



CAR INSURANCE TERMS AND CONDITIONS

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Effective as of 1 April 2009.

(Unofficial translation. In case of a dispute refer to car insurance terms and conditions in Estonian - A101/2009)

These car insurance terms and conditions form a part of the insurance contract entered into with the Estonian branch of Codan Forsikring A/S (hereinafter "RSA") under which a passenger vehicle or a van (hereinafter "a car") is covered. In matters not regulated hereunder, the Parties to the insurance contract shall follow the Law of Obligations Act and other legislation.

1. Object Insured

- 1.1 The object insured shall be the car indicated in the insurance policy as it was before the insured event. The object insured shall also include a safety seat or a carry cot mounted in the car as well as a roof box, a roof rack and a bicycle rack mounted to the car and stickers on the car.
- 1.2 The object insured shall not include the following items which have been installed in the car after it has been sold for the first time:
 - 1.2.1 equipment and details meant for competing or racing;
 - 1.2.2 equipment, gearing and details which improve the dynamics of the car;
 - 1.2.3 equipment and details which have been mounted in violation of the law.

2. Insured Event

- 2.1 The insurance contract constitutes all risk insurance. An insured event means any sudden and unexpected damaging of the car (e.g. a traffic accident, natural disaster, fire, vandalism, theft, robbery, technical malfunction (taking into account the restrictions established herein)), except for the exclusions mentioned in clause 3 of this section (events which do not constitute insured events and which do not bring about the insurer's obligation to compensate for damages).
- 2.2 The use of a replacement car shall only be indemnified for upon a special agreement indicated in the policy.
- 2.3 The following shall not be indemnified for:
 - 2.3.1 damage which has occurred outside the insurance territory specified in the insurance policy;
 - 2.3.2 damage resulting from a theft or unauthorised use of the car (hereinafter "unauthorised taking") if the key to the car (a key means all mechanical or electronic keys, cards, consoles and other similar equipment which are used for opening the doors of the insured car as well as for using the security and alarm equipment of the car) was in the vehicle during the theft or unauthorised taking of the car;
 - 2.3.3 damage which is caused by theft or unauthorised taking of the car or insured parts thereof if the car was not locked or the car was not equipped with the anti-theft equipment required by RSA or if such equipment was not turned on or functional prior to the causing of damage;
 - 2.3.4 maintenance, repair, washing and cleaning costs which are not related to any insured event;
 - 2.3.5 damage if the technical condition of the car is not in compliance with the requirements arising from the insurance contract or the law;
 - 2.3.6 damage, if RSA has not been notified of the transfer of the car as required and the insured event occurs more than 30 days after the time when RSA should have received the corresponding notice;
 - 2.3.7 damage caused by overloading the equipment in the car;
 - 2.3.8 costs incurred in express delivery of car parts and other work performed faster than usual;
 - 2.3.9 damage resulting from non-standard remodelling of the car (including increase in engine power) unless otherwise indicated in the policy;

