

TERMS AND CONDITIONS OF BICYCLE INSURANCE

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1. CONCLUSION OF INSURANCE CONTRACT

- 1.1. The Insurer shall issue an insurance policy, based on data presented by the Policyholder. Insurance contract is deemed to be concluded, if the Policyholder pays the insurance premium in due time. Insurance cover shall be effective from the beginning of the period of insurance under the conditions specified on the policy, even if the insurance premium has yet not been paid because of a later payment deadline.
- 1.2. If the Policyholder fails to pay the insurance premium, it is assumed that s/he did not wish to conclude the insurance contract under the conditions specified on the policy and the contract was not concluded. In this case there shall be no insurance cover.

2. INSURED OBJECT

Insured object shall be the bicycle specified on the insurance policy, which has been previously put into working order, together with accessories installed by the manufacturer.

3. PLACE OF INSURANCE

Insurance cover shall be worldwide.

4. INSURED EVENT

- 4.1. Insured event shall be an unforeseen and sudden damage, loss, theft or robbery of an insured object during the period of insurance, caused by any circumstances that have not been excluded by the terms and conditions of the insurance contract.
- 4.2. Insured event in the meaning of these terms and conditions shall not include losses caused by:
 - 4.2.1 A damage that existed before the commencement of insurance cover, regardless of whether the Policyholder or the legitimate user of the device was aware of the damage or not;
 - 4.2.2 A constant exploitation factor such as the aging of a tire, brake, chain, gear, rope or gasket, or the corrosion of the bicycle frame;

- 4.2.3 A testing, inappropriate use (e.g. using a road bike for cross-country biking), or unauthorized modifications of the insured object;
- 4.2.4 A loss (a loss is a situation where a person has lost or forgotten the insured object, or lost the possession of it for reasons that are unknown to the person; a loss shall not include theft or robbery of an insured object);
- 4.2.5 An aesthetic damage, such as a scratch, discoloration, stain, tear and other similar damage that does not prevent the use of the insured object;
- 4.2.6 An overload;
- 4.2.7 A removal of the object by fraud or extortion. Such a loss shall not be regarded as theft or robbery;
- 4.2.8 A fracture or fatigue fracture occurred under normal operation conditions without any external factors (such as traffic accidents, falling objects, drowning, vandalism).

Example: A bicycle frame breaks during a normal road biking – this loss is not covered by insurance. However, if the bicycle frame breaks as a result of a fall or a collision with a rock, the insurance covers this breakage of the bicycle frame caused by such a single external factor.

5. SAFETY REQUIREMENTS

- 5.1. These safety requirements shall be applied together with general safety requirements provided by the General Terms and Conditions of Salva Kindlustuse AS.
- 5.2. If the Policyholder, the Insured or the legitimate holder of an insured object violates a contractual security requirement, increasing thus the occurrence risk of the insured event or the level of losses, the Insurer shall be entitled to reduce the contractual obligation to pay the insurance indemnity according to the seriousness of violation or to refuse the reimbursement.
- 5.3. The insured object must be handled and maintained according to the manufacturer's requirements.
- 5.4. The insured object must be stored in such a way that third parties do not have free or simplified access to it. For example, the insured object may not be left in a public corridor or on a balcony that can be accessed without any special equipment (e.g. on the first floor balcony).
- 5.5. The insured object must not be left unsupervised outside the building, except under the conditions specified in section 5.6. Supervision shall not include a situation where a person himself or herself is inside the building, e.g. at home, but the bicycle is left outside the building. Terms and conditions of insurance contract are adhered to, if the bicycle is kept in a locked room.
- 5.6. During the daytime, it is allowed to keep the bicycle temporarily outside of a locked room, e.g. near the school or the store, provided that all non-permanently installed accessories (e.g. bike pump, cycling computer,

speedometer) have been removed and the bicycle has been attached by the means of a bicycle lock to any object that prevents the removal of the bicycle by unauthorized persons.

