

PZU Insurance
Vehicle insurance
conditions



Vehicle insurance conditions

A300/2016

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Unofficial translation. In case of a dispute refer to comprehensive motor vehicle liability insurance terms and conditions in Estonian – A300/2016

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These Insurance Terms and Conditions (hereinafter also referred to as the Terms and Conditions) form a part of the comprehensive motor vehicle liability insurance contract entered into by and between AB "Lietuvos draudimas" Estonia Branch (hereinafter the Insurer or PZU) and the policyholder. These Insurance Terms and Conditions apply together with the General Terms and Conditions of Insurance Contracts of PZU. In any issues not regulated in the Insurance Terms and Conditions, the Parties to the insurance contract shall be governed by the Law of Obligations Act and other legislation.

1. Object of Insurance

- 1.1. The Object of Insurance is the car indicated in the policy as it was before the first sale thereof, and any accessories installed in the car after it was sold for the first time within the Maximum Indemnity indicated in the policy. The first sale is the sale of the car to the end user for the first time.
 - 1.1.1. Insured accessories are deemed to include any entertainment, multimedia, navigation, communications and consumer equipment, auxiliary lamps, components changing the exterior and/or aerodynamics of the car, alloy wheels, additional bumpers, stickers and taxi equipment.
 - 1.1.2. In the case of the Kasko Pluss insurance product, even a safety seat or carry cot mounted in the car as well as a roof box, roof rack and bicycle rack secured to the car deemed to be the insured accessories.
- 1.2. The Object of Insurance does not include the following items which have been installed in the car after it has been sold for the first time:
 - 1.2.1. any equipment or parts intended for competing, racing or training;
 - 1.2.2. any equipment or parts that have been installed in violation of the requirements of the legislation.

2. Insured Event

- 2.1. Insured Event is a sudden and unforeseen event specified in the Terms and Conditions which happened to the policyholder or any other person equivalent to the policyholder pursuant to Clause 8.1 of the Terms and Conditions, in the course of which the Object of Insurance is damaged, destroyed or lost and in the case of which the Insurer shall have the obligation to perform the contract. An event is an Insured Event if the above described event takes place during the term of validity of the insurance cover.
- 2.2. The Insured Events under the **Mini Kasko** insurance product are:
 - 1) accident;
 - 2) vandalism;
 - 3) theft.
- 2.3. The Insured Events under the **Kasko** insurance product and the services subject to indemnification relating thereto are:
 - 1) accident;
 - 2) vandalism;
 - 3) theft;
 - 4) PZU Roadside Assistance;
 - 5) lease value insurance (in the case of a special agreement indicated in the policy);
 - 6) new value insurance (in the case of a special agreement indicated in the policy);

- 7) replacement car (in the case of a special agreement indicated in the policy);
 - 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).
- 2.4. The Insured Events under the **Kasko Pluss** insurance product and the services subject to indemnification for relating thereto are:
 - 1) Insured Event under all risk insurance;
 - 2) lease value insurance;
 - 3) new value insurance;
 - 4) replacement car;
 - 5) rental car insurance;
 - 6) technical failure;
 - 7) PZU Roadside Assistance;
 - 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. **Accident** is damage to or destruction of the Object of Insurance resulting from any external mechanical impact, traffic accident, natural disaster, fire (incl. smoke, carbon black and fire-extinguishing operations) or explosion (incl. explosion of an explosive).
 - 2.6. **Vandalism** is intentional damaging of the Object of Insurance by any third person.
 - 2.7. **Theft** is loss of or damage to the Object of Insurance or any parts thereof as a result of theft, stealing, robbery or attempt thereof. Stealing of a vehicle denotes illegal taking of the Object of Insurance by any third persons without the intent to acquire it.
 - 2.8. **Lease value insurance:** if no indemnity is paid on the basis of new value insurance in the case the car is destroyed, the amount of loss is the residual value of the lease contract immediately before the Insured Event, if all the following conditions are concurrently met:
 - 2.8.1. the car has not been used as a taxi, courier, operational or emergency vehicle or security company patrol car;
 - 2.8.2. the car was registered for the first time in Estonia;
 - 2.8.3. more than five years have passed since the first registration of the car;
 - 2.8.4. the residual lease value of the car does not exceed EUR 35,000;
 - 2.8.5. the car's market value immediately before the Insured Event is smaller than the residual value of the leasing contract immediately before the Insured Event. The residual value of the leasing contract denotes only the schedule-based value of the car according to the leasing contract immediately before the Insured Event which does not include any other possible monetary obligations of the lessee (e.g., overdue lease payments, interest, contractual penalty, costs and fees related to the contract) to the lessor.
 - 2.9. On the basis of **new value insurance**, the purchase price of the car (the price at which the car was purchased) is indemnified for, if all the following conditions are concurrently met:
 - 2.9.1. the car was registered for the first time in Estonia and no more than 1 year has passed from the registration thereof.
 - 2.9.2. the car has not been used as a taxi, operational or emergency vehicle or a security company patrol