- 2.3.10 damage caused by wear and tear of the car (including due to a theft or unauthorised taking of the car);
- 2.3.11 damage caused by corrosion, mould or any other long-winding processes;
- 2.3.12 damage caused by frost;
- 2.3.13 damage caused by water getting into the engine;
- 2.3.14 damage resulting from inadequate or wrong maintenance, repairs or handling of the car;
- 2.3.15 damage caused to the fuel system (incl. high pressure pump and injection system) by poor quality fuel;
- 2.3.16 damage resulting from inadequate quantity or poor quality of oil, cooling liquid, brake and transmission fluid;
- 2.3.17 damage resulting from a malfunction, defect, impairment, etc., covered by warranty;
- 2.3.18 damage related to a technical malfunction unless it consists in a sudden and unexpected malfunction of the engine, engine cooling system, engine control electronics, transmission, transmission cooling system, transmission control electronics, brake system or steering system. In the event of said malfunction, the restoration costs shall only be indemnified for if the following conditions are met simultaneously:
 - the first registration of the car has taken place no more than six years before the insured event;
 - the good technical condition and smooth functioning of the cars which have been registered for the first time outside the Republic of Estonia have been confirmed by the Estonian distributor of the respective car manufacturer or a company approved by RSA (list: www.rsagroup.ee). The confirmation shall be given in a format which can be reproduced in writing prior to the occurrence of the insured event, but not more than 30 days before entry into force of the insurance contract;
 - the actual distance covered by the car does not exceed 130,000 kilometres at the time of the malfunction;
 - the car has not been used as a taxi or a short-term rental vehicle;
 - the car has undergone all the required maintenance in due time and such services have been rendered by a competent person.If all of the abovementioned conditions are met, the expenses on disassembly, diagnostics and an expert opinion which are necessary for determining the cause and extent of the technical malfunction as well as the expenses on reassembly shall be indemnified. If the abovementioned conditions are not met or there is no technical malfunction constituting an insured event, the reassembly costs shall not be indemnified.
- 2.3.19 damage related to a technical flaw in the fuel system (including in the turbo and displacement compressor, intercooler, injection pump and accumulator); in the exhaust system and exhaust treatment system (including the catalytic converter); in the climate control equipment (including the conditioner); and in a display, the suspension system, a wheel bearing or a brake disc, shoe or calliper;
- 2.3.20 damage related to a technical malfunction if the occurrence thereof is related to modifications made to the car or any part thereof (including tuning);
- 2.3.21 damage to tyres (except for vandalism) if this has not resulted in other damage caused to the car and subject to indemnification;
- 2.3.22 damage resulting from the fact that the policyholder has lost the possession of the car due to fraud, embezzlement or extortion, as well as damage caused to the car during

- said events;
- 2.3.23 damage caused by a robbery or theft of any parts of the car by the policyholder or while the policyholder was aware of this;
- 2.3.24 damage resulting from a theft or unauthorised taking of the car if, with the request for indemnification, not all keys to the car have been submitted to RSA;
- 2.3.25 damage caused by fuel which has leaked out of the car or got lost;
- 2.3.26 damage caused by car art;
- 2.3.27 damage caused by using the car in competitions or training;
- 2.3.28 damage resulting from driving the car in areas not meant for traffic (landscape, shores, water; swampy areas, etc.) or beyond ice roads open for traffic;
- 2.3.29 damage resulting from war, civil war, invasion, terrorism, mass disturbances, revolution, coup d'état, strike, confiscation, seizure or lock-out;
- 2.3.30 damage caused by nuclear energy.

3. Release of RSA from Obligation to Comply with Insurance Contract

RSA shall partly or fully be released from the obligation to comply with the insurance contract if:

- 3.1 the policyholder has intentionally or due to gross negligence violated at least one obligation stipulated in the insurance contract and the violation has affected the occurrence or amount of damage or the determination of the extent of RSA's performance obligation;
- 3.2 the policyholder has failed to comply with the obligation to inform about changes in material risk circumstances;
- 3.3 the policyholder has knowingly provided RSA with false information on the circumstances or amount of damage;
- 3.4 the damage has been caused with the policyholder's consent;
- 3.5 the damage has been caused at the time the driver of the car was intoxicated or under the influence of narcotic or psychotropic substances;
- 3.6 the person driving the car refuses to have their level of intoxication established immediately after the occurrence of damage. This shall be deemed equal to driving under the influence of alcohol or narcotic or psychotropic substances at the time of occurrence of damage and to the use of said substances after the occurrence of damage but before the arrival of the police or proposal of establishment of intoxication;
- 3.7 the person, who drove the car at the time of the traffic accident, does not have the right to drive a vehicle of the respective category;
- 3.8 the policyholder aided and abetted a crime with the car.

4. Insurance Territory

RSA shall pay indemnity only in insured events which have occurred in the countries indicated in the policy.

5. Sum Insured and Insurable Value

- 5.1 The sum insured shall be the market value of the insured object in Estonia immediately before the occurrence of the insured event.
- 5.2 Any audio, video, taxi, multimedia or entertainment equipment or alloy wheels which have been installed after the car was first sold shall not be taken into account when determining the sum insured. The first sale shall mean the sale of the car to the end user for the first time.

