

Minicasco Insurance Terms and Conditions 2/2020

Effective as of 1 July 2020

These motor vehicle insurance terms and conditions (hereinafter the terms and conditions) form part of the optional vehicle insurance contract entered into between the Estonian Branch of Compensa Vienna Insurance Group, ADB, the brand of which in Estonia is Seesam (hereinafter Seesam), and the policyholder.

PURPOSE OF THE INSURANCE

- 1 The purpose of the insurance contract is to indemnify for damage arisen as a result of an insured event due to damage to or destruction of the insured object and separately specified expenses in accordance with the provisions of these Minicasco terms and conditions and the general terms and conditions of Seesam, taking into account the exclusions.

INSURED OBJECT

- 2 The insured object is a passenger car or a light truck that has been registered in the national traffic register of Estonia in its manufactured entirety (hereinafter the vehicle), incl. alloy wheels if supplied as original equipment by the manufacturer.
- 3 Items not supplied as original equipment by the manufacturer are not insured objects.
- 4 Normal use of a vehicle is not deemed to be letting or short-term rental of the vehicle (except leasing if the policyholder is also the lessee), providing taxi, ride-sharing (Uber, Bolt, etc.) or courier services with the vehicle, using the vehicle as an emergency vehicle, operational vehicle or patrol vehicle of a security company.

INSURED EVENT

5 The insured event is the traffic accident specified in clause 6 and the emergency road service insurances specified in clause 7.

6 Traffic accident

- 6.1 An insured event is a traffic accident that has occurred on the road or in another area used for conventional vehicle traffic, where all the following prerequisites are fulfilled at the same time:
 - 6.1.1 a vehicle insured as an insured object collides with another vehicle or pedestrian on the road or in another area used for conventional vehicle traffic;
 - 6.1.2 the vehicle insured as an insured object is destroyed or becomes damaged as a result of a collision with another vehicle or pedestrian;
 - 6.1.3 the motor third party liability insurer of the vehicle insured as an insured object has the obligation, on the basis of the Motor Insurance Act, to pay insurance indemnity to the owner of the other vehicle or to the pedestrian who was involved in the traffic accident.

7 Emergency road service insurance

- 8 Emergency road service insurance ensures round-the-clock emergency assistance to the policyholder in the case of an unexpected event that occurred in the insurance territory set out in the policy and hinders continuing the journey.
- 9 Emergency road service insurance (incl. accommodation expenses without charge clause 11.8) is valid only if the service is ordered using the emergency road service insurance telephone number set out in the policy.
- 10 Emergency road service ordered from other service providers is not subject to indemnification.
- 11 Emergency road service is not provided or it must be separately paid for if the need for the service could have been foreseen by the policyholder (e.g. if the client orders the emergency road service repeatedly for starting the vehicle, although the client has previously been informed of the need to change the battery of the vehicle).

- 12 Emergency road service insurance covers the following services:
- 12.1 towing the vehicle (incl. trailer) to the closest service station (e.g. technical failure, driving off the road, accident, keys in the locked vehicle). If necessary, in the case of an event that has occurred in Estonia the driver of the vehicle and fellow passengers will be taken to one requested destination within Estonia;
 - 12.2 helping the vehicle out of water, sand, mud, snow or a ditch;
 - 12.3 bringing additional fuel and cost thereof;
 - 12.4 wheel and tyre change (incl. for trailer);
 - 12.5 help in starting the vehicle;
 - 12.6 bringing spare keys within Estonia;
 - 12.7 coming to the scene in the case of an accident and consulting the client in the situation;
 - 12.8 in the case of an insured event of emergency road service that occurred outside the Republic of Estonia, reasonable accommodation expenses of a maximum of up to 3 days are indemnified to the driver and one fellow passenger if, due to the insured event of emergency road service, it is not possible for the policyholder to use the vehicle.
- 13 In the case of an insured event of the emergency road service insurance, the costs of acquisition or repair services of accessories, spare parts, tyres, replacement keys, remote controls, etc., are not indemnified.
- 14 No deductible applies in the case of events of the emergency road service insurance.

15 Towing costs

- 16 Upon the occurrence of an insured event specified in clause 6, the towing costs of the vehicle are indemnified within the extent set out in these conditions.
- 17 Towing costs are deemed to be reasonable costs necessary for transporting a vehicle damaged or destroyed as a result of an insured event specified in clause 6.
- 18 Exception. An insured event of emergency road service is indemnified in accordance with clause 12.1 of these terms and conditions.
- 19 In Estonia, Latvia and Lithuania the towing costs of vehicles are indemnified to a reasonable and justified extent.
- 19.1 Exception. The costs of towing a vehicle damaged or destroyed due to a traffic accident (clause 6) outside Estonia, Latvia and Lithuania are indemnified within up to 800 euros.

