

TERMS AND CONDITIONS OF VEHICLE INSURANCE

TABLE OF CONTENTS

1.	CONCLUSION OF VEHICLE INSURANCE CONTRACT	1
2.	INSURED OBJECT	1
3.	INSURED EVENT AND INSURED RISKS	1
4.	EXTENSIONS OF INSURANCE COVER	2
5.	EXCLUSIONS	2
6.	INSURABLE VALUE AND SUM INSURED.....	3
7.	DEDUCTIBLE	3
8.	GEOGRAPHICAL COVERAGE OF THE CONTRACT	3
9.	POLICYHOLDER'S OBLIGATIONS	3
10.	SAFETY REQUIREMENTS IN USING A VEHICLE.....	4
11.	ACTIONS IN CASE OF LOSS EVENT	4
12.	INSURER'S OBLIGATIONS	5
13.	INDEMNIFICATION PRINCIPLES.....	5

1. CONCLUSION OF VEHICLE INSURANCE CONTRACT

- 1.1. The Insurer shall issue an insurance policy, based on data presented by the Policyholder. Insurance contract shall take effect on the day following the reception of insurance premium or the first instalment of insurance premium. Insurance cover shall commence on the first day of the period of insurance specified on insurance policy, if the insurance premium is paid in due time. Insurance cover shall be valid during the period of insurance specified on insurance policy.
- 1.2. If the Policyholder fails to pay the insurance premium, it is assumed that s/he did not wish to conclude the contract under the policy conditions and the contract was not concluded. In this case there is no insurance cover.

2. INSURED OBJECT

- 2.1. Insured object shall be a land vehicle specified in the insurance contract and registered in the Republic of Estonia, in the composition it had immediately before the occurrence of insured event. Insured object can also be a carrycot or a safety seat in a vehicle, or a roof box, a roof rack or a bike rack.
- 2.2. Alloy wheels shall be considered insured object if specifically stated in the insurance contract. The insurable value of alloy wheels shall be their normal price.
 - 2.2.1. Items and accessories, which are permanently attached to a vehicle and which have not been installed by the vehicle manufacturer or a workshop authorised by the manufacturer, shall be insured up to the indemnity limit for accessories stated in the insurance contract. The sum insured of each item of these accessories shall be its normal price, but not exceeding the indemnity limit for accessories.
 - 2.2.2. Accessories temporarily attached to a vehicle shall not be considered as insured object, except carrycot or a safety seat in a vehicle, or a roof box, a roof rack or a bike rack attached to the vehicle.
- 2.3. Vehicles for driving practice, emergency vehicles, taxis, short-term rental cars without a driver, security company

vehicles, foreign registered vehicles, and vehicles over 12 years old shall be insured only under a special agreement.

- 2.4. The following shall not be insured:
 - 2.4.1. Vehicles that have not passed a technical inspection;
 - 2.4.2. Race and rally cars;
 - 2.4.3. Vehicles moving on ropes or rails;
 - 2.4.4. Military vehicles, excluding those that are similar to vehicles used for normal purposes.

3. INSURED EVENT AND INSURED RISKS

- 3.1. Insured event under the vehicle insurance shall be a sudden and unforeseeable damage, destruction or loss of an insured object during the validity of insurance cover according to terms and conditions specified in the insurance contract, caused by one of the following insurable risks specified in the insurance contract.

3.2. Traffic Accident

- 3.2.1. Traffic accident shall be a sudden and unforeseeable event occurring outside the vehicle that involves the movement of the vehicle or its location in the traffic. Traffic accident shall also include a collision with an obstacle, driving off the road, driving into a hole, objects falling on the vehicle.
- 3.2.2. Traffic accident shall not include damage caused to a vehicle by fire, storm, flood, vandalism, theft, robbery, or unauthorized use of the vehicle.

Sample: A vehicle catches fire while driving or parking. The resulting damage shall not be considered an insured event under the motor TPL insurance, but damage caused by fire.
- 3.2.3. Traffic accident shall not include the over-turning or falling into a hole without driving off the road, driving into a hole or a collision with an obstacle, unless otherwise agreed in the insurance contract.

