



## LHV Casco Insurance

**The Terms and Conditions of Motor Hull Insurance describe the extent of insurance protection, action to be taken in the case of an insured event and principles for indemnification.**

Motor hull insurance provides insurance cover in case the vehicle is damaged, destroyed or lost due to an unexpected and unforeseen event. Such situations may include a traffic accident or other accident, vandalism, fire, natural disaster, car theft, and damage caused by other events.

The parts of the insurance contract are the insurance policy (hereinafter **policy**) and these Terms and Conditions of Motor Hull Insurance (hereinafter **Terms and Conditions**). The sum insured (maximum limit of indemnity) and the amount of deductible (the excess; the amount that will be borne by the policyholder in the event of an insured event) are indicated in the policy for the insured object. Before concluding the insurance contract, the policyholder must make sure that the information specified in the policy is correct and that the scope of insurance cover is appropriate, and read through the Terms and Conditions.

**The insurer** is AS LHV Kindlustus (hereinafter **LHV**).

**The policyholder** is the person specified in the policy. Persons equated with the policyholder are the owner of the insured object and all persons lawfully in possession or use of the insured object (hereinafter **policyholder**).

### Contact details for the insurer

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# Terms and Conditions of Motor Hull Insurance

Valid from  
01.02.2022

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## Insured object

1. The insured object is a land vehicle specified in the policy, which is in normal use and is at the same level of completeness as when it was initially sold first-hand. In addition, the insured object may be
  - **optional equipment** (entertainment, multimedia, navigation, communication and lifestyle equipment, elements that modify the appearance and/or aerodynamics of the vehicle, alloy wheels, bumper guards and taxi equipment);
  - **special equipment** (child safety seats and infant carriers, roof box attached to vehicle, roof rack and bicycle holder).

If the policy includes a notation in this regard, the following can also be considered an insured object:

- **luggage** (personal belongings of the driver and passengers);
  - **trailer** (a vehicle or machinery meant to be towed via coupling to the vehicle);
  - **passenger life and health** (life and health of the vehicle driver and passengers pursuant to the scope of accident coverage specified in the Terms and Conditions);
  - **pet** (a pet carried in the vehicle in conformity with the requirements);
  - **extra set of tyres** (tyres kept in a closed and locked storage location).
- 1.1. By separate agreement, an insured object may also be a vehicle not in normal use.
  - 1.2. The short-term hiring of a vehicle (hire out for up to three months), provision of taxi and ridesharing service with the vehicle, use of the vehicle for courier, driving school, security service, special-purpose and alarm vehicle and auto residence shall not be considered normal use.
  - 1.3. In the case of a truck and trailer, a dump truck, refrigerated truck, logging truck and tanker truck, lift, crane and vehicle adapted for transport of hazardous freight shall not be considered a vehicle in normal use.
  - 1.4. In the case of a bus, a regularly scheduled city bus, commuter bus or vehicle meant for organizing international transport or chartered transport shall not be considered a vehicle in normal use.
  - 1.5. The following shall not be considered an insured object and/or optional equipment of an insured object:
    - 1.5.1. permanent or protective wax installed on the vehicle, decals, protective and coating films, driver-assistance systems and vehicle control electronics not installed in the factory, unless a special agreement to that effect is specified in the policy;
    - 1.5.2. the tools, spare parts and non-permanently installed equipment that did not come with the vehicle when initially sold first-hand, unless a special agreement to that effect is specified in the policy;
    - 1.5.3. clothing, helmet and other similar equipment meant for use of the vehicle;
    - 1.5.4. goods transported or stored with the vehicle, not including personal belongings for the purpose of luggage insurance coverage specified in the Terms and Conditions.

## Insurance cover

2. An insurance event is an unexpected and unforeseeable event befalling the insured object as a consequence of which the insured object is damaged, destroyed or lost as a consequence of the incidents listed below and agreed in the policy and in the case of which indemnification is not excluded on the basis of clause 4 of the Terms and Conditions.

- 2.1. **Traffic accident** for the purposes of the Terms and Conditions is damage or destruction as a consequence of an insurance event set forth in the Traffic Insurance Act in the course of which a collision with another vehicle occurred.
- 2.2. **Accident** is damage to or destruction of the insured object as a consequence of external mechanical force (including any traffic accident), natural disaster (including flood, hail), fire (including smoke, soot and fire-fighting operations) or explosion (including explosion of an explosive device).
- 2.3. **Vandalism** is the deliberate damage of the object caused by a third party.
- 2.4. **Theft** is the loss of or damage to the insured object or parts thereof due to car theft, unauthorized taking of motor vehicle (UTMV), carjacking or attempt at the above.
- 2.5. **In the case of total risk insurance**, an insured event is unexpected and unforeseeable damage, disappearance or destruction of the vehicle, not including the exclusions listed in clause 4 of the Terms and Conditions.

