

# Terms and conditions of comprehensive insurance A300/2023

Effective as of 28.04.2023

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



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

## 1. Insured object

- 1.1. The object of insurance is the vehicle specified in the policy in its initial sale condition together with any accessories installed after the initial sale in the extent of the limit of indemnity specified in the policy. First sale means the first time the vehicle was sold to an end-user. One set of tyres and wheels not in use is also covered to the extent of €5,000, provided they are stored in a locked building or room.
- 1.2. For the purposes of these conditions, a vehicle is a passenger car (category M1 or M1G) or light commercial vehicle (category N1 or N1G).
- 1.3. The use of the vehicle is indicated in the policy and can be for normal use or other use. The following uses are not deemed normal use: short term hire (hire for up to 6 months), taxi service, ride-sharing service, transport service, alarm vehicle, security company vehicle, driving school training or examination vehicle.
- 1.4. The sum insured for accessories includes any bikes attached to the vehicle that are insured against the risk of traffic accidents and accidents.
- 1.5. 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. The sum insured of the accessories insurance covers the permanent wax, ceramic wax and protective films applied to the vehicle until the expiry of the warranty.
- 1.6. Any reconstruction of the vehicle and special equipment are deemed to be accessories. For example, the reconstruction and equipment of a motor caravan, refrigeration equipment, reconstruction and equipment of a medical, rescue, alarm or emergency vehicle.
- 1.7. The following items attached to the vehicle after the first sale are not deemed to be insured objects:
  - 1.7.1. equipment and details intended for competing, racing or training;
  - 1.7.2. 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 or by different events is regarded as different insured events.
- 2.2. **Kasko 8** insured events and services to be indemnified:
  - 1) traffic accident according to point 2.6;