- car during the insurance period.
- 2.10. The policyholder is entitled to use the **replacement car** service in the case of an Insured Event subject to indemnification for by PZU on the following terms and conditions:
 - 2.10.1. The option of using a replacement car shall arise only when and until the use of the insured car in road traffic is not allowed or objectively impossible after the Insured Event.
 - 2.10.2. During one period of insurance, a replacement car can be used to the extent of up to 30 days.
 - 2.10.3. In the case of theft or complete destruction of the car, a replacement car can be used until the Insurer has made an indemnification decision, but not longer than 30 days.
 - 2.10.4. No replacement car shall be provided if the restoration period of the car is shorter than 24 hours or if the extent of damage is smaller than the excess amount indicated in the policy.
 - 2.10.5. No replacement car shall be provided in the case of PZU Roadside Assistance and rental car Insured Events.
 - 2.10.6. A replacement car shall be provided in Estonia by a PZU partner within a reasonable period of time at the place and time designated by PZU.
 - 2.10.7. The policyholder shall enter into a replacement car use agreement in Estonia with the company providing the replacement car, which is designated by PZU.
 - 2.10.8. At the demand of PZU or the replacement car provider designated by PZU, the replacement car has to be returned within 24 hours.
 - 2.10.9. In the case a loss event takes place abroad, the policyholder shall rent a replacement car. The Maximum Indemnity for one rental day of a replacement car is EUR 50, VAT included.
 - 2.11. **Insured Event under all risk insurance** is any sudden and unforeseen damage to, loss or destruction of the car, with the exception of the events excluded in Clause 2.17 (events which are not Insured Events and in which case the insurer shall be under no obligation to indemnify for any loss).
 - 2.12. In the case of **rental car insurance**, the loss which arose as a result of an accident, vandalism or theft specified in these Terms and Conditions with the car rented by the policyholder who is a private individual shall be indemnified for with respect to such car.
 - 2.12.1. Rental car insurance applies on the condition that the car constituting the Object of Insurance indicated in the policy is not used in road traffic concurrently with the rent period of the rental car.
 - 2.12.2. For the purposes of the Estonian legislation, a rental car is a Category M1 or M1G vehicle, which rent period is no longer than 30 days.
 - 2.12.3. Rental car insurance shall not apply to vehicles rented in Estonia, Azerbaijan, Georgia, Kazakhstan, Moldova, Ukraine, Belarus or Russia.
 - 2.12.4. The Maximum Indemnity per one Insured Event is EUR 16,000. Within the insurance period, any loss arising from Insured Events of up to three rental cars shall be indemnified for.
 - 2.12.5. In the case of rental car insurance, these Terms and Conditions and any agreements specified in the insurance policy shall apply.
 - 2.12.6. The rental car may not be used for economic activities or driving practice.