## Additional coverage

- 3. If the policy includes a corresponding notation, insurance coverage also applies to the following situations:
  - 3.1. **Roadside assistance service** provides provision of immediate aid to passenger and freight vehicles with a registered mass of up to 3500 kg and motorcycles if due to an unexpected and unforeseeable event, it is not possible to use or continue driving the vehicle. Roadside assistance is provided on the following conditions:
    - 3.1.1. roadside assistance is available 24h;
    - 3.1.2. towing potentially needed in the course of roadside assistance is provided to the nearest garage and/or service location, except for within Estonia, where the vehicle shall be transported to the location specified by the policyholder;
    - 3.1.3. roadside assistance is provided within the territory specified in the policy;
    - 3.1.4. within Estonia, Latvia and Lithuania, passengers present in the vehicle (including the driver) shall, if necessary, be transported to their destination or home;
    - 3.1.5. roadside assistance is provided solely if ordered via LHV's roadside assistance telephone line 680 1122;
    - 3.1.6. deductible does not apply for roadside assistance;
    - 3.1.7. roadside assistance is not provided if the need for the assistance was foreseeable (e.g. recurring use of roadside assistance with the same content).
  - 3.2. **Use of a loaner vehicle** is allowed for passenger and freight vehicles with a registered mass of up to 3500 kg if the use of the insured vehicle for the purposes of the Terms and Conditions is not allowed or possible as a consequence of the traffic accident, accident, vandalism, theft and technical malfunction (if the corresponding protection is listed in the policy). Use of a loaner vehicle is provided on the following conditions:
    - 3.2.1. The loaner vehicle may be used up to twice during an insurance period, but not for more than 30 days on the basis of a single insurance event;
    - 3.2.2. the use of the loaner vehicle is enabled only if the restoration of the vehicle lasts longer than one working day;
    - 3.2.3. if the insured object is a total loss, the use of the loaner vehicle is enabled until LHV has made a decision on indemnification;
    - 3.2.4. use of loaner vehicle is not allowed in cases where the damage caused is less than the deductible threshold;
    - 3.2.5. the loaner vehicle is issued to the policyholder by a partner designated by LHV at the appointed location and time within a reasonable amount of time after the occurrence of the insured event;
    - 3.2.6. the policyholder is obliged to enter into an agreement on use of loaner vehicle with the issuer of the loaner vehicle;
    - 3.2.7. at the first demand of LHV, the loaner vehicle must be returned within 24 hours.
  - 3.3. **Leasing value insurance** compensates the residual value under the vehicle's leasing agreement immediately prior to the insured event if the vehicle is considered a total loss or goes missing (including theft). Leasing value insurance is valid on the following conditions:
    - 3.3.1. the vehicle's residual value under the leasing agreement immediately prior to the insured event was higher than the market price of the vehicle immediately before the insured event.
    - 3.3.2. the damage is not compensated on the basis of new-value insurance;
    - 3.3.3. the owner and lessor of the vehicle is a credit institution operating in Estonia, its branch or a leasing company

operating as its subsidiary;

- 3.3.4. the leasing agreement residual value is construed solely as the value of the vehicle according to the leasing agreement schedule immediately prior to the insured event, not including any other monetary obligations the lessee may have to the lessor (such as indebtedness of leasing payments, interest, contractual penalty, expenses and fees related to the contract);
- 3.3.5. the vehicle has not been used during the insurance period as a taxi, operational or rapid-response vehicle, courier vehicle or security company's patrol vehicle;
- 3.3.6. no more than five years has elapsed since the initial registration of the vehicle;
- 3.3.7. the residual value of the vehicle under the leasing agreement is not more than 50,000 euros.
- 3.4. On the basis of **leasing value insurance**, leasing payments up to six months shall be compensated, not to exceed 3000 euros. Leasing value insurance shall be valid on the following conditions:
  - 3.4.1. the legal possessor of the vehicle and policyholder is receiving outpatient or inpatient medical care as a consequence of the insured event and has lacked capacity for work for more than two weeks, with the insurance indemnity being limited to the abovementioned actual period of incapacity of work;
  - 3.4.2. the insured event (including traffic accident) is formalized in accordance with procedure set forth in legislation and the ambulance summoned to the scene documented the personal injury;
  - 3.4.3. the owner and lessor of the vehicle is a credit institution operating in Estonia, its branch or a leasing company operating as its subsidiary;
  - 3.4.4. LHV does not compensate other expenses contained in the leasing payments (such as fuel cards, insurance) or other claims against the leasing customer (such as late interest, contractual penalties, contract fees). If the insured object is a total loss, the obligation to compensate leasing payments applies until the relevant decision on indemnification has been made;
  - 3.4.5. the vehicle has not been used during the insurance period as a taxi, operational or rapid-response vehicle, courier vehicle or security company's patrol vehicle;
- 3.5. **New-value insurance** compensates the initial first-hand sale price of the vehicle on the basis of the purchase document if the vehicle is a total loss or goes missing (including car theft). New-value insurance shall be valid on the following conditions:
  - 3.5.1. as of the occurrence of the insured event, no more than five years has elapsed since the initial registration of the vehicle;
  - 3.5.2. since the initial sale, the vehicle has had a single owner, and in the case of a vehicle owned by the lessor, a single leasing customer;
  - 3.5.3. the initial first-hand sale price substantiated on the basis of the vehicle's purchase document is higher than the vehicle's new replacement value immediately before the insured event;
  - 3.5.4. the vehicle has not been used during the insurance period as a taxi, operational or rapid-response vehicle, courier vehicle or security company's patrol vehicle.
- 3.6. **Acquisition value insurance** compensates the acquisition value of the vehicle pursuant to the purchase document in the case of the vehicle is a total loss or goes missing (including car theft). Acquisition value insurance shall be valid on the following conditions:
  - 3.6.1. as of the occurrence of the insured event, no more than 10 years has elapsed since the first registration of the vehicle;
  - 3.6.2. the vehicle's acquisition price is not over 50,000 euros;
  - 3.6.3. the insurance coverage is valid for six months starting from the conclusion of the insurance contract;
  - 3.6.4. the vehicle has not been used during the insurance period as a taxi, operational or rapid-response vehicle, courier vehicle or security company's patrol vehicle;
  - 3.6.5. the period between the acquisition of the vehicle and the conclusion of the insurance contract is not longer than 30 days.
- 3.7. **Mechanical failure insurance** covers expenses on repair and replacement caused by unexpected and unforeseeable failure of the vehicle's engine, transmission, brake and steering system and their control electronics and cooling systems. Mechanical failure insurance shall be valid on the following conditions:
  - 3.7.1. no more than seven years has elapsed since the first registration of the vehicle;
  - 3.7.2. the odometer reading of the vehicle at the time of the mechanical failure is not over 150,000 km;