3.3. Storm and flood

Storm and flood shall mean a direct damage caused to an insured object by natural forces, such as storm (wind speed of at least 20 m/s) or flood or objects falling on the insured object because of storm or flood.

3.4. Fire

Fire shall mean a sudden and unforeseeable damage or destruction of an insured object due to fire (including arson), smoke, grime, fire fighting activities or a short-circuit of electrical equipment and/or wiring, unless only electrical equipment and/or wiring has been damaged.

3.5. Vandalism

Vandalism shall mean an intentional damage or destruction of an insured item by third persons (including an explosive).

3.6. Theft, robbery, unauthorized use

- 3.6.1. Theft shall mean an illegal appropriation of an insured object or a part thereof. Theft shall also include an attempted theft. Where an additional insured event occurs with a stolen insured object (e.g. a traffic accident is made or an arson occurs with a stolen vehicle), it shall be considered that the damage occurred due to theft.
- 3.6.2. Robbery shall mean an illegal appropriation of an insured object or a part thereof by third persons using life or health

threatening violence or threatening with such violence. Robbery shall also include an attempted robbery. Where an additional insured event occurs with a robbed insured object (e.g. a traffic accident is made or an arson occurs with a stolen vehicle), it shall be considered that the damage occurred due to robbery.

- 3.6.3. Unauthorized use of an insured object shall mean an unauthorized removal of an insured object by third persons for temporary use and not for embezzlement, against the will of an owner or a legal possessor. Where an additional insured event occurs with an insured object while being used without authorization (e.g. a traffic accident is made or an arson occurs during unauthorized use), it shall be considered that the damage occurred due to unauthorized use.
- 3.6.4. If an insured object has not been insured against theft, robbery or unauthorized use, or if the Insurer refused to indemnify the loss event where such risks occurred, also other losses accompanying these risks shall not be considered as an insured event.
- 3.6.5. Theft, robbery and unauthorized use shall not include the removal of insured object by fraud or extortion.
- 3.6.6. Theft or unauthorized use of a tractor or a trailer not coupled with the traction unit shall be an insured event, provided that the insured object was stolen or taken into unauthorized use from a guarded or closed territory or a locked garage. Guarding shall mean continuous manned or electronic surveillance where the object of guarding contract is the insured object. Provisions stated above shall not be applied, if a trailer is stolen together with the traction unit and the theft of the traction unit is considered an insured event under these terms and conditions.

4. EXTENSIONS OF INSURANCE COVER

4.1. Glass insurance

- 4.1.1. Glass insurance event shall only include a situation where the windscreen or passenger compartment window (including the film installed on window) is damaged or destroyed directly by a blow against the windscreen or window. If the damaged glass can be repaired, the reasonable cost of such reparation shall be indemnified.
- 4.1.2. Insured windows (only the windscreen or all passenger compartment windows, including the windscreen) and the terms and conditions of applying the deductible shall be specified in the insurance contract.
- 4.1.3. Glass damaged related to normal wear and tear (e.g. damage caused by wipers or cleaning the glass from ice and snow) shall not be indemnified.
- 4.1.4. Glass insurance shall not cover a sunroof or a glass roof.
- 4.1.5. Glass insurance shall be applied only if windows of the insured object are without any damage during the conclusion of insurance contract.

4.2. Travel interruption costs

If a travel is interrupted by an insured event caused by risks listed in points 3.2 to 3.6, the following shall be indemnified:

- 4.2.1. Reasonable costs of the initial removal of the vehicle to the nearest guarded parking lot or closed territory, to the extent specified in the insurance contract;
- 4.2.2. Reasonable travel expenses of passengers to and in the Republic of Estonia to the extent of train, ship or bus fare.