INSURANCE TERRITORY

- 20 The insurance territory is set out in the insurance contract and the insurer's indemnification obligation is in effect only in the case of a traffic accident and emergency road service (clause 5) events that has/have occurred in the insurance territory.
- 21 Damage caused to the vehicle outside the insurance territory set out in the policy is not subject to indemnification under the insurance contract.

EXCLUSIONS OF INSURED EVENT

- 22 The following is not indemnified:
- 22.1 damage and expenses not incurred due to an insured event specified in clause 5 of these terms and conditions.
 - 22.2 damage in the case that the vehicle was so damaged and/or worn out before the insured event that it would have required repair or replacement regardless of the damage caused by the insured event. If that is the case, Seesam does not consider the damage to be caused by the insured event;
 - 22.3 damage arisen before or after the insurance period;
- 23 If the liability of the drivers of the vehicles involved in a traffic accident in the case of an insured event of motor third party liability insurance is partial, Seesam will only indemnify the part of the damage to the insured vehicle that is not indemnified by the motor third party liability insurer of the driver of the other vehicle involved in the traffic accident.

POLICYHOLDER'S OBLIGATIONS UPON ENTRY INTO INSURANCE CONTRACT

- 24 Upon entry into an insurance contract, the policyholder must notify the insurer of all the circumstances about which the insurer has requested information directly in a format that can be reproduced in writing.
- 25 If Seesam has been provided with incorrect data when entering into the insurance contract, based on which a smaller insurance premium was calculated, the damage will be indemnified according to the ratio of the insurance premium calculated on the basis of correct data to the insurance premium calculated on the basis of incorrect data.

IMPORTANT CIRCUMSTANCES THAT AFFECT INSURED RISK

- 26 Increase in the possibility of an insured risk is deemed to be an increase in the likelihood of the realisation of the event specified in clause 5 of the terms and conditions.
- 27 The activities that affect the likelihood of the realisation of an insured risk have been provided by the safety requirements of these terms and conditions that the policyholder is required to adhere to.

SAFETY REQUIREMENTS

(POLICYHOLDER'S OBLIGATIONS BEFORE OCCURRENCE OF INSURED EVENT)

- 28 The policyholder is required to meet the safety requirements provided by these conditions, adhere to the Traffic Act and the user manual of the vehicle.
- 29 The driver of the vehicle must have a valid right to drive a motor vehicle of the relevant category.
- 30 The vehicle may not be driven when exhibiting signs of consumption of alcohol, drugs or other psychotropic substances or signs of intoxication or in a state of intoxication or fatigue.
- 31 The driver of the vehicle must make sure, before starting to drive the vehicle, that his or her state of health allows driving the vehicle.
- 32 The vehicle may not be driven on ice, except on winter roads or ice roads opened for public use by the relevant authority.
- 33 The technical condition of the vehicle must comply with the technical requirements established by legislation.
- 34 The condition of the tyres of the vehicle must comply with the requirements established by legislation and summer tyres may not be used at the time when the usage of winter tyres is mandatory on the basis of legislation.
- 34.1 Neither may summer tyres be used at a time when their use increases the likelihood of occurrence of an insured event to a significant extent and the unsuitability of use thereof is generally known (e.g. summer tyres are used in October when driving on a snowy or slippery road and, due to that, a traffic accident is caused).
- 35 The policyholder may not exceed the speed limits prescribed by legislation and traffic control devices with the vehicle.

POLICYHOLDER'S OBLIGATIONS AFTER INSURED EVENT

Obligations upon occurrence of insured event

- 36 In the case of a traffic accident, the driver involved in the traffic accident must act in accordance with § 169 of the Traffic Act.
- 37 After the occurrence of an insured event, the policyholder must try to avoid and reduce additional damage as much as possible.
- 38 Following damage to a vehicle, the vehicle may be used only if the driver of the vehicle has checked the vehicle and has made sure that it is in a condition that meets the technical requirements for use. First of all, the driver must check whether the vehicle does not have any oil, fuel or coolant leaks, whether the steering wheel and brakes function and whether the tyres are intact.
- 39 After a traffic accident, the driver of the vehicle may not consume alcohol or any other narcotic or psychotropic substances.