- 3.7.3.** the vehicle has undergone all of the regular maintenance procedures performed by a competent person at the right time;
- 3.7.4.** the vehicle has not been used during the insurance period as a taxi, operational or rapid-response vehicle, courier vehicle or security company's patrol vehicle;
- 3.7.5.** the vehicle has not previously been declared a total loss;
- 3.7.6.** the mechanical failure is not related to a fault in the engine power system (including turbo and displacement compressor, intercooler, high-pressure pump and battery, exhaust filter system (including catalytic converter), climate control system (including air conditioning), indicators, suspension, wheel bearing, brake disc, brake pad or calliper. At the demand of LHV, the vehicle's technical condition and faultless operation of the vehicle must be proved by a representative of the relevant vehicle make or a repair company designated by LHV with an inspection report;
- 3.7.7.** if after the diagnosis of the flaw, it becomes evident that it was not an insured event under mechanical failure insurance, LHV shall compensate the justified expenses made to determine the cause and extent of the failure (dismantling, diagnostics, expert opinion etc.) but not the costs of the vehicle reassembly, spare parts needed to be replaced and additional repair works.
- 3.8. Replacement trailer insurance** covers damage caused to light trailers as a result of traffic accident, accident and vandalism as defined in the Terms and Conditions. Damage shall be compensated on the following conditions:
- 3.8.1.** the trailer was coupled to the insured vehicle at the time of the insured event;
- 3.8.2.** the coupled trailer met the requirements and restrictions established by the vehicle's manufacturer and was technically in order.
- 3.9. Luggage insurance** covers losses occurring through damage to or destruction of the personal belongings (luggage) of the vehicle possessor and passengers in the insured vehicle as a consequence of a traffic accident, accident and vandalism as defined in the Terms and Conditions. Damage shall be compensated on the following conditions:
- 3.9.1.** at the time the vehicle was left unattended, the luggage was stowed in a concealed position within the luggage compartment and/or place designated for that purpose (glove compartment);
- 3.9.2.** luggage does not include antiques, money, securities, valuables, jewellery, documents (including photos, plans, drawings), electronic data media, photographic equipment, audio and video equipment, computers, smart devices (including phones) and tools;
- 3.9.3.** if additional cover under replacement trailer insurance is also specified in the policy in addition to addition cover under luggage insurance, luggage in the trailer shall be compensated as well as a consequence of traffic accident, accident and vandalism as defined in the Terms and Conditions.
- 3.10. Passenger accident insurance** covers permanent incapacity for work or death of up to five passengers present in the vehicle (including the driver) if caused directly by bodily injury sustained as a consequence of an insured event. Compensation shall take place if all of the following conditions are met:
- 3.10.1.** the incapacity for work has persisted for at least one year;
- 3.10.2.** 30% or greater capacity for work was lost as determined and designated in accordance with legal acts;
- 3.10.3.** a decision of the competent agency has been submitted to LHV concerning the permanent loss of capacity for work and the extent thereof;
- 3.10.4.** in the event of a death, a death certificate stating the cause of death and a succession certificate have been submitted to LHV allowing the identification of entitled heirs for obtaining the insurance compensation;
- 3.10.5.** the passenger accident event insurance coverage is valid also if the driver of the insured vehicle did not cause the traffic accident and the damage to the vehicle is compensated by the responsible party's insurer.
- 3.11. Pet insurance** covers damage caused through injury to or death of up to two pets in the insured vehicle if caused directly by an insured event. Compensation shall be made if all of the following conditions are met:
- 3.11.1.** the pet is travelling in the vehicle in the intended manner and place;
- 3.11.2.** the pet or pet transport equipment (including cage) is secured by the intended security restraints.
- 3.12. Travel interruption insurance** covers the following reasonable expenses caused by travel interruption occurring due to an insured event and necessary for continuing the travel:
- 3.12.1.** travel expenses to the nearest lodging place if return home or onward travel to the destination is not possible;
- 3.12.2.** lodging expenses at the nearest reasonable place of lodging if this is further than 100 km from the destination;

- 3.12.3.** the abovementioned expenses shall be compensated solely in the case of travel and overnight stay outside Estonia, Latvia and Lithuania.
- 3.13. Rental car insurance** covers claims brought by a rental company against the policyholder arising from traffic accident, accident and vandalism as defined in the Terms and Conditions involving a vehicle rented by the policyholder. Claims shall be compensated on the following conditions:
- 3.13.1.** the vehicle specified in the policy and constituting the insured object did not take part in road traffic during the rental period;
- 3.13.2.** rental car insurance is valid on the territory specified in the policy, excluding Estonia, Latvia and Lithuania;
- 3.13.3.** the vehicle being rented may be a passenger or freight vehicle (up to 3500 kg);
- 3.13.4.** in the case of damage occurring with a rented car, the conditions and special conditions listed in the policy shall be applied;
- 3.13.5.** in the case of damage occurring with a rented car, the deductible listed in the policy shall be applied;
- 3.13.6.** the vehicle has not been used as a taxi, ridesharing, instructional, operational, first-response, courier vehicle or security company's patrol vehicle or for other commercial activities;
- 3.13.7.** LHV shall not compensate other expenses contained in the claim brought by the rental company (e.g. additional insurance) or claims against the policyholder (such as late interest, contractual penalties, contract fees).

