

# Railway rolling stock insurance 1/2020

Effective as of 01.07.2020

These railway rolling stock insurance terms and conditions (hereinafter terms and conditions) form part of the railway rolling stock insurance contract entered into between the Estonian Branch of Compensa Vienna Insurance Group, ADB, the brand of which in Estonia is Seesam (hereinafter Seesam), and the policyholder.

## 1 PURPOSE OF INSURANCE CONTRACT

The purpose of the insurance contract (hereinafter the Contract) is to indemnify any direct material damage caused to the subject matter insured in consequence of sudden and unforeseen events, as well as for other defined costs and expenses according to these insurance conditions and general conditions of insurance contracts (ÜL).

## 2 SUBJECT MATTER INSURED

Subject matter insured is the railway rolling stock in accordance with the list provided by the insured.

## 3 TERRITORY OF INSURANCE

This insurance shall be valid while the stocks roll and/or while being stored or under repairs between Estonia, Latvia, Lithuania, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, Finland, Byelorussia, Ukraine, Moldova, Georgia, Armenia, Azerbaijan Russian Federation limited to: Oktjabrskaja railroad, Moskovskaja railroad, Kaliningradskaja railroad, Gorkovskaja railroad, Severnaja railroad, Jugo-Vostochnaja railroad, Privolzhskaja railroad, Kuibyshevskaja railroad, Sverdlovskaja railroad, Juzhno-Uralskaja railroad, Sapadno-sibirskaja railroad, Krasnojarskaja railroad, Vostochno-sibirskaja railroad, Zabaikalskaja railroad, Dalnevostochnaja railroad, Severo-Kavkazkaja railroad, except no any coverage on the territory of Dagestan, Chechnya, Osetiya and Ingushetiya.

## 4 RISKS INSURED

Any material loss or damage due to or arising of collision, limit collision, running away of cars, derailment, overturning, striking stones or built objects, fire, lighting, explosion, arising from any cause whatsoever according to the conditions agreed by the Policy.

## 5 EXCLUSIONS

- 5.1 The insurer shall in no case be liable for any claim that is covered (indemnified) or should be covered (indemnified) by the other parties according to the agreements or conventions concluded between and/or otherwise regulating relationship between railroad carriers, railroad owners, railroad operators and/or rolling stock owners etc. in Russian Federation and Estonian Republic.
- 5.2 The insurer shall in no case be liable for any loss or damage directly or indirectly occasioned by, happening through or in consequence of mechanical derangements, mechanical breakdown, breakage of glass, axle, wheel, coupling, hook, bumper, etc.
- 5.3 The insurer shall in no case be liable for any costs and expenses of adjustment, repairs, prophylactic or warranty maintenance, or the costs and expenses related to concurrent replacement of parts or elimination of malfunctions.
- 5.4 The insurer shall in no case be liable for any loss, damages or destruction of and/or to the items insured due to wear and tear, defective material and/or faulty design.
- 5.5 The insurer shall in no case be liable for any loss or damage caused by goods being transported or during loading or unloading of transportable goods.
- 5.6 The Insurer shall in no case be liable for any claim for loss of time or loss of use.
- 5.7 The insurer shall in no case be liable for any additional repair costs or expenses incurred with the purpose of accelerating the repairs, such as additional wages for overtime and holidays work.
- 5.8 The insurer shall in no case be liable for any loss or damage directly or indirectly occasioned by, happening through or in consequence of War, invasion, acts of foreign enemies, hostilities (where war be declared or not), civil war, rebellion, revolution,

insurrection, military or usurped power, martial law, strikes, riots, civil commotions or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

## 6 INDEMNITY REGULATIONS

The insurance indemnities are determined in accordance with these indemnity regulations unless otherwise stipulated in the Policy.

### 6.1 Property loss

The insurance indemnifies for direct damage to insured property.

The indemnity is at most the agreed sum insured for the property, each object of insurance or property item.

### 6.2 Deductible

The policyholder has a deductible in every event of loss set out in the insurance policy or in the terms and conditions of insurance.

