

# TERMS AND CONDITIONS OF VEHICLE INSURANCE

## KT.0921.13

This is an unofficial translation from Estonian to English. In case of contradictions the Estonian wording will prevail.

These Motor Insurance Conditions are applicable to insurance contracts made in ERGO Insurance SE where the insured object is a land vehicle subject to registration in Estonia. In matters not regulated by the Motor Insurance Conditions the parties to the insurance contract proceed from the General Conditions of Insurance Contracts and the Law of Obligations Act.

### 1. Insurance contract, insurance policy and insurance period

- 1.1. An insurance contract may be concluded for a fixed or non-fixed term, as agreed in the insurance contract.
- 1.2. The conclusion of the insurance contract is certified by an insurance policy that shall be issued for each insurance period. The beginning and end period of the insurance period shall be specified in the insurance policy.

### 2. Insured object

- 2.1. Insured object means a land vehicle specified in an insurance contract and subject to registration in Estonia (hereinafter vehicle).
- 2.2. A vehicle is insured in the composition specified in the insurance contract.
- 2.3. The insured object can be luggage in a vehicle or a trailer attached to a vehicle, if so agreed in the insurance contract.

### 3. Insured event

Insured event means an unexpected and unforeseen event set out in these conditions, upon the occurrence of which the insurer is obliged to perform the insurance contract. If the time of occurrence of an insured event cannot be determined, the time when the policyholder or a person equal to the policyholder should have learned of the insured event is deemed the time of occurrence of the insured event.

### 4. Excess

- 4.1. Excess is a portion of the damage specified in the insurance contract which is not indemnified by the insurer. Excess can be a specific amount of money or a percentage of the loss amount. The insurance contract may contain several different amounts of excess, which are applied jointly or severally, depending on the terms and conditions of the insurance contract. The excess is applicable with respect to each insured event.
- 4.2. Upon theft of a vehicle and its parts (including the radio), retention shall be the percentage specified in the insurance contract of the amount of damage, but not less than the main retention specified in the insurance policy.

### 5. Insurable value and sums insured

- 5.1. The insurable value is a vehicle's ordinary price (market value). The market value is the vehicle's local average sales price. Upon occurrence of an insured event, the insurable value is the vehicle's market value at the time of occurrence of the insured event.
- 5.2. The sum insured is the maximum indemnity payable. Unless otherwise provided for in the insurance contract, the sum insured equals the insurable value.
- 5.3. The sum insured of a vehicle's window cover (windows or windscreen) is the price of a new or equal window/ windscreen along with installation costs.
- 5.4. The sum insured of the luggage kept in a vehicle is specified in the insurance contract per insured event. No underinsurance is

taken into account upon occurrence of an insured event under luggage cover.

- 5.5. The maximum sum insured to be indemnified under the replacement trailer insurance cover is specified in the insurance contract. No underinsurance is taken into account upon occurrence of an insured event under replacement trailer cover.

### 6. Insured risk and material circumstances affecting it

- 6.1. An insured risk is a threat in connection with which a vehicle is insured. An increase in the probability of an insurable risk is treated as an increase in the probability of occurrence of an insured event.
- 6.2. Essential circumstances influencing the insured risk include, first and foremost, changing the area of use of a vehicle, malfunctions of the lock systems, making duplicate keys (incl. electronic), replacing anti-theft devices, changing the completeness of the vehicle and loss of registration documents.
- 6.3. The insurer must be immediately notified of any increase in the probability of the insured risk, unless the increase has been caused by a generally known circumstance.