4.3. Interruption of use

- 4.3.1. Only the following situations shall be considered as the lack of access to use: vehicle is being held in a repair garage for reparation purposes due to an insured event (points 3.2 – 3.4); vehicle cannot be used because of its technical condition caused by an insured event; vehicle shall not be used according to the applicable legislation; vehicle has gone out of the use/possession of its legal possessor as a result of an insured event mentioned in point 3.6.
- 4.3.2. Losses caused by the lack of access to use shall be indemnified only if the interruption of use insurance has been specified in the insurance contract.
- 4.3.3. In case a vehicle cannot be used, the indemnity shall be a monetary benefit.
- 4.3.4. Daily allowance under interruption of use insurance shall be paid only if an insured event has occurred and the Insurer has the indemnification obligation pursuant to the insurance contract. Daily allowance under interruption of use insurance shall be paid also if the loss is indemnified by a third person upon the occurrence of insured event.

Sample: A vehicle insured by Salva is damaged due to a traffic accident caused by a driver of another vehicle. Salva will pay daily allowance under interruption of use insurance also if the reparation costs are compensated under the motor TPL insurance contract of the vehicle that caused the traffic accident.

- 4.3.5. Indemnity for interruption of use costs shall be paid for a single insured event for up to 21 days, beginning from the third working day after notifying the Insurer of the loss event (points 3.2 – 3.6).
- 4.3.6. The amount of insurance indemnity for a single calendar day shall be specified in the insurance contract.
- 4.3.7. The lack of access to use shall not include the delay caused by the Policyholder's wrongful behaviour.
- 4.3.8. Up to two insured events shall be indemnified under the interruption of use insurance in a single period of insurance.

4.4. Loss, destruction or theft of vehicle keys

In case of theft, loss or another sudden and foreseeable destruction or damage of vehicle keys and/or remote controllers, the Insurer shall indemnify the reasonable costs of re-encoding the anti-theft device or the keys or changing the locks to the extent of 100 euro.

4.5. Loss or theft of registration certificate or driving license

If a vehicle's registration certificate or the driving license of a driver specified on the vehicle's registration certificate has been stolen or lost, the Insurer shall indemnify the state fee for the new document.

5. EXCLUSIONS

- 5.1. Insured event shall not include losses caused to a vehicle or a part thereof by the following:
- 5.1.1. Design error, construction flaw or wrong material, plant or repairer error, poor maintenance or improper use;
- 5.1.2. Inadequate oil or coolant circulation in the vehicle's engine or its ancillary equipment, gearbox, transmission equipment or cooling system. This exclusion shall not be applied, if inadequate oil or coolant circulation has been caused by and the loss occurred immediately after a collision or driving off the road. Occurrence of additional loss shall not be considered an insured event, if the driver did not

establish after the occurrence of insured event whether the vehicle complied with technical requirements for further use and continued to use the vehicle;

- 5.1.3. Flow of water into vehicle's engine or fuel system, where the vehicle was driven or used on a road or territory covered by water. This exclusion shall not be applied if the loss was caused by driving off the road or a collision with an obstacle;
- 5.1.4. Sinking through the ice in a place that was not a ice road officially open for traffic;
- 5.1.5. Vehicle's load, if the loss event was not caused by a collision with an object or an obstacle, driving off the road, driving into a hole or objects falling on the vehicle;

Sample: A rapid deceleration of the vehicle causes the vehicle's load or baggage to move and damage the vehicle. This event shall not be considered an insured event.

- 5.1.6. Participation in a competition (including amateur sport or unofficial competition), a training session or proof tests;
- 5.1.7. Confiscation;
- 5.1.8. The use of vehicle on shores, in swampy areas, water or off road in the meaning of the Traffic Act, driving the vehicle by exceeding the allowed inclination angle;
- 5.1.9. Any event where the vehicle is used by the entitled person for illegal purposes or for facilitating an offence;
- 5.1.10. Gross negligence of the Policyholder or any other violation by the Policyholder of requirements provided by law when using the vehicle, knowingly increasing thus the probability of the occurrence of insured event.

Sample: Insured event shall not include losses caused by crossing a green area with the vehicle in order to avoid traffic jam; driving to the pedestrian area by crossing the obstacles erected against vehicles; driving to the railway crossing if the boom is down; passing the vehicle in front on a road by using the wrong side; any other unreasonable dangerous action.

- 5.2. The cost, technical malfunction, wear, operational injuries and loss of commercial value of the component or node that caused the loss shall not be indemnified.
- 5.3. Loss of commercial value of vehicle wheels shall include primarily scratches or other smaller defects that do not hinder the further normal use of wheels.