 - 2.12.7. One of the prerequisites for indemnification for a rental car Insured Event is that the rental company files a claim against the policyholder for indemnification for the loss.
 - 2.12.8. No contractual penalties or late interests arising from the rental contract or law are indemnified for.
 - 2.12.9. Any Insured Event with a rental car must be reported to PZU as soon as possible but not later than within 30 days as of the Insured Event, otherwise PZU shall have the right to reduce the insurance indemnity or refuse to pay it.
 - 2.13. A **technical failure** Insured Event is any sudden and unforeseen malfunction of the car engine, engine cooling system, engine control electronics; transmission, transmission cooling system, transmission control electronics or brake system or steering system in the absence of the exclusions provided for in Clauses 2.17.18 and 2.17.19 of the Terms and Conditions. Any costs for repairing of the technical failure of the car shall be indemnified for only if all the following conditions are concurrently met:
 - 2.13.1. less than six years have passed from the first registration of the car until the moment of the Insured Event;
 - 2.13.2. good technical condition and smooth functioning of the car registered for the first time outside the Republic of Estonia has been confirmed by the Estonian distributor of the respective car manufacturer or a company approved by PZU. Such confirmation shall be provided in a format which can be reproduced in writing prior to the loss event, but not earlier than 30 days before entry into force of the insurance contract;
 - 2.13.3. the actual kilometrage of the car at the moment of the technical failure does not exceed 130,000 km;
 - 2.13.4. the car has not been used as a taxi, courier, operational, emergency or security company patrol car;
 - 2.13.5. the car has undergone all the necessary maintenance prescribed by the manufacturer in due time and by a competent person. If all the conditions specified in this Clause and any subclauses thereof are met, the expenses of disassembly, diagnostics and requesting an expert opinion which are necessary for determining the cause and extent of the technical failure shall be indemnified for, and any expenses on reassembly shall also be indemnified for.
 - 2.14. **PZU Roadside Assistance** is applied in the case a sudden and unforeseen event prevents further driving of the car, for example a traffic accident or technical failure, driving off the road, a situation when the car is stuck in snow or sand, has run out of fuel, has a flat tyre, the alarm system malfunctions or the car does not start. PZU Roadside Assistance service is only applied if it is ordered over the PZU's contact phone. By means of the PZU Roadside Assistance service, the people who were in the car shall be taken from the scene to their destination inside Estonia.
 - 2.15. **Trailer insurance** shall apply if the policyholder has selected such additional cover upon entry into the insurance contract. Loss caused to the trailer as a result of the Insured Events specified in subclauses 1 and 2 of Clause 2.3 and subclause 1 of Clause 2.4 of these Terms and Conditions shall be indemnified for under the following conditions:
 - 2.15.1. the trailer was coupled to the car at the moment of