### 7. Insured events and claims and restrictions related to insured events

- 7.1. **Idle vehicle comprehensive insurance**  
Damage caused to a vehicle or (a) part(s) thereof as a result of a natural disaster, damage cause by fire (incl. smoke, soot and fire extinguishing), damage caused by an explosion and damage caused to the vehicle by a third party (vandalism).
- 7.2. **Partially comprehensive insurance**  
The damage specified in article 7.1. is indemnified.  
Damage caused to a vehicle or (a) part(s) thereof by a direct unexpected and unforeseeable external mechanical force (incl. traffic accident) is indemnified. In addition, the necessary and justified costs of lifting the vehicle back onto the road following the aforementioned events and transporting it to the nearest repair shop or to the primary repair shop designated by the insurer are indemnified.
- 7.3. **Fully comprehensive insurance**  
The damage specified in articles 7.1. and 7.2. is indemnified as well as damage arising from theft or robbery of a vehicle or an attempt thereof, provided that at the time of occurrence of said event the vehicle had a working anti-theft device accepted by the insurer and the device was switched on. (It is not required that the device be switched on in the case of a robbery).
- 7.4. **Window cover**
  - 7.4.1. Damage caused to the windows of a vehicle (according to the insurance contract, either to the windscreen or passenger compartment window(s)) by an external force, provided that the window needs to be replaced or repaired in order to ensure that the vehicle complies with the requirements of technical inspection. The windscreen means the window at the front of the passenger compartment whose surface crosses the longitudinal axis of the vehicle.
  - 7.4.2. Glass insurance shall not cover a roof hatch and other parts of the insurance object made of glass, transparent plastics or other transparent materials, including a glass roof.
  - 7.4.3. Damage to glass shall be compensated if the windscreen and side and rear windows were undamaged upon signing the insurance contract or prior to an insured event.
- 7.5. **Luggage cover**
  - 7.5.1. Luggage means the personal effects of the policyholder and passengers.