Sample: A vehicle is driven against the edge of the curb, damaging thus the surface of a wheel. This is the loss of commercial value of the wheel and shall not be considered an insured event.

- 5.4. In debatable cases, the Policyholder or the applicant of insurance indemnity shall prove that none of the events mentioned in points 5.1.1 – 5.1.10 occurred.

6. INSURABLE VALUE AND SUM INSURED

- 6.1. Insurable value under these terms and conditions shall be the normal price of an insured object.
- 6.2. Normal price shall be the monetary value of a vehicle or a part thereof in the Republic of Estonia immediately before the occurrence of insured event, excluding for a new vehicle, if the requirements provided in point 6.3 have been met.
- 6.3. Insurable value of a new vehicle (with permissible maximum mass of up to 3,500 kg) shall be equal to its initial sales price

and maintain unchanged within one year after the purchase, if the new vehicle is insured in 30 calendar days after its first registration and its mileage is up to 40,000 km upon the occurrence of insured event.

- 6.4. Sum insured shall be the amount specified in the insurance contract or the normal price and it should be the maximum limit of insurance indemnity upon the occurrence of insured event. Sum insured shall not be reduced because of the payment of insurance indemnity.

7. DEDUCTIBLE

- 7.1. Deductible shall be the amount stated in the insurance contract or another value by which the Insurer's performance obligation is reduced.
- 7.2. Losses incurred as a result of different actions or events shall be considered separate insured events. Deductible shall be applied separately for each insured event.

Sample: A vehicle touches a road sign when backing out of a parking space. The driver freaks out and drives against the fence. As these are two separate events, a separate deductible shall be applied for each of them.

- 7.3. Principal deductible shall be the deductible specified in the insurance contract for traffic insurance, storm and flood, fire and vandalism.
- 7.4. In case of actual or attempted theft or robbery or unauthorized use of a vehicle and other accompanying losses, the deductible shall be the share of the insurable value specified in the insurance contract, unless otherwise agreed in the insurance contract.
- 7.5. In case of actual or attempted theft of parts and/or accessories of a vehicle, the deductible shall be the share of the loss amount specified in the insurance contract; however, it shall be at least equal to the principal deductible.
- 7.6. If a vehicle is repaired outside the territory of the Republic of Estonia, the deductible shall be doubled.
- 7.7. **Deductible shall not be applied in the following cases:**
 - 7.7.1. If a loss caused by a collision with an animal on a non-urban road is being indemnified. Deductible shall be applied, if a loss incurred due to avoiding the collision with an animal (e.g. driving off the road in order to avoid the collision with an animal) is being indemnified;
 - 7.7.2. If a loss caused due to lost, destructed or stolen keys of a vehicle is being indemnified (See further in point 4.4 of these terms and conditions);
 - 7.7.3. If a fee for issuing a vehicle's registration certificate or a driving license is being indemnified (See further in point 4.5 of these terms and conditions).

8. GEOGRAPHICAL COVERAGE OF THE CONTRACT

Insurance contract shall be valid in the territory specified in the insurance contract.

9. POLICYHOLDER'S OBLIGATIONS

- 9.1. Policyholder or legal possessor of a vehicle is required to inform other persons of all obligations pursuant to the insurance contract before surrendering the vehicle into their possession.

- 9.2. During the period of insurance, the Policyholder is required to submit the vehicle to the Insurer for inspection in three working days after receiving the respective written request.
- 9.3. Policyholder is required to inform the Insurer in writing in five working days at the latest of the following:
 - 9.3.1. Disposal of the vehicle;
 - 9.3.2. Changes to the name or contact data;
 - 9.3.3. Changes to the intended purpose;
 - 9.3.4. Multiple insurance;
 - 9.3.5. Changes to anti-theft devices;
 - 9.3.6. Theft or loss of the registration certificate;
 - 9.3.7. Bankruptcy proceedings initiated against the owner of the insured object;
 - 9.3.8. Other changes to circumstances influencing the risk that was notified to the Insurer during the conclusion of insurance contract or specified in the insurance contract;
 - 9.3.9. Changes to accessories. In case of changes to accessories, new accessories shall be considered insured after the conclusion of the respective annex of insurance contract.
- 9.4. If changes mentioned in point 9.3 entail a material aggravation of risk, the Policyholder is required to pay an additional premium specified by the Insurer and follow the relevant orders.
- 9.5. If the Policyholder or another person entrusted with the possession of vehicle fails to perform the obligations stated in point 9 and this violation affects the aggravation of insurable risk, the determination of the Insurer's obligation to pay the insurance indemnity or the amount of insurance indemnity, the Insurer shall be entitled to reduce the amount of indemnity or refuse the indemnification.