- the Insured Event;
- 2.15.2. the technical condition and equipment of the trailer meet the requirements established by the legislation;
 - 2.15.3. the coupled trailer met the requirements and restrictions established by the manufacturer of the car hauling the trailer.
 - 2.15.4. loss caused to the luggage in the trailer shall be indemnified for only in the case an additional luggage insurance cover was selected upon entry into the insurance contract. The definition of luggage is provided in Clauses 2.16 and 2.16.1 of these Terms and Conditions;
 - 2.15.5. damage to the trailer shall be indemnified for to the owner specified in the trailer's registration certificate;
 - 2.16. **Luggage insurance** shall apply if the policyholder selected such additional cover upon entry into the insurance contract. Loss caused by damage to or destruction of any personal effects (luggage) of the car possessor and passengers which were in the car luggage compartment, as a result of the Insured Events specified in subclauses 1 to 3 of Clause 2.3 and subclause 1 of Clause 2.4 of these Terms and Conditions shall be indemnified for under the following conditions:
 - 2.16.1. luggage shall not include any money, securities, valuables, jewellery, documents (incl. photos, plans, drawings), electronic data media, photographic equipment, audio and video equipment, computer, mobile phones and mobile equipment and tools;
 - 2.16.2. in the case of theft or robbery of luggage, any loss shall be indemnified for only if the luggage was hidden in the locked car luggage compartment or locked roof box;
 - 2.16.3. in the case of additional trailer insurance cover, the luggage in the trailer shall be indemnified for, with the exception of any loss caused as a result of theft or robbery.
 - 2.17. **According to these Terms and Conditions, the following shall not be regarded as loss caused by an Insured Event and shall not be subject to indemnification:**
 - 2.17.1. loss which has occurred outside the insurance territory indicated in the insurance policy;
 - 2.17.2. loss which has occurred as a result of theft or unauthorised use of the car, if the car key was inside the car at the time of theft or stealing of the car. A key means any mechanical or electronic keys, cards, consoles and other similar equipment that are used for opening the doors of the insured car as well as for using the security and/or alarm equipment of the car which was in the configuration of the car at the moment of entry into the insurance contract;
 - 2.17.3. loss which is caused by theft or stealing of the car or any insured parts thereof or luggage if the car was not locked or the car was not equipped with any anti-stealing and/or anti-theft equipment required by PZU or if such equipment was not switched on or functional prior to the theft or stealing, as well as if the luggage was not locked in the luggage compartment or roof box;
 - 2.17.4. expenses for maintenance, repair, washing and cleaning not connected with the Insured Event;
 - 2.17.5. loss in the case the technical condition of the car does not comply with the requirements arising from the insurance contract and/or legislation;
 - 2.17.6. loss if PZU was not properly notified of the transfer of the car and the loss event occurs later than 30 days after PZU should have received the respective notice;
 - 2.17.7. loss caused by overloading any equipment in the car during the operation thereof;
 - 2.17.8. expenses related to faster than usual delivery of car parts and any other works performed faster than usual;
 - 2.17.9. loss caused by substandard reconstruction of the car (incl. increase of power or chip tuning);
 - 2.17.10. loss caused by wear and tear of the car (including in connection with theft or stealing of the car);
 - 2.17.11. loss caused by corrosion, mould or any other long-term processes;
 - 2.17.12. loss caused due to freezing;
 - 2.17.13. loss caused by water penetrating into the engine;
 - 2.17.14. loss caused due to inadequate or incorrect maintenance, wrong repairs and/or handling;
 - 2.17.15. loss caused to the fuel system (incl. high-pressure pump and injection system) by poor quality fuel;
 - 2.17.16. loss resulting from inadequate quantity or poor quality of oil, cooling liquid, brake and/or transmission fluid;
 - 2.17.17. loss due to any malfunction, error, damage, etc., which is repaired under warranty;
 - 2.17.18. loss related to a technical failure in the fuel system (incl. in turbo and displacement compressor, intercooler, injection pump and accumulator); exhaust system and exhaust treatment system (incl. catalytic converter); climate control equipment (incl. air conditioner), display, suspension system, chassis, wheel bearing, brake disc, shoe or caliper;
 - 2.17.19. loss arising from a technical failure in the case the failure is related to modification of the car or any part thereof (incl. tuning);
 - 2.17.20. loss in connection with any damage to tyres (except for loss caused by vandalism) in the case this did not result in any other damage to the car subject to indemnification;
 - 2.17.21. loss which was caused to the car due to the fact that the policyholder lost the possession of the car due to fraud or extortion;
 - 2.17.22. loss caused by theft or robbery of any parts removed or dismantled from car by the policyholder or with the knowledge of the policyholder;
 - 2.17.23. loss caused by theft or stealing of the car if all the car keys are not submitted to PZU together with the request for indemnification;
 - 2.17.24. cost of fuel which leaked out of the car as a result of an Insured Event or was caused by theft of fuel;
 - 2.17.25. car art which was damaged as a result of an Insured Event;
 - 2.17.26. loss caused by using the car in competitions or training;
 - 2.17.27. loss resulting from driving the car in the areas not intended for traffic (landscape, coastal area, water, swampy areas, etc.) or outside the ice roads officially open for traffic;
 - 2.17.28. loss to the trailer occurred prior to coupling thereof to the car and after disconnecting thereof from the car;
 - 2.17.29. loss caused by the theft, stealing or robbery of the trailer, incl. any luggage in the trailer;