- 40 The policyholder is obliged to prove the occurrence of an insured event and the amount of damage and provide Seesam with information necessary for the establishment of the contract performance obligation. If the circumstances of occurrence of the insured event cannot be established based on the available information, Seesam may suspend the loss adjustment procedure until submission of the necessary information, by notifying the policyholder thereof in a format that can be reproduced in writing.
- 41 The damaged vehicle must be presented to Seesam or a person authorised by Seesam before making any repairs (incl. re-assembly) or transferring the vehicle.
- 42 The damaged vehicle must be transported to a secure repository or a guarded place as soon as possible.

Informing of damage and submitting a loss application

- 43 The policyholder must immediately notify Seesam of a possible insured event and follow the instructions provided by Seesam.
- 44 The policyholder must submit to Seesam a written loss application that describes thoroughly the circumstances of the possible insured event no later than within three months of the notification of the damage.

RESULTS OF BREACHING POLICYHOLDER'S OBLIGATION

- 45 If the policyholder caused an insured event intentionally or due to gross negligence, Seesam will be released from its performance obligation in full.
- 46 If the policyholder breaches an obligation the aim of which was to reduce the likelihood of the realisation of an insured risk, Seesam will have the right to reduce the insurance indemnity or refuse to pay the insurance indemnity if the breach of the obligation had an impact on the occurrence of the insured event and the performance obligation of Seesam.
- 47 If the policyholder breaches intentionally an obligation that had to be performed following the occurrence of an insured event, Seesam will be released from its performance obligation.
- 48 If the policyholder breaches, due to gross negligence, an obligation that he or she had to perform following the occurrence of an insured event and the breach has an impact on the establishment of the circumstances of the insured event and the performance obligation of Seesam, Seesam will be released from its performance obligation in part or in full.
- 49 Following the principles of good faith and reasonableness, Seesam will not indemnify for damage if the driver of the vehicle exhibited signs of consumption of alcohol, drugs or other psychotropic substances or signs of intoxication, was intoxicated or had no right to drive at the moment of occurrence of the traffic accident.

OBLIGATIONS AND RIGHTS OF SEESAM

- 50 Seesam is required to:
 - 50.1 introduce the insurance contract documents to the policyholder before entry into the insurance contract;
 - 50.2 start to deal with the insured event immediately after receiving a loss application from the policyholder in a format that can be reproduced in writing and establish the amount of the damage to be indemnified;
 - 50.3 make a decision on whether to indemnify for the damage or refuse to do so immediately, but no later than within ten working days of receiving all the required documents and establishing the amount and circumstances of the damage;
- 51 If criminal proceedings have been brought in connection with the insured event, Seesam will have the right to postpone making a decision until receipt of the decision on terminating the criminal proceedings.
- 52 If the insurance contract is cancelled after the occurrence of an insured event, Seesam will have the right to withhold from the indemnity the insurance premiums payable until the end of the current insurance period.
- 53 Upon destruction of the vehicle, Seesam has the right, upon payment of the insurance indemnity, to withhold from the insurance indemnity the insurance premiums payable until the end of the current insurance period.

SUM INSURED

- 54 Sum insured means the maximum sum to be paid out, which is, for the purposes of these terms and conditions, the market value of the vehicle in Estonia directly before the occurrence of the insured event.
- 55 Market value means the possible sales price of the insured object directly before the occurrence of the insured event.
- 56 The insurance indemnity paid out in the insurance period for the purpose of repairing the vehicle does not reduce the sum insured.

PRINCIPLES OF INDEMNIFICATION

Means of indemnification and insurance indemnity

- 57 Means of indemnification are payment of monetary indemnity or organising the repairs of the damaged vehicle or its part.
- 58 Insurance indemnity is the amount of damage from which possible reduction of the indemnity, unpaid insurance premiums and deductible have been deducted.
- 59 If the liability of the drivers of the vehicles involved in a traffic accident in the case of an insured event of motor third party liability insurance is partial, Seesam will only indemnify the part of the damage to the insured vehicle that is not indemnified by the motor third party liability insurer of the driver of the other vehicle involved in the traffic accident.

Indemnification for damage upon damage to vehicle or its part (repair costs)