10. SAFETY REQUIREMENTS IN USING A VEHICLE

If the Policyholder violates a safety requirement mentioned in insurance terms and conditions and this violation aggravates the risk of insured event or the amount of loss, the Insurer shall be entitled to reduce the amount of indemnity or refuse the indemnification.

10.1. Requirements to minimize the risk of traffic accident

- 10.1.1. Driver shall be entitled to drive a vehicle of the relevant type and have the respective driving license in order to drive.
- 10.1.2. The vehicle must not be driven when sick, exhausted or being under the influence of drugs affecting the speed of reactions, alcohol, narcotic drugs or psychotropic substances, or in any other condition that prevents the safe operation of the vehicle. For proper compliance to this requirement, the driver shall assess his/her status both immediately before the commencement of driving and continuously during the driving. The driver shall immediately stop the driving, if there are any indications of sudden illness, health disorder or exhaustion during the driving. If the driver falls asleep or loses consciousness for any other reason while driving, it is deemed that the person has violated the safety requirements provided in this point.
- 10.1.3. Professional drivers must follow the AETR employment conditions (for European international road transport vehicles) and legislation regulating the driver's activities.
- 10.1.4. A person who is not entitled to drive a vehicle of the relevant type or is intoxicated shall not be allowed to drive the vehicle or authorized to use the vehicle without the respective right.

- 10.1.5. Driver is required to comply with vehicle speed limits established by relevant traffic control devices or legislation.
- 10.1.6. The vehicle must comply with the requirements provided by legislation.
- 10.1.7. Orders and requirements of the Insurer's representative, as well as orders given by the police and other competent authorities must be followed.

10.2. Requirements to minimize the risk of fire

- 10.2.1. Any flammable situation must be avoided in the vehicle. The vehicle's engine compartment and other parts can be illuminated only by using the electric light. Open fire sources must not be used in the vehicle (including smoking). When repairing the vehicle, the relevant safety regulations and requirements must be followed.
- 10.2.2. The vehicle must not be used or parked near the fire.

10.3. Requirements to minimize the risk of theft or unauthorized use of a vehicle or a part thereof

- 10.3.1. Vehicle keys and other equipment meant for opening or running the vehicle must not be kept in such a place or in a manner that third persons can get hold of them (if vehicle keys are kept outside a locked cabinet, the key storage space should be closed and the doors locked; keys must not be left into a public cloakroom, etc.) The requirement of locking shall not be enforced, if vehicle keys are under the direct and constant supervision.
- 10.3.2. If vehicle keys are stolen or lost, the Policyholder shall immediately inform the Insurer in writing and re-encode or replace the locks and the existing security system.
- 10.3.3. When leaving the vehicle, its windows, sunroof and luggage boot must be closed and the vehicle must be locked, and it is required to use the necessary installed safety devices.
- 10.3.4. When leaving the vehicle, the detachable front panel of the audio system must be taken along.