- 2.17.30. loss of which the owner of the car became aware only when the owner repossessed the car and in the case of which the policyholder is unable to prove the arise thereof as a result of any Insured Event provided for in these Terms and Conditions;
- 2.17.31. loss caused as a result of domestic animals being inside the car cabin.

3. Release of PZU from Obligation to perform Insurance Contract

In addition to the grounds provided for in the General Terms and Conditions of Insurance Contracts, PZU shall be released from the obligation to perform the insurance contract either in part or in full if:

- 3.1. the person who was driving the car was intoxicated or under the influence of narcotic or psychotropic substances at the time of the traffic accident;
- 3.2. the person driving the car refused to have his or her level of intoxication established immediately after the occurrence of loss or consumed the substances specified in Clause 3.1 after the loss was caused;
- 3.3. the person who was driving the car during the traffic accident had no right to drive a vehicle of the respective category;
- 3.4. the policyholder aided and abetted a crime with the car.

4. Insurance Territory

PZU has the obligation to indemnify only in the case of Insured Events which occur in the countries 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. When determining the Sum Insured, the cost of any accessories mounted on the car after the car was sold for the first time shall not be taken into account.
- 5.2. The Maximum Indemnity for any accessories mounted on the car after it was sold for the first time, luggage insurance and trailer insurance are specified in the policy.
- 5.3. The Sum Insured shall not decrease by any insurance indemnity (indemnities) paid.

6. Excess

- 6.1. Excess means the part of loss specified in the insurance contract and applicable in the case of each Insured Event which PZU shall not indemnify for.
- 6.2. If the person driving the car was under 24 years of age at the moment of the traffic accident and no person under 24 years of age was specified in the policy issued to the policyholder who is a private person as the primary user of the car, the amount of excess applicable shall be doubled. The above shall not apply in the case the policyholder is a legal person.
- 6.3. Window glass repair and replacement costs shall be indemnified for without applying excess, unless otherwise indicated in the policy. A sunroof or glazed roof shall not be regarded as window glass.
- 6.4. Any loss caused due to collision with a wild animal shall be indemnified for without applying excess.

Excess shall apply to indemnification for loss related to preventing collision with a wild animal

- 6.5. In the case of the Kasko insurance product, double excess shall be applied in the case the car is repaired, restored or replaced outside Estonia.
- 6.6. In the case of the Kasko Pluss insurance product, the costs of replacing car keys due to the loss thereof (incl. theft or robbery) shall be indemnified for without applying excess.

7. Increase in Probability of Insured Risk

- 7.1. According to these Terms and Conditions, any material circumstances increasing insured risks shall first and foremost be the transfer of the car, deletion of the car from the traffic register, change in the use (ordinary use) of the car, malfunctions in the locking systems or anti-stealing equipment of the car, loss of car keys, registration documents or any parts thereof, change of the primary user of the car indicated in the policy, etc. Ordinary use of a car does not include renting or commercial lease of the car (except for lease relationship where the policyholder is at the same time the lessee), provision of taxi services with the car, use of the car as a vehicle for driving practice, courier or emergency vehicle or a patrol car of a security company.
- 7.2. During the insurance period, PZU shall be entitled to inspect the Object of Insurance, in the event of any increase in the insured risk, PZU shall be entitled to request that the policyholder take additional security measures and/or to increase insurance premiums. The above shall not exclude PZU's right to cancel the insurance contract.

8. Policyholder's Obligations

- 8.1. Persons equivalent to the policyholder include beneficiaries, legal possessors of the car and any persons to whom the legal possessor of the car has voluntarily given permission to drive the car as well as family members of the above persons and the policyholder. The policyholder shall be responsible for the conduct of such persons upon performance of the obligations arising from the insurance contract in the same way as for the policyholder's own conduct.
- 8.2. The policyholder is obliged to:
 - 8.2.1. explain the obligations arising from the insurance contract to the persons into whose possession or use he or she transfers the car;
 - 8.2.2. enable any representative of PZU to examine the condition and documents of the car;
 - 8.2.3. when leaving the car:
 - close all its doors, windows and hatches and the roof in the case of a convertible car;
 - lock the car and activate the anti-stealing equipment (incl. alarm system and immobiliser);
 - not leave the removable front panel of the audio system, car keys, car registration documents, personal effects in the car, incl. luggage, in any other manner than hidden in the locked luggage compartment;
 - 8.2.4. preserve the car keys and registration documents in such a manner that no third person can have ac-

