

# MOTOR OWN DAMAGE INSURANCE

## Terms and Conditions No 03.01

Effective as of 1<sup>st</sup> of March 2023

BTA and Policyholders enter into Motor Own Damage Insurance Contracts in accordance with these Terms and Conditions.

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### GENERAL INSURANCE DEFINITIONS AND CONDITIONS

#### 1. DEFINITION OF AN INSURANCE CONTRACT

**Application for conclusion of an insurance contract** – a document in the form prescribed by Us, in which You provide the necessary information to conclude an insurance contract. The application may be not submitted if You provide Us with information that We consider sufficient to assess the insurance risk. Acceptance of an application for an insurance contract does not oblige Us to conclude an insurance contract.

**Beneficiary** – the person named in the insurance contract, or a person, specified by You and in contract-specified cases, a person appointed by the Insured who is entitled to receive the insurance benefit.

**Compensation principle** – an insurance principle whereby the insurance benefit is calculated on the basis of the amount of loss suffered as a result of the insured event.

**Deductible** – the part of the insurance benefit that is set out in the insurance contract and which We do not reimburse. The deductible is defined as a specific amount of money and/or a percentage of the loss, unless stated otherwise in the insurance policy. If an insurance contract contains several types of deductible for the same risk, the higher of the two will always apply.

**Double insurance** – where You enter into several insurance contracts for the same insurance risks with several or the same insurance company. In this case, You must notify Us in writing of the conclusion of the other insurance

contract, specifying the sum insured and the other terms of the contract. Otherwise, We shall be entitled to recover the relevant part of the insurance benefit after having paid the insurance benefit.

**Insurance benefit** – a sum of money paid out in the event of an insured event or for services rendered, if provided for in the insurance contract.

**Insurance contract** – an agreement between Us and You, under which You undertake to pay the insurance premium of the agreed amount within the time limits set out in the insurance contract, to fulfil other obligations set out in the insurance contract, and We undertake to pay the insurance benefit to the person specified in the insurance contract in the event of an insured event, in accordance with the provisions of the insurance contract.

**Insurance contract certificate (policy)** – a document confirming the conclusion of the insurance contract and covering the terms and conditions of the insurance contract as agreed between Us and You.

**Insurance premium** – the amount of money specified in the insurance contract that You are obliged to pay Us for insurance cover under the terms of the insurance contract.

**Insurance risk** – the probability of an event occurring in the future that is possible and beyond Your and/or the Insured person's control.

**Insured** – the person whose property interests are insured:

- a) for property insurance, the owner of the insured property or the person named in writing in the contract;
- b) in the case of civil liability insurance, the person whose property interests arising out of civil liability are insured;
- c) in the case of personal insurance, the natural person named in the insurance contract whose health, life or physical condition is covered by the insurance contract.

**Insured event** – an occurrence specified in the insurance contract, in the event of which We are obliged to pay an insurance benefit.

**Insured interest** – the Insured's interest in not suffering a loss as a result of an insured event.

**Insurer or We** – BTA Baltic Insurance Company AAS branch in the Republic of Lithuania.

**Non-insured event** – is a case where We do not pay an insurance claim.

**Object of insurance** – is property interests relating to a person's life, health, property or civil liability.

**Persons related to the Policyholder and/or the Insured**, as well as persons who are obliged to fulfil the duties imposed on the Policyholder:

- a) persons who live together with the You or the Insured;
- b) the persons who are responsible for the insured object according to an agreement with You or the Insured;
- c) persons who have an insurable interest jointly with the You or the Insured, or other persons specified in the insurance contract;
- d) persons related to the You or the Insured person by employment, service or other legal relationship, that have a duty to act in accordance with the safety requirements.

**Policyholder or You** – a person who has applied to the insurer for the conclusion of an insurance contract or has been offered an insurance contract by the insurer or has concluded an insurance contract with the insurer. You can only be the owner or operator of the insured vehicle under a leasing (finance lease) or buy-out (operation) rent contract.

**Sum insured** – the amount of money specified in the insurance contract or calculated in accordance with the procedure laid down in the insurance contract, which may not exceed the benefit.