## Exclusions

- 4.** Claims for damage indirectly or directly caused by the following events, causes or consequences shall not be indemnified:
- 4.1.** damage caused by an event that cannot be deemed an insured event;
- 4.2.** damage caused by an event that occurred outside the insurance territory or insurance period specified in the policy;
- 4.3.** damage caused by off-road use of the vehicle, i.e., outside a facility open to land vehicle traffic (airfield, mine, road construction area etc) or outside another area intended by the land owner for land vehicle traffic (landscape, shoreline area, water, marshy area, ice road not open for traffic, or ice etc);
- 4.4.** damage that cannot be deemed natural wear and tear on the insured object, such as small scratches and chips on the paint coat and vehicle hull, superficial scratches, pits and signs of wear on glass and vehicle's passenger compartment, or wear of consumables (e.g. oils, lubricants, brake pads);
- 4.5.** damage caused by an animal left in the insured vehicle;
- 4.6.** damage caused through the insured vehicle competing in an event or training;
- 4.7.** damage caused by excess load being placed on or the incorrect means of use being applied during use of the insured vehicle or equipment thereof;
- 4.8.** fuel that leaked out of or was stolen from the insured vehicle;
- 4.9.** damage caused by water penetrating the insured vehicle, vehicle engine or fuel system due to the vehicle being driven through deep water;
- 4.10.** damage caused by incorrect modification (including chip tuning) of the Insured vehicle or parts thereof), wear, parts proving substandard (including warranty repair), corrosion, etching, freezing, moisture (including compromising of hermetic seals), deficiency or improper maintenance, deficient repair and/or handling;
- 4.11.** damage caused through UTMV of the insured vehicle or theft of its parts and/or luggage at a time when the compliant anti-theft devices were not installed in the vehicle or if they were not switched on or in working order prior to the theft or UTMV, or if the vehicle's key (including key fob) vehicle were left in the vehicle;
- 4.12.** damage caused through UTMV of the insured vehicle or theft of its parts and/or luggage if the vehicle's possessor failed to report the theft to the police as required;
- 4.13.** losses caused due to the insured vehicle's technical condition failing to meet the requirements specified in the insurance contract and/or legal acts;
- 4.14.** damage caused by improper level of oil, coolant, brake fluid and clutch fluid and the wrong or substandard fuel (including LNG);
- 4.15.** damage caused by an overload caused while charging an insured electric vehicle (including plug-in hybrid) in a manner that is incorrect or not compliant with manufacturer requirements or through use of a non-conformant



charging technique;

- 4.16. damage caused solely to tyres or shock absorbers (other than damage caused as a result of vandalism) if no other indemnifiable damage was caused to the chassis (including wheels);
- 4.17. damage caused to tyres that were at or beyond the wear limit;
- 4.18. damage caused only to marker glass (including cracks and/or chemical reaction) unless caused by traffic accident, accident or vandalism as defined in the Terms and Conditions;
- 4.19. damage caused by the policyholder being dispossessed of the insured vehicle through fraud or extortion, as well as damage caused to the vehicle during such an incident;
- 4.20. damage caused by the theft or parts removed or dismantled from the insured vehicle by the policyholder or with the policyholder's knowledge, except for tyres associated with the vehicle that were kept in a closed and locked storage place;
- 4.21. damage caused by the driver of the insured vehicle being intoxicated by alcohol, or under the influence of drugs or psychotropic substances at the time of a traffic accident;
- 4.22. damage caused by the driver of the insured vehicle refused to take a sobriety test immediately after damage occurred, or used alcohol, drugs or psychotropic substances after the damage occurred;
- 4.23. damage if the person driving the insured vehicle lacked, at the time of the traffic accident, a license to operate the vehicle of the respective category;
- 4.24. damage caused to a light trailer prior to the time when it was coupled to the insured vehicle and/or after it was decoupled from it;
- 4.25. damage caused by theft, UTMV or carjacking of light trailer, including of luggage in the light trailer;
- 4.26. damage which the insured vehicle's owner learned of only upon the return of possession of the vehicle to the owner and the precise circumstances of which are unknown to LHV;
- 4.27. damage caused by the participation of an insured truck or trailer in loading and/or hoisting operations, unless the policy includes a notation to that effect;
- 4.28. damage caused by the seizure, confiscation or other similar incident involving the insured object;
- 4.29. damage caused in connection with war, civil war, Invasion, terrorism, cyber attack, mass unrest, revolution, coup, strike, confiscation, seizure or lockout;
- 4.30. damage caused by nuclear energy.