6. INSURABLE VALUE AND SUM INSURED

- 6.1. Insurable value shall be the normal price of the insured object.
- 6.2. The insurable value of a new insured object shall be equal to its first sale price and shall remain stable for a year.
- 6.3. Sum insured shall be the amount that is the maximum amount of insurance indemnity paid by the Insurer during the period of insurance.
- 6.4. The sum insured shall not decrease by the insurance indemnity paid during the period of insurance (except in case of a full loss). The insured object shall be considered as fully lost, if the restoration is technically or economically unjustified.
- 6.5. **Underinsurance.** If the sum insured of an insured object is less than the insurable value, the Insurer shall reduce its performance obligation proportionally to the difference between the sum insured and the insurable value of the insured object. The Insurer shall not consider the underinsurance, if the difference between the sum insured and the insurable value is less than 10%.

7. RETENTION (DEDUCTIBLE)

Retention (deductible) shall be the amount or the percentage of the sum insured, which has been specified by the insurance contract, by which the Insurer's performance obligation is reduced.

8. ACTIONS UPON THE OCCURRENCE OF LOSS EVENT

- 8.1. The Policyholder or the person for whom the policyholder is responsible shall inform the Insurer, in writing or in a form that can be reproduced, of the occurrence of loss after becoming aware of the loss event immediately, but no later than in two working days after the occurrence of loss event.
- 8.2. The Policyholder shall be obligated to maintain the damaged insured object or the scene in a state that is similar to its state after the occurrence of loss event, and to submit it to the Insurer for review. The insured object must not be maintained in a state that is similar to its state after the occurrence of loss event, if a representative of the Insurer has reviewed it or for longer than seven days of the notification of loss event. The damaged object must be maintained for a longer period, if the Insurer has submitted the respective written request.
- 8.3. The police must be immediately informed of any incidents related to theft, robbery or vandalism.
- 8.4. If the Policyholder or the person for whom the Policyholder is responsible does not fulfil any of the obligations set out in section 8, the Insurer shall be entitled to reduce the contractual obligation to pay the

insurance indemnity according to the seriousness of violation or to refuse the reimbursement.

9. INDEMNIFICATION PRINCIPLES

- 9.1. Insurance indemnity shall be the amount of cash or a non-monetary benefit (e.g. replacement, repair) to compensate for direct property losses caused by the insured event, subject to the terms and conditions specified in the contract.
- 9.2. The Insurer shall not be obligated to compensate the Policyholder for more than the actual amount of loss, even if the sum insured is higher than the insurable value during the occurrence of the insured event.

10. INDEMNIFICATION EXCLUSIONS

The following shall not be indemnified:

- 10.1. Costs related to the technical maintenance of the insured object and the cost of any parts of the insured object that have been replaced during the technical maintenance;
- 10.2. Losses for which the manufacturer or the supplier is responsible;
- 10.3. Indirect costs and losses, e.g. claims of third parties against the Policyholder, loss of income, penalties (including contractual penalties, penalty interests, fines imposed by competent authorities), additional losses caused by delays in restoration and/or necessary work for limiting the damage.

11. INDEMNIFICATION

- 11.1. The Insurer shall pay insurance indemnity within five working days at the latest from the moment when the Insurer has received all necessary documents and has gained knowledge of all facts related to the loss.
- 11.2. The Insurer shall submit to the Policyholder its decision on the reduction of insurance indemnity or on the refusal to pay the insurance indemnity within five working days at the latest from the moment when the Insurer has received all necessary documents and has gained knowledge of all facts related to the loss.
- 11.3. If the incident has been subjected to a civil proceeding, criminal proceeding or misdemeanour proceeding or Insurance Dispute Committee's proceeding and this proceeding is essential for decision-making, the deadline set in Sections 11.1 and 11.2 shall be extended by the duration of that proceeding. The deadline shall also be extended in cases when the adoption of a decision on indemnification or the indemnification itself is delayed due to circumstances that depend on the applicant and/or the beneficiary of insurance indemnity.
- 11.4. If the amount of loss cannot be established by the deadline provided in Sections 11.1 and 11.2, the decision on indemnification shall be made on the part of loss the amount of which is known.