- 5.3 The total sum insured for any audio, video, taxi, multimedia and entertainment equipment which have been installed after the car was first sold shall be 15,000 Estonian kroons.
- 5.4 The sum insured for alloy wheels which have been mounted after the car was first sold shall form 5 per cent of the sum insured for the car.
- 5.5 Any insurance indemnity paid shall not reduce the sum insured.

6. Excess

- 6.1 Excess means the part of damage indicated in the insurance contract and applicable in each insured event, which RSA shall not indemnify.
- 6.2 If, at the time of the traffic accident, the person who drove the car is under 24 years of age and is not mentioned in the policy issued to the policyholder; who is a private person, as the primary user of the car; the amount of excess applicable shall be doubled.
- 6.3 Excess shall not apply to the indemnification of any expenditure on replacement or repairs of windows. Sunroofs or glass roofs shall not be considered to be windows.

7. Insured Risk and Increase in Probability of Insured Risk

- 7.1 Insured risk means a risk against which insurance is taken out. In the given case, the insured risk is the risk of any sudden and unexpected damaging of the car, except of the risks mentioned in clause 3 of section 2.
- 7.2 The policyholder shall immediately notify RSA of any increase in the probability of the insured risk, unless such increase is caused by a commonly known factor which does not affect the insured risk of only this policyholder.
- 7.3 After entry into the insurance contract, the policyholder may not increase the insured risk or permit persons for whom they are responsible to do so without RSA's consent.
- 7.4 Should the policyholder breach the notification obligation or the obligation to avoid increase in the insured risk, RSA shall be released from the obligation to perform the insurance contract if the insured event occurs a month after RSA should have received the notice, unless RSA knew or should have known about increase in the probability of the insured risk at the time they should have received the notice.
- 7.5 Circumstances which increase the likelihood of an insured event taking place or the amount of damage which could be caused shall be considered to be circumstances which increase insured risks. The policyholder may not increase the insured risk without RSA's consent.
- 7.6 Material circumstances increasing insured risks shall be, first and foremost, transfer of the car; deletion of the car from the traffic register; change in the use (ordinary use) of the car; malfunctions in the locking systems or anti-theft equipment of the car; loss of car keys or registration documents or parts thereof or change in the primary user of the car specified in the policy, etc. The ordinary use of the car shall not include rental (except lease if the policyholder is also the lessee), provision of taxi services with the car or use of the car as a vehicle for driving practice, an emergency vehicle or a patrol vehicle of a security company.
- 7.7 During the insurance period, RSA shall be entitled to inspect the object insured. In the event of an increase in

the insured risk, they shall be entitled to request that the policyholder take additional security measures and/or to increase insurance premiums. This shall not exclude RSA's right to cancel the insurance contract.

8. Policyholder's Obligations

- 8.1 Persons equivalent to the policyholder include beneficiaries, legal possessors of the car and persons to whom the legal possessor of the car has voluntarily given permission to drive the car as well as family members of the above persons. The policyholder shall be responsible for the conduct of such persons in performing the obligations arising from the insurance contract as they are for their own conduct.
- 8.2 The policyholder shall:
 - 8.2.1 explain the obligations arising from the insurance contract to the person to whose possession or use the car is given;
 - 8.2.2 enable the representative of RSA to examine the condition and documents of the car;
 - 8.2.3 when leaving the vehicle:
 - a) close the doors, windows and hatches of the car (and the roof of a convertible car);
 - b) lock the car and turn on all anti-theft equipment (including the alarm and immobiliser);
 - c) not leave in the car the removable front panel of its audio system, the keys to or the registration documents of the car.
 - 8.2.4 preserve the car keys and registration documents in such a manner that no third party can have access to these without applying force or threat of violence. Keys to the car may not be kept in the car;
 - 8.2.5 immediately replace all locks and re-code or replace the electronic anti-theft equipment should the car keys be stolen, robbed or lost. Until the locks or anti-theft equipment are replaced or re-coded, the policyholder shall take additional effective measures to avoid theft or unauthorised taking of the car; e.g. leave the car unattended only in a locked garage;
 - 8.2.6 inform RSA of changes made to the engine power (incl. chip tuning);
 - 8.2.7 adhere to RSA's additional rules on the reduction of insured risks.
- 8.3 Upon the occurrence of an insured event, the policyholder shall:
 - 8.3.1 document the traffic accident and inform about it according to applicable legislation;
 - 8.3.2 immediately inform the police of a theft or unauthorised taking of the car, vandalism and other illegal acts in a format which can be reproduced in writing;
 - 8.3.3 immediately notify the Rescue Board of a fire in a format which can be reproduced in writing;
 - 8.3.4 call for the police and not leave the accident site if the car has been damaged by objects or substances which have fallen or have been thrown on it;
 - 8.3.5 inform RSA of an insured event as soon as possible, however, not later than within 5 business days of learning about the insured event. If the exact time of the occurrence of the insured event cannot be determined, the insured event shall be deemed to have occurred at the moment when the policyholder should have learned about it.
- 8.4 The policyholder shall present the damaged car or the remains thereof to RSA for inspection in the state it was/ these were after the insured event. Without RSA's prior