- 60 A vehicle or its part is deemed to be damaged as a result of an insured event when the vehicle or its part can be restored to its original form and such restoration is economically reasonable and technically possible.
- 61 Upon damage to a vehicle or its part, Seesam indemnifies for the reasonable repair costs of the thing in Estonia. The policyholder or beneficiary is required to choose, if possible, the most favourable option.
- 62 Spare parts corresponding to the depreciation and value before the insured event may be used for repairing a damaged vehicle or its part.
- 63 Seesam is not required to indemnify for the replacement of the damaged parts of the vehicle if they can be restored by repairing.
- 64 The policyholder is required to hand over to Seesam any damaged or destroyed parts of the vehicle that have been replaced during the repairs. If the policyholder breaches the aforesaid obligation, Seesam may reduce the indemnity for damage in respect of the cost of the damaged or destroyed parts.
- 65 The policyholder has the right to choose the repair company where the damaged vehicle or its part will be repaired, by coordinating the repair company and the amount of damage with Seesam in a format that can be reproduced in writing. Seesam's indemnification obligation is limited to reasonable costs for restoring the situation prior to the insured event.
- 66 In order to ascertain reasonable amount of damage, Seesam has the right to specify a repair company to which the policyholder is required to present the damaged vehicle or its part. By specifying the repair company, Seesam does not assume the obligation to repair the vehicle or its part in the repair company specified or liability for the quality of the work to be performed.
- 67 At the request of the policyholder, Seesam issues a guarantee letter to the policyholder or the repair company about indemnifying for the repair costs in order for the vehicle or its part be repaired. If the insured object is a lease vehicle and the beneficiary pursuant to the insurance contract is the lessor, it is presumed that the beneficiary wants the damaged vehicle to be repaired and a guarantee letter issued.
- 68 In the case of repairing a vehicle or its part, the policyholder is required to enter into a contract for services with the repair company. Seesam is not liable for the quality of the work of the repair company that performs the restoration repairs of the vehicle or its part.
- 69 If the policyholder does not want the vehicle or its part to be restored or if no agreement is reached on the manner of indemnification for the damage, Seesam will indemnify for the repair costs in the form of a monetary indemnity. In such a case the maximum amount of the insurance indemnity is the sum of the repair costs accepted by Seesam, minus value added tax, possible reductions of the insurance indemnity, unpaid insurance premiums and deductible.

- 70 In the case of policyholders who are legal persons, the repair costs are indemnified without value added tax, taking into account the rate of deduction of input value added tax (e.g. Seesam issues a guarantee letter for the repairs of the vehicle to a person who is liable to value added tax and who has an obligation to pay the invoice to the repair company. Seesam indemnifies for the sum without value added tax and deductible on the basis of an invoice submitted to the person who is liable to value added tax).

Indemnification for damage upon destruction of vehicle or its part

- 71 A vehicle is deemed to be destroyed if the restoration thereof is economically not reasonable or technically not possible.
- 72 Upon destruction of a vehicle, the maximum amount of the indemnity is the market value of the vehicle or its part.
- 73 In the case of policyholders who are legal persons, the market value is indemnified without value added tax, taking into account the rate of deduction of input value added tax.
- 74 The market value of the vehicle is determined taking into account the condition of the vehicle, the equipment, the year of production, kilometres covered, as well as the market situation and sales offers of similar vehicles.
- 75 In order to indemnify for the value of the vehicle after an insured event, the policyholder or beneficiary is required to transfer the possession and the right of ownership of the vehicle to Seesam in the territory of the Republic of Estonia.
- 76 The following is not subject to indemnification:
- 76.1 such repair costs that have previously been indemnified as a result of (an) insured event(s), but the vehicle or its part has not been repaired;
 - 76.2 decrease in the value of the vehicle;
 - 76.3 policyholder's loss of profit;
 - 76.4 costs for the submission of claims related to the indemnification for damage (counsellor and expert costs);
 - 76.5 cost of changes or improvements made to the vehicle in the course of repairs;
 - 76.6 cost arisen from delay in the repair of the vehicle by a repair company.

DEDUCTIBLE

General rules for deductible

- 77 Deductible means the share of damage specified in the insurance contract that Seesam does not indemnify.
- 78 A deductible applies in the case of each insured event and to each vehicle separately. If damages to the vehicle are apart in time and manoeuvres and have arisen independently of each other, Seesam will have the right to apply a deductible to each insured event separately.
- 79 The amount of the deductible is specified in the policy.
- 80 The deductible is deducted from the amount of damage subject to indemnification on the basis of the insurance contract, from which the reductions of the insurance indemnity arising from the insurance contract have already been deducted.

Exceptions to deductible arising from realisation of insured risk

Insurance territory

- 81 Double deductible specified in the policy applies if the vehicle is restored outside Estonia, Latvia or Lithuania.
- 82 If the damaged vehicle is transported for the repairs to Estonia or repairs necessary for returning to Estonia are carried out in a foreign country and to the remaining extent the vehicle is repaired in Estonia or if the vehicle has destroyed in a foreign country in full, the single deductible will apply.

Manner of use

- 83 If the vehicle is used for providing taxi, ride-sharing or courier services, as a rental, driving school, emergency, security company or operational vehicle and there is no such note in the policy, the triple deductible specified in the policy will apply in the case of each insured event, but no less than 570 euros.