- 7.5.2. Damage caused to luggage kept in a locked luggage compartment of an automobile or cargo van specified in the insurance contract due to the destruction, theft, robbery or unexpected and unforeseen external mechanical force (incl. traffic accident), natural disaster, vandalism or fire is indemnified.
- 7.5.3. Antique and unique objects and objects made from precious metals, collections, manuscripts, money and securities, documents, photos, plans and drawings, personal computers and electronic mediums, mobile phones and audio and video equipment are not compensated.
- 7.5.4. In the case of theft of luggage the damage is compensated only if the insured objects were located in the locked luggage or passenger compartment of the vehicle in a hidden place and the vehicle was accessed by removing the obstacle (except in the case of robbery).
- 7.5.5. The destruction of luggage in an attached trailer is indemnified only in the event of unexpected and unforeseeable external mechanical force, incl. traffic accident, provided that both luggage and replacement trailer cover have been chosen.
- 7.6. New value cover**
- 7.6.1. Damages caused as a result of events stated in clauses 7.2 and 7.3 of these terms and conditions are compensated in the amount of first-hand selling price proven by the vehicle's sales company (the vehicle's insurable value equals the first-hand selling price) under the following terms and conditions:
- 7.6.1.1. The new value cover is effective until the mileage of the vehicle exceeds 30,000 km, but not more than one (1) year as of the initial sale of the vehicle in retail trade;
- 7.6.1.2. Damage is indemnified under the new value cover if the repair costs exceed 60% of the initial sales price of the vehicle;
- 7.6.1.3. Damage is indemnified under the new value cover provided that the vehicle has had only one owner as of the initial sale;
- 7.6.1.4. The excess, the insurance premium collectible and indemnity reductions arising from the insurance contract are deducted from the indemnity under new value cover.
- 7.7. Replacement trailer cover**
- 7.7.1. Damages caused as a result of events stated in clauses 7.2 and 7.3 of these terms and conditions are compensated under the following terms and conditions:
- 7.7.1.1. the replacement trailer cover applies to a trailer whose technical condition and accessories comply with the requirements provided by law;
- 7.7.1.2. replacement trailer cover is valid as long as the trailer is attached to a vehicle. Before attaching to a vehicle and after releasing from the vehicle, the trailer is not an insured object (except in the case when the trailer has separated from the vehicle as a result of an insured event and the damage is inflicted immediately after this);
- 7.7.1.3. the policyholder's name does not have to be stated on the trailer's certificate of registration;
- 7.7.1.4. upon occurrence of an insured event involving a trailer, the indemnity is paid to the owner of the trailer;
- 7.7.1.5. in the case of the replacement trailer cover the cargo kept in the trailer is not subject to indemnification (unless luggage cover is agreed on in the insurance contract);
- 7.7.1.6. if both the vehicle and the trailer are insured with one insurance contract, one-time excess is applied to the insured event.
- 7.8. ERGO's Roadside Assistance**
- In case of unexpected events, if further driving becomes impeded, the client is offered primary free consultation on the Autoabi phone stated in the insurance contract. In case of an empty battery, a booster shall be used; if the car runs out of fuel, fuel will be added (fuel required to make it to the nearest petrol station is for free); if the car has a flat tyre, help is provided to replace it (the client pays for the costs related to repairing or replacing the tyre); car that has gone off the road is pulled back onto the road; vehicle stuck in sand, snow, etc. is pulled out; in case of losing the keys, the client is taken to pick up a set of spare keys; in case of technical problems or accident, the vehicle is towed to the nearest workshop or storage place. If the vehicle cannot continue driving, it is towed to the nearest workshop or storage place. In case of an event that occurred in Estonia, the passengers are taken to their destination within Estonia. If the client's destination is outside Estonia, the passengers are taken to the closest point in Estonia where they can continue their trip.
- 7.9. Replacement car**
- 7.9.1. If the vehicle is unfit for use because of an insured event, the insurer offers the policyholder a replacement car for up to 21 days. The replacement car must be equivalent to the insured object. The insurer does not provide a replacement car after an insured event involving the stealing of the vehicle, robbery, and theft (including, the theft of vehicle parts). The replacement car is offered for the period of time when the vehicle is being repaired or in case of total loss, until the compensation decision is made. If the vehicle is, as the result of an insured event, unfit for use in traffic, the policyholder has the right to receive a replacement car also for the period between registering the insured event and the beginning of repairs. The replacement car is provided from delivery points stated by the insurer on working days and within a reasonable period of time. Replacement car delivery points are written on ERGO's website.
- The following limits apply to the replacement car:
- 7.9.1.1. in the case of several insured events that have occurred within a one-year insurance period the policyholder has the right to receive a replacement car on three occasions;
- 7.9.1.2. the replacement car is not provided if the vehicle's expected repair time does not exceed 12 hours;
- 7.9.1.3. The policyholder is obliged to enter into an automobile usage agreement with the person designated by the insurer to grant use of the courtesy car and abide by the terms and conditions of the agreement;
- 7.9.1.4. At the request of the insurer or the lessor designated by the insurer, the courtesy car must be returned within 24 hours;
- 7.9.1.5. if the policyholder waives using the replacement car or rents it from a place not stated by the insurer, monetary indemnity shall not be paid and the rental costs are not compensated.
- 8. Policyholder's duties**
- 8.1. The policyholder is obliged to:
- 8.1.1. upon entry into the insurance contract, notify the insurer of any and all circumstances known to the policyholder which affect the insurer's decision to enter into the insurance contract or to do so on agreed additional conditions;
- 8.1.2. keep and use the vehicle carefully and safely, take any steps to ensure the prevention of an insured event and reduction of possible damage, not increase the insured risk and not allow the persons for whom the policyholder is responsible to increase the insured risk;
- 8.1.3. explain the duties and obligations arising from the insurance contract to the persons who are granted possession or use of the object of insurance;
- 8.1.4. immediately inform the insurer of the emergence of multiple insurance and the possibility of an increase of the insured risk (e.g. amendment of the area of use of the vehicle, amendment of the terms and conditions of keeping or alteration of anti-theft equipment);
- 8.1.5. immediately inform the insurer of the transfer of the vehicle;
- 8.1.6. allow the representative of the insurer to inspect the

