatigue or intoxication.
- 21 Before starting to drive, the driver must be certain that they are healthy enough to drive.
- 22 The vehicle must not be driven on ice, except for winter or ice roads marked by the proper authorities.
- 23 The technical status of the vehicle must be up to the standards established by law.
- 24 The vehicle's tires must be up to the standards established by law, and summer tires must not be used at a time of year when the use of winter tires is required by law.
- 24.1 Summer tires must not be used when their use would significantly increase the possibility of an insured event and their unsuitability is a matter of general knowledge (i.e., using summer tires on a snowy or slippery road in October and thereby causing an accident).
- 25 The policyholder must not exceed the maximum speed limit established by law.

## RESPONSIBILITIES OF THE POLICYHOLDER AFTER AN INSURED EVENT

### Responsibilities when an insured event occurs

- 26 In the event of a traffic accident, the driver involved must act in accordance with § 169 of the traffic law.
- 27 After the insured event, the policyholder must, to the best of their ability, endeavour to mitigate and avoid further damage.

- 28 After the vehicle has been damaged, it may only be driven if the driver has checked it and is convinced that the vehicle is in a mechanical state that is in accordance with the inspection laws. Above all, the driver must determine that the vehicle has no oil, fuel, or coolant leaks, that the steering wheel and brakes work, and that the tires have not been damaged.
- 29 The driver must not leave the scene of the accident.
- 30 After the accident, the driver must not consume alcohol or any other narcotic or psychotropic substance.
- 31 The policyholder is obligated to document the insured event and the extent of the damage and present Seesam with the information needed to determine the responsibility under the contract. If, on the basis of the existing information it is not possible to determine the facts of the matter regarding the event, Seesam may suspend the damage adjustment until the necessary information is provided, informing the policyholder of such in a form reproducible in writing.
- 32 The policyholder must provide proof of striking large game (i.e. pictures from the accident site and notification to emergency services).
- 33 The damaged vehicle must be shown to Seesam or to an individual authorized by Seesam before its repair (incl. dismantling) or sale.
- 34 At the earliest possibility, the damaged vehicle must be taken to a secure storage facility or guarded place.

#### **Notifying of damage and filing a claim**

- 35 The policyholder must notify Seesam of a possible insured event without delay and follow the instructions given by Seesam.
- 36 The policyholder must present to Seesam a thorough description of the possible insured event in a written claim no later than three months after notification of the damage.

### **CONSEQUENCES OF VIOLATING THE RESPONSIBILITIES OF THE POLICYHOLDER**

- 37 If the policyholder caused the insured event intentionally or through gross negligence, Seesam shall be completely free of any responsibility.
- 38 If the policyholder violates any responsibility which is intended to decrease the risk of an insured event's occurrence, Then Seesam has the right to decrease the amount of compensation or decline to pay said compensation, in the event that the violation of responsibility affected the occurrence of the insured event and Seesam's Responsibility thereunto.
- 39 If the policyholder intentionally violates the responsibilities incumbent upon them after an insured event, Seesam shall be completely free of any responsibility.
- 40 If the policyholder violates the responsibilities incumbent upon them after an insured event through gross negligence and the violation affected the occurrence of the insured event and the determination of Seesam's responsibility thereunto, Seesam shall be partially of fully free of responsibility.
- 41 In keeping with the principles of reasonableness and good faith, Seesam shall not compensate damage if the driver was, at the time of the accident, under the influence of alcohol, narcotics, or any other intoxicating substance, showing signs of intoxication, drunk, or lacking a valid driver's license,

### **SEESAM'S RIGHTS AND RESPONSIBILITIES**

- 42 Seesam is obligated:
  - 1 to familiarize the policyholder with the insurance contact documents before entering into an insurance contract;
  - 2 to begin handling an insured event without delay having received the policyholder's claim in a form reproducible in writing and to determine the extent of the covered damage;
  - 3 to come to a conclusion regarding the satisfaction or denial of the claim without delay, but not later than ten work days after having received all necessary documentation and determining the extent of the covered damage.
- 43 If a criminal investigation has been opened as a result of the insured event, Seesam has the right to postpone its decision until receiving notification that the criminal investigation has been concluded.

- 44 If the insurance contract is cancelled after the insured event, Seesam has the right to withhold from the compensation benefit any unpaid premium from the running insurance period.
- 45 In the event that the vehicle is destroyed, Seesam has the right to withhold from the compensation benefit any unpaid premium from the running insurance period.

## INSURED SUM

- 46 The insured sum is the maximum amount to be disbursed, which for the purposes at hand is to be understood as the vehicle's market value in Estonia immediately prior to the insured event.
- 47 The market value is the insured object's sale price immediately prior to the insured event.
- 48 Any insurance benefit paid during the insurance period for repairs to the vehicle shall not reduce the insured sum.

## PRINCIPLES OF COMPENSATION

### Methods of compensation and insurance compensation

- 49 Methods of compensation are disbursement of monetary compensation or arranging for the repair of the damaged part of the vehicle.
- 50 Insurance compensation is the amount of loss, minus any deductions to the compensation, unpaid premiums, and the deductible.