- 2) collision with an animal or bird;
  - 3) PZU Autoabi roadside assistance.
- 2.3. **Kasko** insured events and services to be indemnified:
    - 1) insured event covered by all-risk insurance (incl. traffic accident, vandalism, theft);
    - 2) PZU Autoabi roadside assistance;
    - 3) new value insurance;
    - 4) lease value insurance (in the case of a special agreement indicated in the policy);
    - 5) lease payment insurance (in the case of a special agreement indicated in the policy);
    - 6) replacement car (in the case of a special agreement indicated in the policy);
    - 7) passenger accident insurance (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 covered by **Kasko Plus** and the related services subject to indemnification are:
    - 1) insured event covered by all-risk insurance (incl. traffic accident, vandalism, theft);
    - 2) PZU Autoabi roadside assistance;
    - 3) new value insurance;
    - 4) lease value insurance;
    - 5) lease payment insurance;
    - 6) replacement car;
    - 7) technical breakdown;
    - 8) rental car insurance;
    - 9) travel interruption insurance;
    - 10) passenger accident insurance;
    - 11) trailer insurance;
    - 12) luggage insurance (in the case of a special agreement indicated in the policy).
  - 2.5. **Event covered by all-risk insurance** means the sudden and unexpected damage or destruction of the vehicle as a result of an event specified in points 2.6-2.9 or another event of external mechanical impact, except for the cases excluded in point 2.21 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). For example, the damage caused when the vehicle is driven off the road is indemnified. 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 indemnified.
  - 2.6. **Traffic accident** means a traffic accident that has occurred on ordinary road or in another area used for conventional vehicle traffic, where all the following prerequisites are fulfilled at the same time:
    - 2.6.1. the vehicle collides with another vehicle, pedestrian, cyclist or personal light electric vehicle on the road or another area used for ordinary vehicle traffic;
    - 2.6.2. the vehicle is destroyed or damaged;
    - 2.6.3. the motor third party liability insurer of the vehicle has the obligation, on the basis of the Motor Insurance Act, to pay insurance indemnity to the owner of the other vehicle or to the pedestrian who was involved in the traffic accident.
  - 2.7. **Accident** means damage to or destruction of the insured object due to a natural disaster, fire (incl. smoke, soot and/or extinguishing work) or an explosion (incl. that of an explosive).
  - 2.8. **Vandalism** means damage intentionally caused to the vehicle by a third party.
  - 2.9. **Theft** means the loss of or damage to the insured object or parts thereof as a result of theft, robbery or attempts thereof.
  - 2.10. **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:
- 2.10.1. the vehicle has only been in normal use during the insurance period;
  - 2.10.2. the vehicle was first registered in Estonia and no more than one year has passed since registration by the time of the insured event.
- 2.11. 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:
- 2.11.1. the vehicle has only been in normal use during the insurance period;
  - 2.11.2. the vehicle was registered for the first time no more than seven years ago;
  - 2.11.3. the residual lease value of the vehicle does not exceed €50,000;
  - 2.11.4. 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 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.
- 2.12. Lease payment insurance** will reimburse up to six months' lease payments, but no more than €3,000. Lease payment insurance is valid if all of the following terms have been fulfilled:
- 2.12.1. the vehicle has only been in normal use during the insurance period;
  - 2.12.2. the driver of the vehicle who is the lessee is receiving outpatient or inpatient treatment as a result of the insured event and is incapable of working for more than two weeks. The insurance indemnity is only paid for the period of incapacity for work;
  - 2.12.3. the insured event (including a traffic accident) has been registered in accordance with the law and the injuries have been recorded by the ambulance called to the scene;
  - 2.12.4. the owner and the lessor of the vehicle is a credit institution operating in Estonia and entered in the list of the Estonian Financial Supervision Authority, a branch of such an institution or a lessor acting as a subsidiary of such institution.
  - 2.12.5. Other costs (e.g. fuel card, insurance) or other claims against the lessee (e.g. contractual fees, interest on arrears, contractual penalties) included in the lease payment are not covered.
  - 2.12.6. In the event of total destruction of the insured object, the obligation to indemnify for the leasing payments remains until a decision on indemnification is taken.
- 2.13.** 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:
- 2.13.1. the vehicle has only been in normal use during the insurance period;
  - 2.13.2. 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 or an event subject to indemnification on the basis of the Motor Insurance Act. In the case of Kasko Pluss, a replacement car will also be provided if the damage caused by a technical fault as described in point 2.15 is covered under the manufacturer's warranty or additional warranty.
  - 2.13.3. A replacement car can be used for up to 30 days during a single insurance period.
  - 2.13.4. 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 no longer than 30 days.
  - 2.13.5. 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.
  - 2.13.6. A replacement car will not be provided if the PZU Autoabi roadside assistance service and/or a rental car is used, except if the vehicle is damaged or destroyed as a result of an insured event.
  - 2.13.7. 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.
  - 2.13.8. In Estonia, the policyholder must enter into a contract for using the replacement car with the provider of the replacement car determined by PZU.
- 2.13.9. The replacement car does not have to be equivalent to the insured object.
  - 2.13.10. The replacement car must be returned within 24 hours upon the demand of PZU or the provider of the replacement car determined by PZU.
  - 2.13.11. In the case of an insured event that occurs abroad, the replacement car will be rented by the policyholder. The maximum indemnity for the use of a replacement car in a foreign country per rental day is 50 euros including VAT.
- 2.14.** In the case of **rental car insurance**, the claims filed by a car rental company that have arisen in respect of the rented vehicle as a result of a traffic accident, accident, vandalism or theft are indemnified to the policyholder who is a private person.
- 2.14.1. Rental car insurance is valid on the condition that the vehicle specified as the insured object in the policy is not used in road traffic during the rental period of the rental car.
  - 2.14.2. For the purposes of Estonian legislation, a rental car means a category M1 or M1G vehicle, the rental period of which is no longer than 30 days.
  - 2.14.3. Rental car insurance is valid all over the world, except for vehicles rented in Estonia, Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, Ukraine, Belarus and Russia or loss events that have occurred in these countries with rental cars rented from elsewhere.
  - 2.14.4. The indemnity limit is €5,000 per insurance period.
  - 2.14.5. These Terms and Conditions and the agreements specified in the policy are applied upon the insurance of a rental car.
  - 2.14.6. A rental car may not be used for economic activities or driving practice.
  - 2.14.7. 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.
  - 2.14.8. 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 indemnified.
  - 2.14.9. PZU must be notified about any rental car insurance events as soon as possible, but no 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.
- 2.15.** 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 2.21.18, 2.21.19 and 2.21.20 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:
- 2.15.1. the vehicle has only been in normal use during the insurance period;
  - 2.15.2. less than eight years have elapsed since the vehicle was first registered at the time of the insured event;
  - 2.15.3. 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 writing prior to the occurrence of the loss event, but no earlier than 30 days before the insurance contract enters into force;
  - 2.15.4. the actual kilometrage covered by the car does not exceed 160,000 kilometres at the time of the insured event;
  - 2.15.5. 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 here 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. If the insured event is not an insured event of a technical fault, the reassembly costs will not be indemnified.
- 2.16. 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. If it is not possible to drive the vehicle, the vehicle will be transported to the nearest repair facility. 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.