11. ACTIONS IN CASE OF LOSS EVENT

- 11.1. Policyholder or another person entrusted with the possession of vehicle is required to comply with the following requirements in case of loss event:
 - 11.1.1. Take all possible measures to prevent additional loss;
Sample: After the occurrence of loss event, the vehicle may only be used if the driver has verified and is confident that the vehicle complies with technical requirements for further use, including whether there is no oil, fuel or coolant leaks, the brakes, lights, tires, etc. are in working order.
 - 11.1.2. Take all possible measures to salvage the vehicle and to minimize further damage;
 - 11.1.3. Participate in the establishment of circumstances at the scene, identify in writing the identity and contact data of witnesses and parties (including data of the vehicle) and define the scene;
 - 11.1.4. Driver involved in the traffic accident must allow the breath testing;
 - 11.1.5. Driver involved in the traffic accident is not allowed to drink alcohol or use narcotic or psychotropic substances until circumstances are established at the scene, and/or before intoxication assessment;

- 11.1.6. Promptly notify the theft, robbery, unauthorized use or vandalism to the police, the fire to the police and the rescue agency, the traffic accident to the police pursuant to the law, the collision with an animal to the alarm centre of rescue service, if such an obligation is provided by legislation;
- 11.1.7. Notify the Insurer in writing in two working days at the latest after the loss event or the day when the Policyholder became aware or should have become aware of the loss event, and submit all known truthful data on the circumstances, place and amount of the loss event and on witnesses and parties (including the person at fault), and show to the Insurer the place of loss event if requested by the latter;
- 11.1.8. Follow the instructions of the Insurer's representative;
- 11.1.9. Submit the damaged vehicle as it is after the loss event to the Insurer for inspection. The Policyholder has not right to commence the restoration or utilization of the vehicle without the agreement of the Insurer's representative;
- 11.1.10. In case of theft or unauthorized use of the vehicle, submit to the Insurer the vehicle's registration certificate and all mechanical and electronic keys at his/her possession, including remote controllers of immobilizers;
- 11.1.11. In case of theft of the audio system, submit to the Insurer the frontal panel or another detachable detail of the audio system in two working days at the latest after the occurrence of loss event;
- 11.1.12. Submit to the Insurer the tachograph disc after the occurrence of loss event, if the mechanical tachograph is required for the vehicle. If a digital tachograph has been installed to the vehicle, the Policyholder shall submit the digital recording or allow the Insurer's representative to examine, in the presence of the driver or employer, the data recorded by the tachograph during the occurrence of loss event and before and after this period.
- 11.2. The obligation to prove the loss, including the obligation to submit the evidence, lies with the Policyholder.
- 11.3. If any part of the loss is not proven or the Insurer's indemnification obligation can be partly challenged, the proved and undisputable part of the loss shall be indemnified in due time.
- 11.4. All applications, statements and explanations must be submitted in writing or by any means that leave a written record.
- 11.5. If the Policyholder or another person entrusted with the possession of vehicle fails to perform the obligations stated in point 11 and this violation affects the determination of the Insurer's obligation to pay the insurance indemnity or the amount of insurance indemnity, the Insurer shall be entitled to reduce the amount of indemnity or refuse the indemnification.

12. INSURER'S OBLIGATIONS

Insurer is required to act as follows:

- 12.1. Examine the documents submitted by the Policyholder;
- 12.2. Examine the damaged vehicle in five working days after the reception of application, provided that the vehicle is located in the Republic of Estonia;
- 12.3. Indemnify the loss caused by insured event in one month at the latest after establishing, based on the circumstances of loss, that it was the insured event, and if the Insurer has established the amount of loss;
- 12.4. Send to the Policyholder its decision to reduce the indemnity or refuse the indemnification in one month from the moment when all circumstances of loss have been established, all required evidences, documents and applications have been submitted and the Policyholder has performed all his/her obligations vis-à-vis the Insurer.

13. INDEMNIFICATION PRINCIPLES

- 13.1. Insurance indemnity shall be the part of loss amount that is indemnified by the Insurer.
- 13.2. Insurance indemnity shall be limited to the normal price of a vehicle or a part thereof.
- 13.3. Indemnity paid for the restoration or replacement of a vehicle shall not exceed the sum insured (excluding travel interruption costs and interruption of use costs, and the costs of replacing keys and documents, to the extent specified in the contract).
- 13.4. Insurer shall be entitled to delay its decision on indemnification or refusal of indemnification, if a misdemeanour or criminal proceeding has been opened against the Policyholder or the legal possessor of vehicle in connection with the loss event and this proceeding is legally related to the decision on indemnification or refusal of indemnification, until the decision in this case has become effective.
- 13.5. The amount of loss shall be established by the Insurer.