## Sum insured and limit of indemnity

- 5. The sum insured is the new replacement value of the vehicle (market price in Estonia immediately prior to the insured event) or the amount specified in the policy.
- 5.1. The vehicle's sum insured does not decrease by the indemnity paid.
- 5.2. The limit of indemnity is the amount agreed in the policy or Terms and Conditions, and is the limit of the insurance benefits to be paid.
- 5.3. The limit of indemnity for optional equipment installed after the initial sale of the insured vehicle is indicated in the policy.
- 5.4. The limit of indemnity of the leasing payment insurance is 3000 euros per insured event.
- 5.5. The limit of indemnity for trailer insurance is 1500 euros per insured event.
- 5.6. The limit of indemnity for luggage insurance is 2000 euros per insured event.
- 5.7. The limit of indemnity for travel curtailment is 1000 euros per insured event.
- 5.8. The limit of indemnity for passenger accident insurance is 10,000 euros per person and per insurance period.
- 5.9. The limit of indemnity for pet insurance is 2000 euros per insurance period.
- 5.10. The limit of indemnity for rental car insurance is 20,000 euros per insurance period.

## Deductible

- 6. Deductible, specified in the insurance contract, is the amount not indemnified by LHV. The deductible can be either a percentage of the amount of loss or a fixed monetary amount under the following conditions:



- 6.1. the deductible is reduced by 50% in the event of the first loss, if no insured events have occurred to the same insured object at LHV during two consecutive one-year insurance periods;
- 6.2. if more than two insured events occur to the same insured object in one insurance period, double deductible shall be applied starting from the third insured event;
- 6.3. if the deductible for car theft is indicated in the policy as a percentage, the amount of the deductible shall be the corresponding percentage of the amount of damage, but not less than the main deductible indicated in the policy;
- 6.4. damage caused as a result of different events is considered to be separate insured events and a separate deductible is applied for each insured event;
- 6.5. if the insured vehicle is repaired or restored outside Estonia, a double deductible shall be applied;
- 6.6. the deductible for damage caused by a collision with a wild animal shall be indicated in the insurance contract. In case of damage caused by avoiding a collision with a wild animal, the deductible shall apply;
- 6.7. the deductible for glass damage is indicated in the policy. If the glass of the insured vehicle is repaired, no deductible shall be applied, except in the case of sunroof and glass roof, in the event of which the main deductible is always applied;
- 6.8. the costs of replacement or restoration of the keys due to loss or theft of the keys of the insured vehicle shall be indemnified without deductible.

## Territory

- 7. The insurance territory is indicated in the policy and LHV has the obligation to indemnify only for an insured event occurring in the insurance territory specified in the policy.

## Action to be taken in case of an insured event

- 8. In the event of an insured event, the policyholder must:
  - 8.1. document the traffic accident in relation to the insured vehicle and report it in accordance with legal acts;
  - 8.2. immediately report car theft, UTMV, carjacking, vandalism, fire or other unlawful incident in relation to the insured vehicle or parts thereof to the police or the alarm centre in a form that can be reproduced in writing;
  - 8.3. formalize the case in such a way that LHV retains the right of recourse against the person who caused the damage if the insured vehicle has been damaged by a third party (including in the course of loading operations), a pedestrian (including roller skater) or objects or substances have fallen or been strewn on the insured vehicle. If necessary, the police must be called to the scene;
  - 8.4. notify the police or the Environmental Board of collision with a wild animal;
  - 8.5. notify LHV of the insured event immediately, but not later than within five working days after the occurrence of the insured event or becoming aware of it. If it is not possible to determine the exact time of the insured event, it shall be considered to be the time when the policyholder should have become aware of the insured event;
  - 8.6. submit the damaged insured vehicle or its remnants to LHV for inspection in the condition it was in after the insured event. The policyholder may not, without the prior consent of LHV, start restoring or disposing of the insured vehicle;
  - 8.7. submit to LHV the information and documents in the possession of the policyholder regarding the causes and the amount of the damage, including data from GPS device and video recording device installed in the insured vehicle;
  - 8.8. submit the tachograph and its data within two working days after the relevant request of LHV, if the insured vehicle is subject to a tachograph obligation;
  - 8.9. submit to LHV immediately all keys and registration documents of the insured vehicle in case of car theft, UTMV or carjacking of the insured vehicle and all keys and documents in the possession of the policyholder in case of a carjacking;
  - 8.10. prove the occurrence of the insured event or circumstances related thereto;
  - 8.11. notify LHV of the indemnification of damage by a third party in a form that can be reproduced in writing, the withdrawal of the submitted claim, or if the insured object that was stolen, taken without authorization or carjacked has been found or returned to the policyholder.