### 6.3 Determination of property value and loss amount

#### 6.3.1 Loss amount

The loss amount and the value of property are usually calculated in accordance with the replacement value using the price level at the moment of the loss. If, however, the actual value of the object was less than 50% of the replacement value immediately before the loss, the indemnity is calculated in accordance with the current value. While applying this rule, each part of the damaged property is appraised separately.

#### 6.3.2 Loss amount in accordance with the replacement value

The replacement value refers to the sum required for acquiring new similar or equivalent property.

The loss amount is calculated by deducting the value of the remaining property from the value of the property immediately before the loss. Both values are calculated in accordance with the replacement value.

If the damaged property can be repaired, the repair costs constitute the loss amount.

#### 6.3.3 Loss amount in accordance with the current value

The current value refers to the sum obtained when the portion of value lost from the

property as a result of age, use, reduced utilisation value or similar reasons is deducted from the replacement value.

The loss amount is as large a proportion of the loss amount in accordance with the replacement value as the current value of the property is of the replacement value.

If the damaged property can be repaired, the loss amount in accordance with the replacement value is as large a proportion of the repair costs as the current value is of the replacement value.

#### 6.3.4 Loss amount in accordance with first risk

In case it has been agreed on upon entry into the insurance contract and in case a respective provision has been written into the insurance policy that the given type of property is insured under first risk insurance, the entire actual loss shall be indemnified up to the agreed amount insured, and the possible effect of under-insurance shall be disregarded.

#### 6.3.5 Value added tax

The portion refundable to the policyholder under the Value Added Tax Act shall not be subject to indemnification.

### 6.4 Indemnity amount

#### 6.4.1 Indemnity amount

The indemnity amount is calculated by subtracting the deductible from the loss amount subject to indemnification.

#### 6.4.2 Under-insurance

If the sum insured is less than the value of the property, the property is under-insured.

In case of under-insurance, Seesam shall indemnify only that portion of loss, which corresponds to the ratio of the amount insured and the actual value of the property. Under-insurance is assessed by comparing the amount insured with the restoration value of the object of insurance upon calculation of the indemnity according to the restoration value, and with the current value upon calculation of the indemnity according to the current value.

#### 6.4.3 Over-insurance

If the sum insured is more than the value of the property, the property is over-insured.

The indemnity payable by Seesam in case of over-insurance shall be limited to the actual loss.

#### **6.4.4 Double insurance**

Property is covered by double insurance, if the same object of insurance or a similar risk is simultaneously covered by two or more insurance contracts. In such case the liability shall be divided between the insurance contracts in such manner that the total amount of indemnities shall not exceed the actual loss.

In case of double insurance the insured shall inform Seesam about other insurance contracts without delay.

#### **6.5 Payment of indemnity**

The indemnity calculated in accordance with the current value shall be paid first. The difference between the replacement value and current value indemnities is paid if, within two years, the damaged property has been restored or similar property has been acquired.

The right to the difference between the replacement value and the current value indemnities is held only by the policyholder or, in the event of insurance taken in favour of a third party, by this person. The policyholder or the third party shall not transfer this right to the difference between the replacement value and the current value indemnities.

If construction is delayed because of action taken by the authorities, the delay time is added to the two-year time limit.

#### **6.6 Alternative to cash indemnity**

Seesam is entitled to have the lost or damaged property constructed, replaced or repaired in lieu of a cash indemnity.

#### **6.7 Damaged and lost property**

The policyholder retains ownership of any damaged and the remaining undamaged property. Seesam is, however, entitled to redeem the damaged property or part thereof, if the indemnity exceeds 50% of the value of the property. The redemption value shall be the replacement value of the property immediately preceding the event of loss, or the current value if the replacement value of the property immediately prior to the event of loss is less than 50% of the replacement value.

If the policyholder recovers the entire lost property or any portion of it after payment of the indemnity, he/she shall surrender that property immediately to Seesam or return the relevant portion of the indemnity.

#### **6.8 Sum insured after loss**

The sum insured is reduced by the amount of the indemnity if the indemnity is at least 10% of the agreed sum insured for the property, each object of insurance or property item.