**2.17. Travel interruption insurance** applies in the case of a technical fault, damage, theft or loss of keys if the journey cannot be continued. Indemnification is paid for the following reasonable expenses incurred by the driver and passengers in relation to:

- 1) overnight stays, if the persons are more than 100 km from their home or place of stay and it is not possible to return home immediately;
- 2) returning home or continuing the journey by another means of transport.

2.17.1. The sum insured of travel interruption insurance is indicated in the policy.

**2.18. Passenger accident insurance** indemnity is paid if the driver or passenger in the vehicle is permanently disabled or dies as a result of bodily injury directly caused by the insured event. Indemnification is paid if all the following conditions are met:

- 2.18.1. the permanent incapacity for work has lasted for at least a year;
- 2.18.2. the loss of capacity for work of established and determined in accordance with the legislation is 50% or more;
- 2.18.3. the decision of a competent authority on the permanent incapacity for work and its extent has been submitted to PZU;
- 2.18.4. in the event of death, a medical certificate stating the cause of death and a certificate of succession identifying the heirs entitled to the insurance indemnity have been submitted to PZU;
- 2.18.5. the victim's seat belt was properly fastened at the time of the accident.
- 2.18.6. The passenger accident insurance cover also applies if the accident is not caused by the person driving the insured vehicle and the damage to the vehicle is indemnified by the insurer of the liable person.
- 2.18.7. The sum of passenger accident insurance per person is noted in the policy.
- 2.18.8. The number of insured persons cannot exceed the maximum number of seats allowed for the category of the respective vehicle.

**2.19. In the case of trailer insurance**, the damage caused to the trailer as a result of an all-risk insurance event defined in these Terms and Conditions is indemnified on the following conditions:

- 2.19.1. the trailer was hooked up to the vehicle at the time of the insured event;
- 2.19.2. the technical condition and equipment of the trailer correspond to the requirements established with legislation;
- 2.19.3. the trailer that was hooked up complies with the requirements and restrictions established by the manufacturer of the vehicle that pulled the trailer;
- 2.19.4. 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, indemnification takes place according to points 2.20-2.20.3 of the Terms and Conditions.
- 2.19.5. Trailer damage will be indemnified to the owner of the trailer specified on the trailer's registration certificate.

**2.20. Luggage insurance** is valid if the policyholder chose this additional cover when entering into the insurance contract. The damage 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 an all-risk insurance event defined in these Terms and Conditions is indemnified for on the following conditions:

- 2.20.1. 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;
- 2.20.2. 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;
- 2.20.3. in the case of 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.

**2.21. Pursuant to the Terms and Conditions, the following is not regarded as loss caused by an insured event and not subject to indemnification:**

- 2.21.1. loss that occurred outside the insurance territory specified in the insurance policy;
- 2.21.2. loss caused by the theft or unauthorised use of the vehicle if the key of the vehicle was in the vehicle and the entrance to the vehicle and/or starting the vehicle was not compromised. "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;
- 2.21.3. loss caused by the theft or 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, and also if the luggage was not in the locked boot or roof box;
- 2.21.4. the expenses of maintenance, repairs, washing and cleaning that are not related to an insured event;
- 2.21.5. loss if the technical condition of the vehicle does not comply with the requirements of the insurance contract and/or legislation;
- 2.21.6. 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;
- 2.21.7. loss caused by overloading any equipment in the vehicle during operation;
- 2.21.8. the expenses related to the faster than usual delivery of the parts of the vehicle and any other work done faster than usual;
- 2.21.9. damage caused by non-standard reconstruction of the vehicle (incl. performance tuning or chip tuning);
- 2.21.10. damage caused by normal wear and tear of the vehicle, including surface scratches like paint scratches, scratches to the parts of the vehicle and glass scratches, and small scratch marks;
- 2.21.11. damage caused by corrosion, mould or any other long-term processes;
- 2.21.12. damage caused by freezing;
- 2.21.13. damage caused by water getting into the vehicle, its engine or its equipment as a result of driving the vehicle in deep water;
- 2.21.14. damage caused by inadequate or incorrect maintenance, incorrect repair and/or handling of the vehicle;
- 2.21.15. damage to the vehicle caused by the use of substandard or incorrect fuel;
- 2.21.16. damage resulting from the inadequate quantity or poor quality of oil, cooling liquid, brake and/or transmission fluid;
- 2.21.17. loss caused by a breakdown, fault, defect, damage or similar, which is repaired under warranty;
- 2.21.18. 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 gas treatment and recovery 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;
- 2.21.19. damage arising from a technical fault if the fault is related to the modification (incl. tuning) of the vehicle or a part thereof;
- 2.21.20. damage 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;
- 2.21.21. damage related to tyres (excl. damage caused by vandalism) if it did not occur alongside any other damage to the vehicle that is subject to indemnification;
- 2.21.22. damage caused to the vehicle in relation to the policyholder or a person authorised by the policyholder losing possession of the vehicle as a result of fraud, acquisition, unauthorised use or extortion, including damages to the vehicle that occurred during the events named above;
- 2.21.23. damage caused by theft or robbery of any parts removed or dismantled from the vehicle by the policyholder or with the knowledge of the policyholder;