## General principles of indemnification

9. In the case of an insured event, LHV shall indemnify the direct and justified costs of restoration or replacement of the insured object and other expenses provided in the insurance contract either as monetary compensation or by restoring the insured object to its pre-insured-event condition or replacing the damaged object with an equivalent one, based on the following:
  - 9.1. the method of compensation is decided by LHV;
  - 9.2. the insurance benefits are determined by subtracting the deductible, unpaid insurance premiums that have become collectible, indemnity reductions and the proportion of taxes refunded on the basis of law (e.g. VAT) from the amount to be indemnified;
  - 9.3. if the vehicle is a total loss or was stolen, LHV has the right to reduce the insurance indemnity paid by the insurance premiums to be paid by the end of the current insurance period and not paid by the time of the indemnity decision, regardless of whether the insurance premium payment date has arrived and to whom the insurance indemnity is paid.
  - 9.4. Reimbursement of the costs of restoring the insured vehicle is subject to the following conditions:
    - 9.4.1. the justified costs of restoring the insured vehicle due to the insured event shall be indemnified;
    - 9.4.2. the costs of restoration of the insured vehicle shall be reimbursed if the restoration of the vehicle is economically and technically justified;
    - 9.4.3. the costs of restoration of the insured vehicle shall be indemnified, after the restoration of the vehicle to the condition it was in prior to the insured event, on the basis of documents certifying the costs of restoration;
    - 9.4.4. it is allowed upon restoration of the insured vehicle to use parts and spare parts with a degree of wear corresponding to the age and technical condition of the vehicle;
    - 9.4.5. LHV is not responsible for the method of restoration of the insured vehicle or for the quality of the restoration, unless the restoration is performed by a partner designated by LHV;
    - 9.4.6. if the policyholder applies for financial compensation but does not submit expense documents confirming the restoration of the insured vehicle, the amount of loss shall be deemed to be 65% of the cost of the restoration accepted by LHV;
    - 9.4.7. if the policyholder does not wish to repair the insured vehicle at the repair shop recommended by LHV and the owner of the vehicle consents to this, the policyholder has the right to demand monetary compensation in an amount of damage LHV considers reasonable.
  - 9.5. Reimbursement of the costs of repurchase of the insured vehicle is subject to the following conditions:
    - 9.5.1. in the event of total loss, car theft, UTMV or carjacking of the insured vehicle, the justified cost of repurchasing the vehicle shall be indemnified based on the market price of the vehicle in Estonia immediately before the insured event;
    - 9.5.2. a total loss is considered to be a situation where the cost of repairing the insured vehicle is more than 70% of the market value of the vehicle at the time of the insured event;
    - 9.5.3. if the policy so indicates, in addition to the provisions of clause 9.5.1 of the Terms and Conditions, any costs of replacement or replacement of the insured vehicle shall be indemnified, adding 5% of the market value of the vehicle to the insurance indemnity. This amount shall be paid to the policyholder. The foregoing shall not apply if the damage is compensated on the basis of the as-new value or acquisition value specified in the Terms and Conditions;
    - 9.5.4. unless otherwise agreed between LHV and the owner of the vehicle, the ownership of the insured object shall be transferred to LHV from the moment of delivery of the object. If the vehicle owner wishes to keep the vehicle that was damaged due to the insured event in his or her own possession, the insurance indemnity shall be reduced by the post-insured-event value of the respective vehicle (incl. additional indemnity of clause 9.5.3). The damaged vehicle must be handed over to LHV on the territory of Estonia.
  - 9.6. In addition to the costs of restoring or repurchasing the insured vehicle, the costs of lifting the vehicle on to the road that prove necessary and justified due to the insured event and the costs of transporting the vehicle to the nearest or LHV-designated repair or storage facility shall be indemnified in the amount of 500 euros. In the case of a truck, bus and trailer, the costs of lifting the vehicle on to the road and towing will be reimbursed in the amount of 2000 euros.
  - 9.7. Passenger accident insurance compensation shall be paid to the insured person and, in the event of death, to the successors of the insured person.

- 9.8. The amount of the benefit for incapacity for work included under the passenger accident insurance shall be calculated as a percentage of the accident insurance limit of indemnity corresponding to the amount of permanent incapacity for work determined by the competent authority. In the event of the death of the insured person, the limit of indemnity of the accident insurance shall be reimbursed in full.
- 9.9. The insurance indemnity for a replacement trailer and pet insurance indemnity shall be paid to the owner of the insured object.
- 9.10. If the insured object and the risk that may apply is insured with several insurers at the same time, then LHV shall indemnify the incurred damage jointly and severally with other responsible insurers.

## Obligations of the policyholder

- 10. The policyholder is obliged to:
  - 10.1. pay insurance premiums in the agreed amount and according to the agreed procedure;
  - 10.2. notify LHV of the insured event immediately, but not later than within five days after the occurrence of the insured event or becoming aware of the event.
  - 10.3. provide LHV with complete and correct information for the assessment of the insurance risk and, upon concluding the insurance contract, notify LHV of all significant circumstances known to it that affect or may affect the decision to enter into the insurance contract on the agreed terms, inter alia to notify LHV of the proper area of use of the insured object (vehicle);
  - 10.4. notify LHV as soon as possible if the information submitted to LHV turns out to be false or incomplete;
  - 10.5. use the insured vehicle carefully and in accordance with the instructions and/or restrictions set out by the manufacturer, the traffic regulations and the Road Traffic Act;
  - 10.6. explain the obligations arising from the insurance contract to the person in whose possession or use the policyholder assigns the insured vehicle;
  - 10.7. notify LHV before concluding the insurance contract or during the term of the insurance contract, if the policyholder or a person equivalent to him or her is shown as listed or becomes listed as a person subject to international financial sanctions;
  - 10.8. enable LHV's representative to examine the condition and documents of the insured vehicle;
  - 10.9. when leaving the insured vehicle, close its doors, windows and hatches, and in the case of a convertible, the roof; and lock the vehicle and apply anti-theft devices (including alarm system and immobilizer);
  - 10.10. keep the keys and registration documents of the insured vehicle in such a way that they cannot be taken by a third party without removing an obstacle or using threat of violence. The keys of the insured vehicle must not be kept in the vehicle;
  - 10.11. if the keys to the insured vehicle were stolen, including by force or threat of force, or lost, immediately replace all locks and re-code or replace the vehicle's electronic anti-theft devices. Until the locks are replaced or re-coded or the anti-theft devices are replaced, the policyholder must take additional measures to prevent car theft or UTMV of the insured vehicle, e.g. keep the vehicle only in a locked garage or in a closed and guarded area;
  - 10.12. when working as a professional driver, abide by legal acts on working and rest time concerning the activity of professional drivers and the European Agreement concerning the Working Time of Crews of Vehicles Engaged in International Road Transport (AETR Agreement);
  - 10.13. install and, if necessary, secure loads (including luggage, sports equipment and other personal items) in such a way that the load does not break free or move during normal traffic (including sudden braking, sudden turn);
  - 10.14. notify LHV as soon as possible of a possible increase in the insurance risk and the occurrence of multiple insurance with several insurers. Material circumstances that increase the insurance risk are considered to be, in particular, the transfer of the vehicle, deletion of the vehicle from the traffic register, change in the manner in which the vehicle is used, failure of vehicle locking systems, failure of anti-theft devices, loss of keys and loss of vehicle registration documents or parts thereof;
  - 10.15. do everything possible to prevent an insured event and reduce possible damage, to avoid the possible increase of the insured risk and not to allow the persons who use the insured vehicle to increase the insured risk;
  - 10.16. enable LHV to investigate the circumstances of the insured event in order to identify the amount of the loss and the persons responsible for the loss and, if necessary, to involve experts in establishing the circumstances of the insured event;