13.6. Indemnification can be performed as follows:

- 13.6.1. Replacement – if the vehicle or a part thereof is stolen or totally destroyed or if the reparation is economically unjustified, an equivalent vehicle shall be acquired for the recipient of insurance indemnity. Equivalence shall mean a vehicle or a part thereof that is as similar as possible to the insured object in terms of its type, model, age and technical condition. If a vehicle (with permissible maximum mass of up to 3,500 kg) is older than one year, it may be replaced by a new vehicle, provided that the requirements stated in point 6.3 have been met.
- 13.6.2. Restoration – if the reparation is economically justified, the pre-event condition of the vehicle shall be restored in a repair shop agreed by the parties. If an agreement on the chosen repair shop cannot be reached, the Insurer shall choose the repair shop.
- 13.6.2.1. If the Policyholder performs the reparation of the vehicle in another repair shop not chosen by the Insurer, a monetary indemnity shall be paid. In that case, the insurance indemnity shall be limited to the expected cost of reparation in the repair shop chosen by the Insurer, less the VAT.
- 13.6.2.2. If the Policyholder who is not liable to VAT performs the restoration in a repair shop that was not mutually agreed, the Insurer shall issue to this repair shop, if requested by the Policyholder, a letter of guarantee for the payment of restoration within the extent that does not exceed the expected cost of reparation in the repair shop chosen by the Insurer.
- 13.6.3. Monetary indemnity – if a vehicle or a part thereof cannot be replaced or restored, the Insurer shall be entitled to pay the monetary indemnity. If a vehicle (with permissible maximum mass of up to 3,500 kg) is up to one year old, the price of a new vehicle shall be indemnified to the extent

proven by the authorized distributor at the moment of indemnification, provided that the requirements stated in point 6.3 have been met.

- 13.7. The Insurer shall determine the way of indemnification.
- 13.8. In case of reparation, the cost of repair parts and details of the relevant age and quality shall be indemnified. If damaged parts can be restored, the Insurer is not required to indemnify the replacement of these parts with new ones.
- 13.9. If a tire damaged by the insured event cannot be repaired, a monetary indemnity shall be paid. The amount of indemnity shall be determined on the basis of the cost of a new tire, less depreciation. Only the cost of damaged tire together with instalment costs shall be indemnified.

Sample: A tire of a vehicle is damaged because of an insured event. A similar tire cannot be purchased and the Policyholder wishes to replace also the undamaged tire. The Insurer shall pay the indemnity only for the damaged tire.

- 13.10. To calculate the amount of indemnity, the reductions specified in the insurance contract shall be subtracted from the sum insured.
- 13.11. Ownership of the following shall be transferred to the Insurer:**
 - 13.11.1. The damaged vehicle or its parts, if they have been replaced or a contractual monetary indemnity has been paid for them within the extent of insurable value, less any reductions;

13.11.2. The vehicle, if the vehicle that was stolen, robbed or used without authorization has been indemnified according to the insurance contract.

- 13.12. If a vehicle that was stolen, robbed or used without authorization has been found and handed over to the owner, the recipient of the indemnity shall undertake to decide in 15 days and notify the Insurer in writing whether s/he transfers the vehicle to the Insurer or returns the respective indemnity. Otherwise, the Insurer shall make the decision.
- 13.13. The right of claim that the recipient of indemnity has vis-à-vis the person responsible for loss shall be transferred to the Insurer within the extent of paid indemnity. To perform this obligation, the Policyholder and other persons authorized to use the vehicle must submit the necessary documents.
- 13.14. Loss shall not be indemnified or the paid indemnity shall be returned:**
 - 13.14.1. If the loss was intentionally caused by the Policyholder or the legal possessor of the vehicle;
 - 13.14.2. If the loss was not caused by the insured event;
 - 13.14.3. If the loss has been fully indemnified by the person responsible for causing it;
 - 13.14.4. If the loss shall be indemnified under another insurance class, unless agreed otherwise;
 - 13.14.5. In other cases where the Insurer shall be relieved of its indemnification obligation pursuant to law or these terms and conditions.