**Supplementary insurance** – a type of insurance where only part of the value of the asset or the risk is insured. In this case, You have the right to conclude an additional insurance contract with the same or another insurance company. In this case, the sum insured under several insurance contracts cannot exceed the insurance value.

**The parties to the insurance contract** are You and Us.

**Third party** – in the case of civil liability insurance, a person who has suffered a loss as a result of the acts or omissions of You and/or the Insured, and who is entitled to an insurance benefit in accordance with the terms of the insurance contract.

**Underinsurance** – where the sum insured is less than the insured value. In this case, in the event of an insured event, We will pay a proportion of the claim that is proportional to the ratio of the sum insured to the insured value.

**Written document:**

- a) is a document in writing that contains all the necessary requisites, including a signature, in accordance with the legislation in force in the Republic of Lithuania;
- b) transmitted by other telecommunications terminal equipment, provided that the text is protected and the signature is identifiable, including an electronic message.

## **2. THE VALIDITY OF INSURANCE COVERAGE**

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- 2.1.** The insurance period is the length of time during which the insurance cover is in force.
- 2.2.** The insurance cover comes into force at 00:00 on the date specified in the insurance contract, but not before the payment of the premium or the first instalment thereof, provided that:
  - 2.2.1.** the date of payment of the premium or the first instalment is not specified in the insurance contract;
  - 2.2.2.** the start of the period of insurance coincides with the date of payment of the premium or the first instalment thereof;
  - 2.2.3.** the due date for payment of the premium or the first instalment is earlier than the start of the period of insurance.
- 2.3.** In cases where the insurance cover is linked to the payment of the premium or the first instalment thereof, the insurance cover shall come into force at 00:00 hours on the day following the date of receipt of the money, but not earlier than specified in the insurance contract.
- 2.4.** No insurance benefit is payable in the event of an insured event before the insurance cover takes effect.
- 2.5.** If the insurance contract stipulates that the premium is due after the first day of the start of the insurance period, the insurance cover shall take effect at 00:00 on the first day of the start of the insurance period.
- 2.6.** The insurance contract is valid until 24:00 on the last day of the insurance period stipulated in the insurance contract, unless the insurance contract expires earlier for other reasons.

## **3. YOUR DUTY TO DISCLOSE INFORMATION**

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- 3.1.** Before signing the insurance contract, You undertake to provide Us with correct and complete information requested by Us, which is relevant to the subject matter of the insurance and is necessary to assess the insurance risk. If You deliberately fail to disclose information necessary for the assessment of the insurance risk, or deliberately provide false or incomplete information, We have the right to demand that the insurance contract be declared void. In this case, We will not refund the insurance premium.
- 3.2.** If an insurance contract for the same subject matter is renewed immediately after the expiry of the previous contract and You or the Insured do not indicate that the information has changed since the conclusion of the previous insurance contract, We shall assume that the information provided previously has not changed.
- 3.3.** During the term of the insurance contract, You are obliged to immediately notify in writing any changes during the term of the insurance contract which may increase the risk of insurance. Changes that should be notified include:
  - a)** significant changes in the subject matter of the insurance;
  - b)** changes in the ways in which the subject matter of the insurance is used;
  - c)** other material circumstances that increase the risk.
- 3.4.** If the information provided to Us about the object of insurance and the insured risks changes and this increases the insurance risk, as well as if We are misled due to an insignificant mistake by You, We shall have the right to propose to You, within one month from the date of becoming aware of it, to change the terms and conditions of the contract of insurance, including the amount of the insurance premium.
  - 3.4.1.** if You do not agree to change the terms and conditions of the insurance contract, or do not respond to Us within 1 month from the date of sending the notice of the proposed new terms and conditions, We have the right to terminate the insurance contract after the expiry of the period specified in this sentence without separate notice.
  - 3.4.2.** if We prove that we would not have concluded the insurance contract if we have been aware of the increased risk, We have the right to demand the cancellation of the insurance contract within 2 months of becoming aware of the increased risk.
- 3.5.** A breach of Your duty to disclose information also entails other legal consequences, as provided for in the legislation of the Republic of Lithuania.