- 8.5 written permission, the policyholder may not make any changes to the car, including restoration or scrapping. The policyholder shall supply RSA with information and documents they have on the causes for and amount of damage.
- 8.6 The policyholder shall deliver the remains of the car to RSA in the state these were after the insured event in the territory of the Republic of Estonia, unless the parties agree otherwise. If RSA examines or scraps the remains of the car in another country or organises the transportation of the remains of the car to Estonia, the indemnity shall be reduced by the respective costs.
- 8.7 In the event of a theft, unauthorised taking or robbery of the car, RSA shall immediately be given all keys to and registration documents of the car (in the event of a robbery, all keys and documents in the policyholder's possession).
- 8.8 The policyholder shall ensure that the original driver's licence of the person who drove the car at the time of the insured event is given to RSA.
- 8.9 The policyholder shall prove the occurrence of the insured event.
- 8.10 Should the car, which was stolen, taken without authorisation or robbed, be found, the policyholder shall immediately inform RSA thereof in writing or in a format which can be reproduced in writing.
- 8.11 The policyholder shall immediately inform RSA of compensation for damages received from a third person.
- 8.12 If RSA has indemnified for the car or a part thereof which has left the possession of the entitled person, the policyholder shall immediately inform RSA in a format which can be reproduced in writing if they learn that the car or a part thereof has been found or its location has become known. The retrieved car or part thereof shall be transferred to RSA within ten business days or the insurance indemnity received for it shall be refunded.

9. RSA's Obligations and Rights

- 9.1 RSA shall:
 - 9.1.1 carry out or arrange the inspection of the damaged car as soon as possible but not later than within 5 business days of the receipt of the damage notice;
 - 9.1.2 make a decision on indemnification or non-indemnification within 5 business days of the receipt of all information, documents and materials necessary for determining the circumstances of the insured event and the extent of damage and for paying the indemnity. RSA shall inform the policyholder of required information and documents which have not yet been provided.
- 9.2 RSA shall be entitled to establish additional safety rules with regard to the insurance contract. These shall form part of the insurance contract, unless the policyholder submits an application for withdrawal from the insurance contract within 10 days of the receipt of the rules.
- 9.3 RSA shall be entitled to claim the difference between insurance premiums payable before and after the increase in engine power since the beginning of the insurance period.

10. Types of Indemnification

- 10.1 Indemnification can be monetary indemnification or indemnification for costs incurred in restoring the damaged car (replacement of the damaged part with an equivalent one).
- 10.2 The restoration costs of the damaged car shall be indem-

- nified for on the basis of expense receipts evidencing the restoration costs.
- 10.3 If RSA approves the manner and place of restoration chosen by the policyholder; they shall issue, at the car restorer's request, a letter of guarantee ensuring indemnification for the restoration costs.
- 10.4 RSA shall not be liable for the manner or quality of restoration of the car unless the parties to the insurance contract have agreed in writing that RSA shall organise the car restoration (issue of the letter of guarantee shall not be understood as such an agreement).
- 10.5 Should the policyholder not agree with a justified and reasonable manner or place of restoration, RSA shall pay indemnity in cash in the amount corresponding to justified and reasonable expenses necessary to be borne in order to restore the car.