- 2.21.24. damage caused by theft of the vehicle if all the vehicle keys were not handed over to PZU along with the request for indemnification;
- 2.21.25. cost of the fuel that leaked out of the vehicle as a result of an insured event or resulted from the theft of fuel;
- 2.21.26. car art damaged as a result of an insured event;
- 2.21.27. loss caused by using the car in competitions or training;
- 2.21.28. damage caused by the vehicle being used outside of the road network (e.g. on a terrain, coastal area or in water, marsh areas, etc.) or on an ice road not officially open for traffic;
- 2.21.29. damage caused by loading or unloading cargo or a load;
- 2.21.30. damage caused by an object, cargo or load carried in the vehicle, unless it is the result of an unforeseeable external event;
- 2.21.31. damage caused by a hazardous load or cargo. Hazardous load or cargo means substances and objects that may cause damage to people's health, property or the environment in the transport process due to their explosion, fire or radiation hazard, toxicity, causticity or other qualities;
- 2.21.32. damage caused to the trailer before it was hooked to and after it was unhooked from the vehicle;
- 2.21.33. damage caused by the theft, unauthorised use or robbery of the trailer, incl. the luggage in the trailer;
- 2.21.34. damage 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 the Terms and Conditions cannot be proven by the policyholder;
- 2.21.35. damage caused by pets being in the vehicle;
- 2.21.36. damage subject to indemnification under the mandatory motor third party liability insurance or the mandatory liability insurance of a vehicle of a foreign country. PZU does not apply the exclusion specified in this point if the policyholder does not receive indemnity in full or in part on the basis of the mandatory motor third party liability insurance, the mandatory liability insurance of a vehicle of a foreign country or another liability insurance of the party that caused the damage and has not received indemnity within one month of informing the liable insurance company of the insured event;
- 2.21.37. decrease in the value 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 ill, 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 emergence of the damage or consumed the substances specified in point 3.1 after the emergence of the damage;
- 3.3. the person who drove the vehicle at the time of the traffic accident did 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 price of the vehicle 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 the excess in the case of each insured event.
- 6.2. The excess of replacing window glass will be specified in the policy. The cost of repairing window glass will be indemnified without applying an excess. The roof hatch or the other parts of the vehicle made of glass, plastic or other transparent materials, incl. a glass roof and the glass of the vehicle's bed cover, are not deemed window glass. Window glass is repaired if the glass damage is less than 2 cm in diameter, it is not on the driver's side and the repair does not damage the glass heating. The window glass will only be replaced if the damage exceeds 2 cm in diameter or is on the driver's side. If the policyholder would like to replace the glass to be repaired, the excess stated in the policy, or the glass replacement excess will apply, depending on which is bigger.
- 6.3. The damage caused by a collision with an animal or a bird will be indemnified without the excess. Excess will be applied to the indemnification for a loss related to avoiding a collision with an animal or a bird.
- 6.4. Damage caused by the avoidance of a collision with an animal or a bird will be indemnified without excess if there is a video record of the loss event and avoidance of a collision with an animal or a bird can be identified.
- 6.5. Five times the excess will be applied if the use of the vehicle is indicated as normal use, and in the event of a claim it turns out that the use of the vehicle does not correspond to normal use (point 1.3).

### 7. Increase in probability of insurance risk

- 7.1. Pursuant to the Terms and Conditions, the essential circumstances that increase the insured risk include, above all, the transfer of the vehicle, the deletion of the vehicle from the Traffic Register, a change in the manner of use (normal use), malfunction of the locking systems of the vehicle, failure of anti-theft devices, loss of keys, loss of vehicle registration documents or parts thereof, change in the main user of the vehicle specified in the policy, etc.
- 7.2. The policyholder must immediately notify the insurer of an increase in the likelihood of the materialisation of an insured risk.
- 7.3. After the entry into the contract, the policyholder may not increase the possibility of the insured risk or permit the increase thereof by persons equivalent to the policyholder without the insurer's consent.
- 7.4. PZU has the right to inspect the insured object during the insurance period.
- 7.5. If the insured risk has increased, the insurer may require the policyholder to take additional security measures and/or 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 its 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 hid-