## **4. INSURANCE PREMIUM AND PAYMENT PROCEDURE**

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- 4.1.** You must pay the insurance premium to Us in the amount and within the time limits specified in the insurance contract.
- 4.2.** The insurance premium is considered paid:
  - 4.2.1.** if the premium is paid by bank transfer, from the date of receipt of the money in Our bank account or an authorised insurance intermediary;
  - 4.2.2.** if the premium is paid by other means of payment, from the date stated in the specific document evidencing the payment. For a list of payment methods, please visit Our website [www.bta.lt](http://www.bta.lt) or call (8 5) 2600 600.

- 4.3.** If You fail to pay the insurance premium on the due date specified in the insurance contract, You shall pay to Us a late payment interest of 0.02% for each day of delay, but not more than 10% of the total unpaid insurance premium. We will not apply the above-mentioned interest in the following cases:
- a)** the premium is paid in one payment;
  - b)** the premium is paid in instalments – for the first payment.
- 4.4.** If the You fail to pay the insurance premium or any part thereof within the time limit specified in the insurance contract (except in the case when the entry into force of the insurance contract is linked to the payment of the premium or any part thereof, in which case the insurance contract shall not enter into force and shall be cancelled without a separate notification by the Insurer 10 days after the due date for payment of the premium), We shall inform the insured by a written document as provided for in the contract, that the insurance contract shall be cancelled in the event of Your failure to pay the premium or any part thereof within 30 days after the day on which the written document is dispatched.

## **5. CONCLUSION OF INSURANCE CONTRACTS VIA TELECOMMUNICATIONS EQUIPMENT**

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- 5.1.** An insurance contract may be concluded by means of a telecommunications equipment, i.e. post, internet, e-mail, telephone and other means of information exchange.
- 5.2.** Where an insurance contract is concluded by You, who is a consumer, the contract is subject to the Guidelines for the conclusion of non-life Insurance contracts, which are publicly available at [www.bta.lt](http://www.bta.lt). The Guidelines on conclusion of non-life insurance contracts, among other things, provide for a right of withdrawal procedure, i.e. the right to withdraw from an insurance contract.
- 5.3.** A consumer is a natural person who enters into an insurance contract for purposes other than business or professional activities.

## **6. TERMINATION AND AMENDMENT OF THE INSURANCE CONTRACT**

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- 6.1.** The insurance contract ends at 24:00 on the last day of the insurance period, unless otherwise agreed between You and Us.
- 6.2.** You have the right to cancel the insurance contract at any time by giving 15 days' written notice to Us. In this case, the insurance contract will be deemed to have been terminated on the date specified in the notice, but not earlier than the 15 days after receipt of the notice of termination. In this case:
- 6.2.1.** if the insurance benefit has not been paid or no claim has been made during the period of validity of the insurance contract, within 20 calendar days after receipt of Your notification, We shall refund to You a part of the insurance premium by deducting the costs of concluding and executing the insurance contract (30 % of the amount to be refunded);
  - 6.2.2.** if an insurance benefit has been paid and/or reserved or claims have been made during the period of validity of the insurance contract, within 20 calendar days after receipt of Your notification, We shall refund a part of the premium equal to the difference between the unused part of the premium for the period of validity of the insurance contract and the insurance benefit paid, less the costs of conclusion and performance of the contract (30% of the amount to be refunded).
- 6.3.** The terms and conditions of the insurance contract may be supplemented or amended only by written agreement between You and Us.
- 6.4.** The insurance contract may also be terminated on other grounds provided for in the insurance legislation of the Republic of Lithuania regulating insurance contractual legal relations.