- 10.17. comply with any additional instructions given by LHV to reduce the insurance risk;
- 10.18. if a stolen or carjacked vehicle is returned after LHV paid the insurance indemnity for it, return to LHV the insurance indemnity paid for the vehicle or hand over the returned vehicle to LHV.

## Obligations of LHV

- 11. LHV is obliged to:
  - 11.1. introduce the documents related to the insurance contract to the policyholder before concluding the insurance contract and keep secret the information which has become known to LHV in connection with the insurance contract;
  - 11.2. issue to the policyholder a replacement policy, as well as copies of the policyholder's statements of intent submitted in a form that can be reproduced in writing, and data and copies of documents that affect the policyholder's rights or obligations arising from the insurance contract, if such activities are not in conflict with legal acts;
  - 11.3. examine the claim submitted by the policyholder and the claim documents;
  - 11.4. inspect the damaged vehicle or arrange for it to be inspected as soon as possible, but not later than within five working days of the receipt of the notice of loss;
  - 11.5. make a decision to indemnify or refuse to do so within ten working days of receiving the information necessary to clarify the circumstances of the insured event and its extent. In the case of car theft, UTMV or carjacking of the insured vehicle, LHV has the right to postpone the decision until the receipt of the decision on closing or ending the criminal case opened concerning the incident or the culprit is formally accused;
  - 11.6. after receiving a notice of loss, to inform the policyholder which documents must be submitted to LHV in order to determine the cause and amount of the loss;
  - 11.7. indemnify the damage caused due to the insured event or pay the agreed monetary amount or the insurance indemnity in one instalment or in parts, or perform the insurance contract in another agreed manner. LHV must pay the insurance indemnity within a reasonable term after the completion of the claim adjustment operations and the indemnification decision. If LHV delays the performance of a monetary obligation, it is obliged to pay late interest at the rate provided in the Law of Obligations Act;
  - 11.8. refuse to pay the insurance indemnity if the payee is subject to a corresponding restrictive international financial sanction established on the basis of UN resolutions or corresponding legal acts of the European Union or the Republic of Estonia.

## Rights of LHV

- 12. LHV has the right to submit additional requirements in order to reduce the insurance risk. Additional requirements become part of the insurance contract, unless the policyholder submits an application for withdrawal from the insurance contract within ten working days after receipt of the respective requirements.
- 13. During the insurance period, LHV has the right to inspect the insured object and, in the event of increased insurance risk, demand that the policyholder implements additional security measures and/or increases the insurance premium.
- 14. In the event of an increase in the insurance risk, LHV has the right to demand from the policyholder the difference between the insurance premium to be paid on the basis of the actual insurance risk and that specified in the policy.
- 15. If the insurance contract is entered into for a period longer than one year, LHV has the right to change the terms and/or the insurance premium, but not in regard to the first one-year insurance period of the insurance contract.
- 16. LHV has the right to refuse to pay the insurance indemnity if the payee is subject to the relevant international financial sanction established by the Office of Foreign Assets Control (OFAC) under the relevant legislation of the United States of America or the relevant legislation of HM Treasury United Kingdom.

## Exemption from performance of insurance contract

- 17. LHV has the right to deny or reduce the indemnity if:

- 17.1. the policyholder has intentionally submitted false data or misleading information to LHV or failed to submit significant information concerning the material circumstances of the insurance contract or insured event;
- 17.2. the policyholder has intentionally or due to gross negligence breached at least one obligation agreed in the insurance contract and this has an effect on the occurrence or amount or determination of the extent of the loss;
- 17.3. the policyholder has violated the obligation to notify of changes in significant risk circumstances;
- 17.4. the person driving the insured vehicle intentionally ignored the stop signal given by a person exercising traffic supervision described in the Road Traffic Act;
- 17.5. the person driving the insured vehicle significantly exceeded the permitted driving speed or violated other traffic rules established for road traffic to a significant extent and the violation has an effect on the occurrence or amount of damage;
- 17.6. the person who drove the insured vehicle left the scene of the insured event, failing to register it correctly in accordance with clause 8 of the Terms and Conditions;
- 17.7. the person driving the insured vehicle violated the legal acts on working and rest time governing the activities of a professional driver or the European Agreement concerning the Working Time of Crews of Vehicles Engaged in International Road Transport (AETR Agreement) prior to the insured event or failed to provide information to verify compliance;
- 17.8. the policyholder caused the damage intentionally;
- 17.9. the passengers (including the driver of the vehicle) and/or pet in the insured vehicle were not properly secured with safety equipment and this has a causal connection with the occurrence of the damage (passenger or pet insured event);
- 17.10. the policyholder used the vehicle to abet the commission of a crime or attempted crime;
- 17.11. the policyholder has not paid the insurance premium by the prescribed deadline or by an additional deadline and the insured event occurs after the expiry of the additional deadline, unless the failure to make the payment was due to a circumstance beyond the control of the policyholder;
- 17.12. the event is one where resulting damage is not compensated on the basis of the Terms and Conditions.