- den in the locked boot;
- 8.2.4. keep the keys and registration documents of the vehicle in such a manner that they cannot be accessed by a third party without applying force or without 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. observe the maximum speed limit prescribed by law and traffic control devices;
- 8.3.** In the case of an insured event, the policyholder is obliged to:
- 8.3.1. register the traffic accident and report it according to applicable law;
  - 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 scattered around;
  - 8.3.5. immediately inform the police about a collision with an animal;
  - 8.3.6. inform PZU of insured events as soon as possible, but no later than five business days after learning of an 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. The reasonable costs of bringing the remnant to Estonia must be agreed with PZU in advance, and the corresponding reasonable costs will be indemnified to the extent set out in point 11.1.1 above.
- 8.8.** In the case of theft, 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 that unlawfully left the possession of the entitled person, incl. a stolen or robbed vehicle, or a part thereof, 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. Obligations and rights of PZU

- 9.1.** PZU is obliged to make a decision about indemnifying the loss in 30 days after receiving the notice on the insurance event.
- 9.2.** If PZU is not able to perform all the necessary actions by the deadline stated named in clause 9.1 for a good reason that is beyond their control, they must inform the policyholder in advance and explain what the compelling reason is, and indicate the expected deadline for completing the necessary actions.
- 9.3.** 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.

## 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.
- 10.5.** If the policyholder disagrees with said justified and reasonable manner or place of restoration specified by PZU, PZU will pay out the necessary, justified and reasonable indemnity required for restoration of the vehicle in cash.

## 11. Indemnification procedure

- 11.1.** The restoration costs of the vehicle caused by an insured event are indemnified as restoration expenses;
  - 11.1.1. The costs of lifting the vehicle back on the road, the costs of taking the vehicle to the nearest repair facility or the repair facility determined by PZU or the costs of taking the vehicle to the place of storage within the borders of the same country that are necessary due to an insured event are indemnified to the extent of €500 in the case of the Kasko 8 plan, €1,000 in the case of the Kasko plan and €3,200 in the case of the Kasko Pluss plan. The cost of transporting the vehicle to the nearest repair facility is not indemnified if the vehicle can move after the insured event and in a condition in which it can be used in traffic pursuant to law.
  - 11.1.2. If the vehicle cannot be used after the insured event, the costs of storing the vehicle will be indemnified in the amount of up to €10 per day and for up to 30 days per insurance period.
- 11.2.** Conditions of 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 does not agree that the costs of restoring the vehicle are indemnified directly to the repair workshop and requests monetary compensation, the damage will be compensated on the basis of the cost of repairs accepted by the insurer, the calculation of which includes spare parts with a degree of wear and tear corresponding to the age and technical condition of the vehicle. If the policyholder fails to provide proof of payment for the repairs, the cost of the spare parts necessary for the repairs, less the share proportionate to their technical wear and tear, and the cost of the repair service, which has been reduced by 35%, will be reimbursed.
  - 11.2.3. PZU has the right to demand that the details whose degree of wear and tear corresponds to the age and technical condition of the vehicle or quality accessory parts are used for the restoration of the vehicle.
 

In the case of (a) destroyed tyre(s), PZU is obliged to indemnify for the value of the destroyed tyre(s) in accordance with their wear and tear before the insured event. If only one tyre is destroyed and it is not possible to replace the tyre with a tyre of the same state of wear and tear, the cost of a maximum of two similar tyres will be indemnified.

- 11.2.4. In the case of Kasko and Kasko Pluss, the restoration costs of a vehicle whose general warranty has lapsed are indemnified at the authorised dealership of the respective vehicle by agreement with PZU. General warranty also means the extended warranty offered by the official dealer of the respective vehicle. General warranty does not cover the bodywork or paintwork warranty of the vehicle.
- 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;
  - 2) the part of the vehicle that was damaged was not seriously damaged before.
- 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 prior 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 monetarily by agreement with PZU.
- 11.2.7. The restoration costs of the home charger (incl. charging cable) of an electric and hybrid vehicle are indemnified in the amount of €2,500 in the case of the Kasko plan and in the amount of €3,500 in the case of the Kasko Pluss plan.
- 11.2.8. The costs resulting from the loss of the keys of the vehicle (including theft or robbery) or from the damaging of keys shall be indemnified.
- 11.2.9. 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, 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 (point 2.10) in the case of Kasko Pluss, 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 damage is not indemnified on the basis of new value insurance (point 2.10) in the case of Kasko, 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 damage to be indemnified 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 the 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.