## **7. GENERAL CLAUSES**

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- 7.1.** Unless otherwise stated in the insurance contract, We shall not pay any insurance benefit for:
- 7.1.1.** acts of terrorism (acts consisting in the use or threatened use of force or violence by or on behalf of any third party acting alone or in an organized fashion with or for the benefit of any organisation or government, which are carried out for political, religious, ideological or ethnic reasons, and which have the intention of placing a government or society or part of it in danger); losses resulting from preventive action against acts of terrorism are not covered either;
  - 7.1.2.** war, invasion, hostile acts by a foreign power, military or equivalent operations, such as civil war (with or without a declaration of war), riot, strike, insurrection, rebellion, revolution, martial law, marauding, vandalism or sabotage; strike, lockout, disturbance of public order amounting to a coup d'état or riot, confiscation of property, nationalisation, if caused or sanctioned by a public authority, whether lawful or not; other political risks and any other loss or expense incurred directly or indirectly as a consequence of the prevention of such acts, shall not be reimbursed;
  - 7.1.3.** direct or indirect nuclear explosion, exposure to nuclear energy or radioactive preparations, direct or indirect radioactive contamination;
  - 7.1.4.** Yours, Insured person's or Beneficiary's deliberate acts.

- 7.2.** BTA is not entitled to provide insurance and BTA is not obliged to pay the insurance indemnity or provide benefits in accordance with the insurance contract, as long as provision of such insurance, insurance indemnity disbursement or provision of benefits:
- 7.2.1.** subjects BTA to sanctions, restrictions or limitations, established by the resolutions of the United Nations or trade or economic sanctions, regulatory enactments of the European Union, the Republic of Lithuania, the United Kingdom or the United States of America;
  - 7.2.2.** subjects a reinsurance company, the whom the insurance contract is submitted for reinsurance, to sanctions, restrictions or limitations, established in accordance with the regulatory enactments of the reinsurance company's state of registration.
- 7.3.** An insured event will not be deemed to be an insured event and no compensation will be payable if the loss is directly or indirectly caused by:
- 7.3.1.** legislation issued by the state;
  - 7.3.2.** a declared state of emergency or national emergency, and, moreover, no compensation will be granted for any loss directly or indirectly related to any measures taken to avoid the state of emergency or national emergency;
  - 7.3.3.** epidemics or pandemics.

## **8. YOUR OBLIGATIONS IN THE EVENT OF AN INSURED RISK**

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- 8.1.** In order to be entitled to receive an insurance benefit in the event of an insured risk, You or the Insured person must:
- 8.1.1.** inform Us immediately, but not later than within 3 working days (unless otherwise specified in the Special Conditions of these Regulations), of the occurrence of a potentially insurable event in accordance with the procedure set out in the Special conditions of these Rules. If the Policyholder or the Insured informs Us of the occurrence of the insured risk late, the Policyholder or the Insured must prove that it was not possible to inform Us in time;
  - 8.1.2.** immediately inform the competent authorities (e.g. medical facility, fire and rescue department, police, emergency services, etc.);
  - 8.1.3.** comply with all instructions given by Us and take all measures to minimise the damage and prevent it from occurring or increasing;
  - 8.1.4.** provide Us with the possibility to inspect the scene of the accident, investigate and interview witnesses so that We can determine the cause and amount of the loss;
  - 8.1.5.** provide all information and documents requested by Us, including trade secrets, if known to You or the Insured, to enable Us to determine the cause of the insured risk and the amount of the loss;
  - 8.1.6.** if possible, keep the scene intact until Our representative arrives, unless otherwise instructed by Us. This clause shall not apply to the extent necessary to meet the requirements of clause 8.1.3 of these General terms and conditions of insurance;
  - 8.1.7.** if the insured object cannot be preserved without altering its condition after the event due to the fulfilment of the requirements contained in clause 8.1.3 of the General insurance terms and conditions or for other legal and reasonable reasons, arrange for photographs of the damaged property to be taken as soon as possible or for the damaged insured object to be filmed in order to record the loss, and to send the photographs or the video to Us by e-mail: [zalos@bta.lt](mailto:zalos@bta.lt) or by any other means to be sent found appropriate by Us.
- 8.2.** If You, the Insured or the Beneficiary intentionally or through gross negligence fails to fulfil the obligations set out in the Rules, We has the right to reduce or refuse to pay the insurance benefit.