### Compensation for damage to the vehicle or part of it (repair costs)

- 51 It is considered damage to the vehicle or one of its parts, when after the insured event, the vehicle or its part can be restored to its prior condition and such a repair is both financially feasible and mechanically possible.
- 52 In the event of damage to the vehicle or one of its parts, Seesam shall compensate the reasonable costs of repair in Estonia. The policyholder or authorized individual is obligated to choose the least expensive option when possible.
- 53 In order to repair the damaged vehicle or one of its parts, spare parts may be used corresponding to the value and state of wear of the vehicle before the insured event.
- 54 Seesam is not required to compensate the replacement of damaged parts if they can be repaired.
- 55 Damaged or destroyed parts which are replaced in the course of repairs must be surrendered to Seesam by the policyholder. If the policyholder violates this requirement, Seesam may reduce the benefit amount by the value of the damaged or destroyed detail.
- 56 The policyholder has the right to choose the repair facility where the damaged vehicle or damaged part thereof is repaired if the extent of the damaged and the repair facility has been approved by Seesam in advance in a form reproducible in writing. Seesam's responsibility to compensate for the damage is limited to reasonable expenses in order to restore the vehicle to its state before the insured event.
- 57 In order to determine the amount of the reasonable expense, Seesam has the right to indicate a repair facility, where the policyholder is required to present the damaged vehicle or damaged part thereof. By indicating a repair facility, Seesam does not accept responsibility for the vehicle's repair at said facility, nor the quality of the work performed at said facility
- 58 If the policyholder wishes, Seesam can issue a letter guaranteeing payment for the repair of the vehicle or part thereof to the policyholder or repair facility. If the insured object is a leased vehicle and the lessor is designated as the beneficiary according to the insurance contract, then the wishes of the beneficiary shall be preferred regarding the repair of the vehicle and the issuance of the guarantee letter.
- 59 If the vehicle or part thereof is to be repaired, the policyholder is required to enter into an employment contract with the repair facility. Seesam accepts no responsibility for the quality of the work done by the repair facility on the vehicle or part thereof.
- 60 If the policyholder does not wish to have the vehicle or part thereof repaired or cannot come to an agreement in terms of compensation for the damage, Seesam may issue the compensation for repairs as a cash benefit. In this event, the maximum amount of the benefit is the sum accepted by Seesam for the repairs, less VAT, applicable insurance deductions, unpaid premiums, and deductible.
- 61 In the event of a policyholder that is a legal entity, the repair costs shall be compensated without VAT, accounting

for the input VAT deduction rate (i.e. Seesam issues a letter of guarantee for the repair of the vehicle to an individual who is subject to VAT, who is responsible to pay the repair facility for their work. Seesam compensates the individual who is subject to the VAT on the basis of a presented bill without VAT and deductible).

### **Compensation for losses in the event of the destruction of the vehicle or part thereof**

- 62 The vehicle shall be considered destroyed if its repair is not financially feasible or mechanically possible.
- 63 In the event of the vehicle's destruction, the maximum amount of the compensation is the market value of the vehicle or part thereof.
- 64 In the event of a policyholder that is a legal entity, the market value shall be compensated without VAT, accounting for the input VAT deduction rate
- 65 In determining the market value of the vehicle, its condition, equipment, year of manufacture, mileage, market conditions and offers for analogous vehicles will all be considered.
- 66 In order to receive compensation for the vehicle after an insured event, the policyholder or beneficiary is required to surrender possession and ownership of the vehicle to Seesam in the territory of the Republic of Estonia.
- 67 Compensation shall not be paid for:
- 1 Repair costs which have been previously covered under (an)other insured event(s), but were not in fact repaired;
  - 2 depreciation;
  - 3 the policyholder's lost income;
  - 4 expenses related to presenting a claim for insured losses (consultants' and experts' fees);
  - 5 costs of changing or improving the vehicle in the course of repairs;
  - 6 costs associated with delays caused by the repair facility.

## **DEDUCTIBLE**

### **General rules for the deductible**

- 68 The deductible is an amount set forth in the insurance contract which Seesam does not compensate.
- 69 A deductible shall be applied to each insured event and vehicle separately. If the damage to the vehicle can be distinguished by time and manoeuvres and have been cause independently of each other, Seesam has the right to apply a separate deductible to each distinct insured event.
- 70 The amount of the deductible is marked on the policy.
- 71 The deductible shall be deducted from the sum which is to be compensated on the basis of the insurance contract, from which has already been deducted all other deductions which are derived from the insurance contract.

### **Exceptions to the deductible derived from realizations of insured risk**

#### **Coverage territory**

- 72 In the event of repairs to the vehicle outside the territory of Estonia, Latvia, or Lithuania, including damage caused by striking large game or caused by a natural disaster, a deductible shall be applied that is double the amount marked on the policy.
- 73 If the damaged vehicle is transported to Estonia or if only repairs essential for travel back to Estonia are affected in a foreign country and the remainder of the repairs are made in Estonia, or if the vehicle is completely destroyed in a foreign country, only a single deductible shall be applied.

#### **Method of use**

- 74 If the vehicle is used for providing taxi or ridesharing services (Uber, Bolt, etc.) and there is no corresponding note on the policy, then a triple deductible shall be applied to each insured event (incl. striking large game or a person).