- condition of the vehicle and the documents related to insuring the vehicle;
- 8.1.7. upon leaving the vehicle, lock it, close the windows and latches (and in the case of a convertible install the roof), switch on anti-theft devices and take the front panel of the audio system and the vehicle's registration documents with them;
  - 8.1.8. keep the keys to and the registration documents of the vehicle in such a place that a third party (parties) does (do) not have easy access to them. The mechanical and/or electronic keys to the vehicle, the electronic remote controls of the anti-theft devices and the vehicle's registration documents must not be kept in the vehicle.
- 8.2. Upon the occurrence of an insured event, the policyholder is obliged to:
    - 8.2.1. immediately take measures to save the vehicle, prevent greater damage and reduce possible damage;
    - 8.2.2. inform the police and/or rescue board of what happened, have the traffic accident, theft, robbery or vandalism registered by the police pursuant to legislation and have a fire registered by both the police and rescue board;
    - 8.2.3. in the case of an event that cannot be classified as an event specified in article 8.2.2, the policyholder must call the police without leaving the scene;
    - 8.2.4. to inform the insurer of the insured event in writing, by doing so at the first possibility, personally or through a representative, after learning about the insured event; by submitting data on the event, the expected amount of damage, witnesses, parties and offender, and subsequently follow the instructions given by the representative of the insurer.
  - 8.3. The policyholder shall hand the damaged vehicle or remains thereof over to the insurer for inspection in the condition following the insured event and preceding repairs as well as hand over the remains of the damaged parts, accessories and luggage (if these were insured). The policyholder must not begin restoring or utilizing the vehicle without the insurer's consent. The policyholder is obliged to submit to the insurer all documents regarding the reasons for occurrence and the extent of damage.
  - 8.4. Upon the occurrence of an insured event outside the Republic of Estonia, the policyholder is obliged to hand the destroyed or damaged vehicle over to the insurer in the territory of the Republic of Estonia.
  - 8.5. In the case of theft of the vehicle, all parts of the vehicle's registration certificate and all keys (incl. the keys and remote controls of the anti-theft systems) must be handed over to the insurer along with a request for indemnification. In the event of a robbery, all of the keys and documents left in the possession of the policyholder must be submitted.
  - 8.6. In the case of theft of a radio with a removable front panel, the front panel must be submitted to the insurer following the insured event.
  - 8.7. The burden of proof of the occurrence of an insured event lies with the policyholder. The policyholder is obliged to provide the insurer with information necessary for the identification of the performance obligation of the insurer.
  - 8.8. If a vehicle that is the subject of theft or robbery is found, the policyholder is obliged to inform the insurer thereof in writing within two (2) working days.
  - 8.9. If it becomes evident that a loss event cannot be treated as an insured event or if the insurer has been released of its performance obligation, the policyholder undertakes to pay the insurer the cost of using a courtesy car specified in the courtesy car rental agreement.
  - 8.10. Professional drivers have to follow the terms and conditions of the AETR (European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport) and legislation regulating the driver's working time and rest period, also submit to the insurer tachograph data within two working days after the insured event, in case a tachograph is prescribed for the driver.

## 9. Insurer's duties and rights

- 9.1. The insurer is obliged to:

- 9.1.1. introduce the documents of the insurance contract to the policyholder before entry into the insurance contract;
- 9.1.2. after receiving a written application from the policyholder, immediately commence adjustment of the insured event and identify the extent of damage to be indemnified;
- 9.1.3. Inspect the damaged vehicle within five (5) working days of receiving the application from the policyholder;
- 9.1.4. make the decision whether or not to indemnify the damage not later than within ten (10) working days of the receipt of all of the required documents and identification of the extent and circumstances of occurrence of the damage, but not before two (2) months have passed from the date of informing the insurer in the case of theft or robbery of the vehicle. If criminal proceedings have been initiated, the insurer has the right to postpone the adoption of a decision until charges have been brought against the offender or until a ruling on termination or suspension of the criminal proceedings has been received. The insurer is obliged to immediately, but not later than within five (5) working days of making the decision, notify the insured person in writing of its refusal to indemnify the damage, indicating the reason and basis for refusal or reduction of the insurance indemnity.
- 9.2. During the insurance period the insurer has the right to inspect the vehicle, demand that the policyholder take additional security measures to reduce the increased insured risk and increase the insurance premium. The policyholder is notified of the requirements for additional security measures in writing. If the policyholder does not agree with the additional security measures, the insurer has the right to cancel the insurance contract pursuant to the procedure and within the terms specified in the Law of Obligations Act.