## Refund of indemnity

- 18. The policyholder and/or the beneficiary is obliged to return the insurance indemnity to LHV as soon as possible if:
  - 18.1. circumstances that exclude compensation emerge after the compensation of damage or if the damage has been compensated by a third party;
  - 18.2. the policyholder or beneficiary regains possession of a stolen or carjacked insured object. LHV must be notified immediately, and if LHV has already indemnified the value of the insured object, the insurance indemnity paid must be returned to LHV or the possession and right of ownership of the received object must be returned to LHV.

## Expiry of the insurance contract

- 19. The insurance contract shall expire:
  - 19.1. at the end of the insurance period;
  - 19.2. upon cancellation of the insurance contract;
  - 19.3. upon withdrawal from the insurance contract;
  - 19.4. by agreement between the policyholder and LHV;
  - 19.5. on other grounds provided for by legal acts.

## Cancellation of the insurance contract

- 20. LHV has the right to cancel the insurance contract in accordance with the cancellation terms prescribed by legal acts, if:
  - 20.1. the policyholder has failed to perform the insurance contract, among other things, not paying the insurance premium by the deadline or additional deadline;

- 20.2. the policyholder has intentionally submitted false information to LHV regarding the circumstances of the insurance contract and / or the insured event;
- 20.3. an insured event has occurred and LHV has made a decision on indemnification or refusal to indemnify the damage;
- 20.4. the insurance risk has increased (including if the insurance risk has increased independently of the policyholder and the policyholder does not agree to amend the insurance contract retroactively starting from the increase of the insurance risk);
- 20.5. the insured object has been transferred;
- 20.6. other grounds for cancellation of the insurance contract provided by legislation become apparent.
- 21. The parties have the right to cancel an indefinite-period insurance contract under ordinary procedure by the end of the current insurance period, giving at least 30 days' notice.

## Withdrawal from the insurance contract

- 22. LHV has the right to withdraw from the insurance contract if upon entering into the insurance contract, the policyholder failed to notify LHV of significant circumstances affecting the insurance risk and/or has knowingly submitted false information (including deliberately avoiding reporting a material circumstance). LHV may withdraw from the insurance contract within one month after LHV became aware or should have become aware of the policyholder's failure to perform the notification obligation.
- 23. If the policyholder has not paid the first insurance premium within 14 days after concluding the insurance contract, LHV may withdraw from the insurance contract until the payment is made. If the paid insurance premium (including an instalment thereof) is less than the amount payable specified in the policy, the insurance premium shall be deemed not to have been paid. LHV shall be presumed to have withdrawn from the insurance contract if it does not file an action for the collection of the insurance premium within three months as of the premium becoming collectible.
- 24. If the insurance contract is entered into through telecommunications, the policyholder has the right to withdraw from the insurance contract within 14 days as of the conclusion of the insurance contract. The policyholder must submit a written application to LHV regarding the withdrawal in a form that can be reproduced in writing. Upon withdrawal, LHV returns the paid insurance premium. If LHV has provided the policyholder with immediate insurance coverage, the policyholder has no right of withdrawal.
- 25. If the insurance contract is entered into for longer than one year, the policyholder has the right to withdraw from the insurance contract within 14 days as of the conclusion of the insurance contract. The policyholder must submit a written application to LHV regarding the withdrawal in a form that can be reproduced in writing. Upon withdrawal, LHV returns the paid insurance premium. If LHV has provided the policyholder with immediate insurance coverage, the policyholder has no right of withdrawal.
- 26. If the insurance contract has been cancelled or a party has withdrawn from it, the parties to the insurance contract shall no longer be bound by the obligations arising from the contract as of the termination of the insurance contract. The rights and obligations of the parties, including the policyholder's obligation to pay insurance premiums to LHV, remain valid until the termination of the insurance contract.

## Communication

- 27. All notices necessary for the performance of the insurance contract shall be submitted in a form that can be reproduced in writing.

## Processing of personal data

- 28. LHV is entitled to process personal data related to the insurance contract on the basis of LHV's Principles of Processing Client Data and to disclose information related to the insurance contract to a third party whose right to receive information arises from LHV's Principles of Processing Client Data.
- 29. LHV has the right to preserve recordings obtained by telecommunication or other means in connection with the performance of the insurance contract and, if necessary, use them to prove the declarations of intent submitted by the policyholder.

## **Expiry of claims arising from insurance contract**

30. The limitation period for claims arising from the insurance contract is three years. The limitation period shall run from the end of the calendar year in which the claim becomes collectible.

## **Conflicts in the insurance contract documents**

31. If there are any inconsistencies in the documents of the insurance contract, the interpretation shall be based on the presumption that the special terms and conditions of the insurance contract specified in the policy take precedence over the general terms and conditions.
32. If the terms and conditions have been translated into a foreign language, their interpretation shall, in case of a dispute, always be guided by the Estonian-language terms and conditions.