- cess to these without breaking a hindrance or without applying force or using a threat thereof. Keys to the car may not be kept inside the car;
- 8.2.5. immediately replace all locks, recode or replace the electronic anti-stealing equipment in the case the car keys are stolen, robbed or lost. Until the locks are replaced, recoded or the anti-stealing equipment is replaced, the policyholder has to take additional measures to avoid theft or stealing of the car, e.g., leave the car unattended only in a locked garage or in a closed and guarded territory;
 - 8.2.6. notify PZU of any changes of the engine power (incl. chip tuning);
 - 8.2.7. comply with any PZU's additional instructions in order to reduce the insured risk.
 - 8.3. In the case of an Insured Event, the policyholder is obliged to:
 - 8.3.1. document the traffic accident and report it according to the applicable legislation;
 - 8.3.2. immediately inform the police of the theft, stealing or robbery, vandalism or any other illegal acts in a format which can be reproduced in writing;
 - 8.3.3. immediately notify the Rescue Board of a fire in a format which can be reproduced in writing;
 - 8.3.4. call the police and not leave the scene if the car was damaged by objects or substances which have fallen on it or have been scattered around;
 - 8.3.5. notify the police or the Environmental Inspectorate of a collision with a wild animal;
 - 8.3.6. inform PZU of the Insured Event as soon as possible, but not later than within five working days as of becoming aware of the Insured Event. If the exact time of the Insured Event cannot be determined, it shall be deemed to have occurred when the policyholder should have become aware of the Insured Event.
 - 8.4. After the Insured Event, the vehicle may be used only in the case the driver of the vehicle has checked the vehicle and made sure that the condition of the vehicle complies with the technical requirements. In particular, the driver must check that the oil, fuel or coolant does not leak, that the steering system and the breaks function and that the tires are undamaged.
 - 8.5. The policyholder shall present the damaged car or the remains thereof to PZU for inspection in the state it was / these were after the Insured Event. Without a prior written permission of PZU granted in a format which can be reproduced in writing, the policyholder may not make any changes, incl. to commence the restoration or scrapping of the car.
 - 8.6. The policyholder is required to supply PZU with the information and documents which are in the possession of the policyholder with regard to the causes and amount of loss.
 - 8.7. Unless otherwise agreed upon by the parties, the policyholder shall deliver the remains of the car to PZU in the state they were after the Insured Event and on the territory of the Republic of Estonia. If PZU examines or scraps the remains of the car in another country or transports the remains of the car to Estonia, the indemnity shall be reduced by these costs.
 - 8.8. In the case of theft, stealing or robbery of the car, the policyholder is required to immediately submit to PZU all the keys to and registration documents of the car (in the event of robbery, all the keys and

documents in the policyholder's possession).

- 8.9. The policyholder shall ensure that the person who was driving the car at the moment of the Insured Event presents his or her original driving licence to PZU.
- 8.10. The obligation to prove the Insured Event lies with the policyholder.
- 8.11. The policyholder must immediately notify PZU in a format which can be reproduced in writing of any compensation for the damage by a third person or about waiver of the claim filed against PZU.
- 8.12. If PZU indemnified for a car, which unlawfully left the possession of the entitled person, or any part thereof, incl. by way of theft, stealing or robbery, the policyholder is obliged to immediately notify PZU in a format which can be reproduced in writing of finding the car or any part thereof or becoming aware of the location thereof. Upon recovery of the possession of the car or any part thereof, the recovered car or any part thereof has to be either delivered to PZU within ten working days or the insurance indemnity which the Insurer paid for the car has to be refunded to PZU.

9. PZU's Obligations and Rights

- 9.1. PZU is obliged to:
 - 9.1.1. inspect or arrange the inspection of the damaged car as soon as possible, but no later than within five working days as of receipt of the notice of damage;
 - 9.1.2. make a decision on indemnification or refusal to indemnify within five working days as of receipt of all the information, documents and materials required for determining the circumstances of the loss event and the extent of loss, and for paying the insurance indemnity. PZU shall immediately inform the policyholder of any required information and documents which have not yet been provided.
- 9.2. PZU is entitled to establish additional requirements with the aim of reducing the insured risk. Such additional requirements shall form a part of the insurance contract, unless the policyholder submits an application for withdrawal from the insurance contract within ten days as of receipt of the requirements.
- 9.3. In the case of any increase in the insured risk, PZU has the right to collect from the policyholder the difference between the insurance premium payable based on the actual insured risk and the premium indicated in the policy, for instance in the case the territory of use or data of the car fail to comply with those declared upon entry into the contract.

10. Types of Indemnification

- 10.1. Indemnification includes indemnification for the costs incurred for restoration of the damaged car or monetary indemnification.
- 10.2. The costs for restoring the damaged car shall be indemnified for on the basis of the documents evidencing such costs.
- 10.3. If PZU approves the manner and place of restoration chosen by the policyholder, PZU shall issue, at the car restorer's request, a letter of guarantee ensuring indemnification for the restoration costs.
- 10.4. PZU shall not be liable for the manner of restoration of the car or quality of the work of the restorer, unless the parties to the insurance contract

entered into a written agreement on that PZU shall organise the car restoration. Issue of a letter of guarantee for the repair of the car shall not be deemed to be the respective agreement.