## 10. Procedure for indemnification

- 10.1. The forms of indemnification include payment of monetary indemnity, restoration of the parts of the damaged vehicle or compensation for the replacement costs of the vehicle.
- 10.2. Direct proprietary damage and other justified expenses specified in the insurance contract are indemnified. In the event of compensation of the restoration costs of the vehicle, the insurer has the right to determine the place of restoration of the vehicle or organize and commission restoration of the vehicle. In the event of indemnification of the replacement costs of the vehicle, the insurer has the right to determine the place from which a replacing vehicle is acquired. If the policyholder or the beneficiary does not agree with the aforementioned, the insurer indemnifies the losses and damage to the extent of the losses and damage had the provisions of this article been followed.
- 10.3. In the case of theft or robbery of the vehicle or if the restoration of the vehicle is not economically justified, the insurable value of the vehicle at the time of occurrence of the insured event is paid (in the case of underinsurance, the sum insured is paid) less the policyholder's excess, the reductions of the insurance indemnity specified in the insurance contract and outstanding insurance premium(s) for the period remaining until expiry of the insurance period.
- 10.4. If restoration of the vehicle is economically justified, the restoration value of the vehicle is indemnified less the excess and reductions of the insurance indemnity specified in the insurance contract.
- 10.5. Parts with a level of deterioration corresponding to the age and technical condition of the vehicle are used for restoration of the vehicle. If parts with the respective level of deterioration cannot be obtained or their acquisition is not economical, the price of new parts is indemnified along with installation costs. The insurer has the right to determine the place from which the required part is purchased (pursuant to the manufacturer's requirements in the case of vehicles with an effective factory warranty).
- 10.6. The insurer indemnifies the restoration and replacement costs of the engine, transmission, chassis and related systems and mechanisms up to the extent of the cost of original parts and in the complexity prescribed by the manufacturer of the vehicle,

- regardless of the engine, transmission, chassis and related systems and mechanisms installed in the vehicle during the time of insuring the vehicle.
- 10.7. The insurer has the right to set off its obligation to perform the insurance contract against the insurance premium payable under the insurance contract until the end of the insurance period.
  - 10.8. The title to the vehicle indemnified by the insurer or to the remains or parts thereof transfers to the insurer. If the owner of a vehicle would like to keep a vehicle damaged in an insured event, the indemnity is reduced by the value of the property following the insured event.
  - 10.9. If the policyholder or the beneficiary regains possession of a vehicle subject to theft or robbery, the possession must be transferred or the insurance indemnity returned to the insurer.
  - 10.10. In the case of the theft of a radio with a removable front panel, the insurance indemnity is reduced by 30% if the front panel is not presented.
  - 10.11. If upon indemnification of the vehicle's restoration costs the policyholder does not consent to the indemnification of these costs directly to the repairer and wishes to obtain monetary indemnity, the damage is indemnified on the basis of the repair costs accepted by the insurer. If the policyholder does not submit documents certifying payment for restoration, the cost of spare parts required for restoration less the amount proportional to their technical depreciation and the price of the restoration service which has been reduced by 35% and corresponds to the taxes payable by the undertaking is indemnified.
  - 10.12. If the policyholder or their authorized person has lost a mechanical and/or electronic key to the vehicle or the key has been broken, the cost of ordering a new set of keys is compensated for, provided that at the time of insurance there were two sets of keys. Where necessary, the policyholder compensates the costs of replacement or recoding the vehicle's locks.

## 11. Releasing insurer from obligation to perform insurance contract

- 11.1. The insurer is partially or fully released from the obligation to perform the insurance contract if:
  - 11.1.1. the policyholder has failed to perform at least one of the requirements specified in article 8;
  - 11.1.2. the policyholder has failed to pay the insurance Premium by the agreed date (if the insurance premium is paid in instalments, not later than by the additional due date set by the insurer) and the insured event occurs after the agreed date of payment of the insurance premium;
  - 11.1.3. the policyholder has intentionally or due to gross negligence (significant failure in exercising necessary caution upon performance of the contractual obligations) violated at least one condition of the insurance contract which affects the occurrence of the insured event or the extent of the damage;
  - 11.1.4. the insured event has occurred due to gross negligence or intent of the policyholder or the beneficiary. Gross negligence means a situation where a person foresees the consequences of their behaviour but hopes that the consequences will not occur owing to their own behaviour or some other circumstance;
  - 11.1.5. During occurrence of the insured event, the person driving the vehicle was: under the influence of alcoholic, narcotic or psychotropic substances, one gram of his (her) blood contained at least 0.2 milligrams and his (her) breath at least 0.1 milligrams of alcohol; in such a state of illness or fatigue that obstructed objective perception of traffic conditions and full compliance with the requirements of traffic regulations; the driver did not have the right to drive the vehicle of the given category. A traffic accident is also deemed to have taken place under the influence of alcoholic, narcotic or psychotropic substances if the driver has consumed the aforementioned substances before due registration of the traffic accident in accordance with the applicable legislation or if the driver has not submitted to identification of intoxication in accordance with the applicable legislation;