11. Indemnification Procedure

- 11.1 Indemnification for restoration costs
Indemnification shall cover the following:
- 11.1.1 expenses on restoration of the car which are necessary due to an insured event;
- 11.1.2 justified and reasonable expenses incurred due to an insured event in lifting the car back on the road or transporting the car to the nearest repair shop or a repair shop determined by RSA or a storage facility.
- 11.2 Conditions for indemnification for restoration costs:
- 11.2.1 if restoration of the car is financially and technically justified, the expenses on restoration actually incurred shall be indemnified;
- 11.2.2 if the policyholder applies for monetary indemnification, but fails to submit expense receipts evidencing the restoration of the car, the difference between the market values of the car in Estonia before and after the insured event shall be indemnified;
- 11.2.3 in restoring the vehicle, RSA shall be entitled to request that spare parts whose state of wear and tear is equivalent to the age and technical condition of the car be used.
- 11.3 Insurance indemnity in the event of destruction (incl. theft or robbery) of the car shall be calculated on the basis of the market value of the car in Estonia immediately before the insured event. The car shall be deemed as having been destroyed if its restoration is technically or financially unjustified.
- 11.3.1 New value insurance. The amount of damage shall be equal to the first sales price of the car or the sales price of an equivalent new car at the time the indemnification decision is made if all the following special conditions are met simultaneously:
- a) the first registration of the car has taken place in Estonia and not more than a year has passed from the first registration. The registration of the car in the name of the car sales company shall not constitute the first registration if the total distance covered by the car during the time it is in the company's possession does not exceed 10,000 kilometres;
 - b) the car has had just one owner or in the case of a financial or operational lease, just one lessee;
 - c) the car has not been used as a taxi or a patrol car of a security company.
- 11.3.2 In cases not listed in clause one of this section, the amount of damage shall be the market value of the car in Estonia immediately before the occurrence of the insured event.

- 11.4 Insurance indemnity for using a replacement car shall be paid only if and until the use of the insured car in road traffic is not permitted or objectively possible after the occurrence of the insured event.
- 11.4.1 Indemnification for 30 days of rent for a car equivalent to the insured one shall be paid during one insurance period if such a car is rented and expense receipts presented. If the policyholder does not wish to rent a replacement car, the indemnity shall be paid for up to 30 days and it shall amount to 500 kroons per day within a single insurance period.
- 11.4.2 In case the car is destroyed, the indemnification shall cover 30 days.
- 11.5 RSA shall be entitled to reduce the insurance indemnity by the usual value of the car or the remains thereof. If RSA and the owner of the car have agreed to transfer the car or the remains thereof to RSA's ownership, the insurance indemnity shall not be reduced by said amount.
- 11.6 In determining the insurance indemnity, the outstanding insurance premiums, deductibles specified in the insurance contract and taxes to be refunded pursuant to the law (such as VAT) shall be deducted from the amount of damage to be indemnified for under the insurance contract.
- 11.7 If the car is destroyed, RSA shall be entitled to deduct from the insurance indemnity the outstanding insurance premiums for the current insurance period, regardless of whether the due date of the insurance premiums has arrived and to whom the insurance indemnity is paid.
- 11.8 The ownership of the object insured shall transfer to RSA as of the moment RSA receives the possession of the object, unless RSA and the owner of the car agree otherwise.

12. Refund of Insurance Indemnity

The policyholder shall refund the insurance indemnity to RSA if, after indemnification, circumstances excluding indemnification have become evident or if the damage has been indemnified for by a third party.

13. Jurisdiction

All disputes arising from the present insurance contract shall be settled in the Harju County Court.

14. Notices

All notices to the parties to the insurance contract submitted in the course of performing the contract shall be made in a format which can be reproduced in writing or by calling RSA at 1526.

15. Miscellaneous

RSA shall be entitled to record any telephone calls related to the performance of the insurance contract.