- 10.5. If the policyholder disagrees with any justified and reasonable manner or place of restoration specified by PZU, PZU shall indemnify for the necessary, justified and reasonable expenses required for the restoration of the car.

11. Procedure for Indemnification

- 11.1. The following shall be indemnified for under restoration costs:
- 11.1.1. car restoration costs incurred in the case of an Insured Event under the Kasko and Kasko Pluss insurance products;
- 11.1.2. under the Mini Kasko insurance product, only the loss caused by complete destruction of the car. Complete destruction is the situation according to these Terms and Conditions when it is impossible to restore the car or if the restoration of the car is neither economically reasonable nor technically justified.
- 11.1.3. Under the Mini Kasko and Kasko insurance products, any necessary and justified costs of lifting the car onto the road, costs of delivering the car to the nearest repair shop or the repair shop designated by PZU, or costs of delivering the car to a storage facility, required due to an Insured Event, shall be indemnities for to the extent of EUR 150, and under the Kasko Pluss insurance product to the extent of EUR 3200.
- 11.2. Terms and conditions of indemnification for restoration costs:
- 11.2.1. The car restoration costs shall be indemnified for in the case the restoration is economically and technically justified.
- 11.2.2. If the policyholder applies for monetary indemnification but fails to submit the expense receipts evidencing the restoration of the car, the difference between the market values of the car in Estonia before and after the Insured Event shall be indemnified for.
- 11.2.3. Upon restoration of the car, PZU is entitled to request that spare parts which state of wear and tear is equivalent to the age and technical condition of the car be used.
- 11.2.4. Under the Kasko and Kasko Pluss insurance products, the restoration costs incurred for restoring the car which is more than three years old by the distributor of the respective car manufacturer shall be indemnified for only based on a special agreement with PZU.
- 11.3. In the case of complete destruction of the car (incl. theft, stealing or robbery), the amount of the insurance indemnity shall be calculated on the basis of the market value of the car in Estonia immediately before the Insured Event.
- 11.3.1. If the loss is not indemnified for on the basis of the new value insurance (Clause 2.9) under the Kasko Pluss insurance product, the amount of loss shall be the market value of the car in Estonia immediately before the Insured Event to which 10 % thereof shall be added to cover any potential car replacement costs. Any car replacement costs shall be paid to the policyholder. If the total sum of the market value of the car and the car replacement

costs exceeds the sales price of an equivalent new car in Estonia, the amount of loss shall be the sales price of a new car.

- 11.3.2. If the loss is not indemnified for on the basis of the new value insurance (Clause 2.9) under the Kasko insurance product, the amount of loss shall be the market value of the car in Estonia immediately before the Insured Event.
- 11.4. In the case of any damage to, loss or destruction of any accessories insured together with the car, the insurance indemnity shall be indemnified for on the basis of the market price of these accessories in Estonia immediately before the Insured Event.
- 11.5. PZU has the right to reduce the insurance indemnity by the usual value of the remains of the car or any part thereof, except in the case the remains of the car or any part thereof have been transferred into PZU's ownership by an agreement of PZU and the owner of the asset.
- 11.6. In determining the insurance indemnity, the outstanding insurance premiums that have become due, indemnity reductions and taxes to be refunded to the policyholder pursuant to law (e.g., VAT) shall be deducted from the amount of loss to be indemnified for, unless otherwise specified in the policy.
- 11.7. In the case of complete destruction of the car, PZU shall be entitled to deduct from the insurance indemnity any outstanding insurance premiums until the end of the current insurance period, regardless of whether the due date of the insurance premiums has arrived and to whom the insurance indemnity is paid.
- 11.8. The ownership of the Object of Insurance shall transfer to PZU in the case of indemnification for any loss due to an Insured Event as of the moment PZU receives the possession of such object, unless PZU and the owner of the car have agreed otherwise.

12. Refunding of Insurance Indemnity

The policyholder is obliged to refund to PZU any insurance indemnity within ten days in the case any circumstances excluding indemnification become evident after the indemnification or if the loss was indemnified for by a third person.