- 11.1.6. the damage has occurred due to the fact that the policyholder used the vehicle for an unlawful purpose or to aid an offender;
  - 11.1.7. the reason for the damage was an insufficient amount/circulation of oil or coolant;
  - 11.1.8. the vehicle was stolen with a key left in the vehicle by the policyholder or if the mechanical or electronic key to the vehicle was no longer in the possession of the policyholder before the insured event (except in the case of robbery);
  - 11.1.9. in the case of the theft of the vehicle, the luggage kept in the vehicle or the parts of the vehicle, there were no anti-theft devices required by the insurer or they were not switched on, unless the infringement did not have any impact on the occurrence of the insured event;
  - 11.1.10. the policyholder or the beneficiary misled or attempted to mislead the insurer in terms of the circumstances and/or extent of damage or tried to deceive the insurer in another manner in respect of the insurance contract or the circumstances of performance thereof;
  - 11.1.11. at the moment of occurrence of the loss event (excl. natural disaster, vandalism, theft and the falling of objects on the vehicle if the vehicle was not engaged in traffic) a technical inspection of the vehicle had not been carried by the prescribed date;
  - 11.1.12. at the moment of occurrence of the loss event the number of passengers in the vehicle (incl. the driver) exceeded the number of seats specified in the technical passport of the vehicle;
  - 11.1.13. the driver violated the terms and conditions of the AETR agreement (European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport) within 48 hours before the traffic accident and legislation regulating the driver's working time and rest period.
- 11.2. The insurer decides on the extent of the release from the obligation to perform the insurance contract.

## 12. Exclusions

Not compensated:

- 12.1. damage and loss caused by an event that cannot be classified as an insured event;
- 12.2. damage and loss arising from the use of the vehicle outside the insurance territory;
- 12.3. damage and loss arising from other damage to the vehicle resulting from theft whereby the vehicle had no fully comprehensive insurance;
- 12.4. the cost of the technical maintenance or guarantee repairs of the vehicle, the cost of deteriorated or defective spare parts (details) and the costs of repairing or replacing them, and the costs of washing and cleaning independent of the insured event;
- 12.5. the costs of express delivery of spare parts;
- 12.6. damage and loss arising from the following circumstances: reconstruction of the vehicle or parts thereof in conflict with requirements, deterioration (also in connection with theft or unauthorized use) or defectiveness, corrosion, insufficient or wrong maintenance, repairs and handling;
- 12.7. tire damage if this did not result in damage to the vehicle which is subject to indemnification. Damage to tires whose tread has deteriorated beyond the permitted limit is not indemnified;
- 12.8. damage that has occurred due to participation of the vehicle in loading and/or lifting work, unless otherwise agreed upon in the insurance contract;
- 12.9. device or detail that cause the traffic accident or fire;
- 12.10. damage or loss caused by animals in the passenger compartment of the vehicle;
- 12.11. damage or loss caused to the vehicle at a time when it was not in the possession of the owner or legal possessor, provided that the police had not been duly informed thereof;
- 12.12. additional costs arising from the transportation of people, loads or luggage;
- 12.13. damage or loss arising from the policyholder not being in possession of the vehicle due to fraud;
- 12.14. damage or loss caused by theft or robbery of parts taken from the vehicle by the policyholder or with the awareness of the policyholder;

- 12.15. damage or loss caused to the vehicle in connection with its participation in a competition or training event, travelling outside of road traffic (for the purposes of the Traffic Act of the Republic of Estonia), using nuclear energy for any purpose whatsoever or losing control over it, damage or loss caused by war, civil war, invasion, terrorism, mass disruptions, internal disruptions, revolution, coup d'état, strike, confiscation, arrest or lockout;
- 12.16. damage caused by filling with the wrong fuel.

### **13. Refunding insurance indemnity**

The beneficiary and/or the policyholder are obliged to refund the insurance indemnity to the insurer if circumstances excluding indemnification have emerged after indemnification of the damage or if the damage has been indemnified by a third party pursuant to the procedure provided by law.