## **9. INSURANCE BENEFIT**

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- 9.1.** The insurance benefit shall be paid by Us no later than within 15 days from the date of receipt of all information relevant for determining the fact, circumstances and consequences of the insured event and the amount of the insurance benefit.
- 9.2.** In the event of theft or robbery, where the insurance benefit has been paid and the insured object has subsequently been recovered, We have the right to demand reimbursement of the insurance benefit or assignment of the right of claim to the object of insurance. If We have decided not to keep the found object of insurance, but the found object is damaged, then You shall deduct from the insurance benefit received from Us, when returning it, the costs necessary to restore the object to its original condition, as agreed with Us.
- 9.3.** If the event is insured and both You and Us disagree on the amount of the insurance benefit, We will pay, at your request, an amount equal to the indisputable insurance benefit of the parties, if the exact amount of the damage is delayed for more than 3 months.

- 9.4.** If We delay the payment of the insurance benefit due to our own fault, We shall pay a late payment interest of 0.02% of the amount of the insurance benefit due for each day of delay, but not exceeding 10% of the insurance benefit not paid on time.
- 9.5.** All premiums (for the current policy year) that are due on the date of payment of the insurance benefit are credited towards the payment of the insurance benefit. With Your consent, premiums the terms of which are not due may be credited. If the insured object dies, is lost or destroyed as a result of the insured event, any outstanding premiums under the contract are deducted when the insurance benefit is paid.
- 9.6.** In the event that We are unable to recover the paid-out benefit by way of recourse due to the Insured Person's wilful act or gross negligence, We may not pay the benefit to the extent that no claim can be made or, if the benefit has already been paid out, may claim reimbursement of the benefit from You.
- 9.7.** In accordance with the request of the person entitled to claim the insurance benefit, We shall give such person access to the documents in Our possession on the basis of which We have decided to pay or refuse to pay the insurance benefit.
- 9.8.** We shall not give the person entitled to claim the insurance benefit access to the documents in its possession and shall not provide a copy of the documents if:
- a)** We have submitted documents to the law enforcement authorities to investigate the circumstances of the insured risk;
  - b)** the documents contain trade secrets of another person, which the person entitled to claim the insurance benefit is not entitled to receive;
  - c)** the documents contain personal data that the person entitled to claim the insurance benefit is not entitled to receive.

## **10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURES**

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- 10.1.** Our complaints examination procedure for dissatisfaction with an insurance contract or insurance services provided by a person applying for an insurance contract, You, the Insured, the Beneficiary or any other person entitled to claim an insurance benefit is publicly available at [www.bta.lt](http://www.bta.lt).
- 10.2.** All disputes arising between the parties to the insurance contract shall be settled by negotiation. If no amicable settlement is reached, all disputes arising out of the insurance contract and relating to the breach, termination or invalidity of the insurance contract shall be settled in the courts of the Republic of Lithuania in accordance with the legislation of the Republic of Lithuania, according to the address of the registered office of the BTA branch in Lithuania.

## **11. PROCESSING OF PERSONAL DATA**

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- 11.1.** As a processor of personal data, BTA processes the data of natural persons in accordance with the requirements for processing personal data as defined in Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46 / EC (General Data Protection Regulation), as well as requirements of other legal acts.
- 11.2.** The principles for processing personal data and BTA's privacy policy are available at [www.bta.lt](http://www.bta.lt).

## **12. SUBROGATION AND RIGHT OF RECOURSE CLAIM**

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- 12.1.** The Insurer who has paid out the insurance benefit is entitled to claim the sums paid from the person liable for the damage (subrogation or right of recourse claim). You, Insured or Beneficiary must provide Us with all the information requested by Us in order to enable the Us to properly exercise the right of claim assigned to it.

## **13. CONFIDENTIALITY**

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- 13.1.** The Parties undertake not to disclose to third parties any confidential information obtained on the basis of insurance contractual or pre-contractual legal relations, nor to use such information in a manner which would be prejudicial to the interests of the other party to the insurance contract. We have the right to provide all necessary information to independent experts and reinsurers obtained on the basis of insurance contractual or pre-contractual relationships, as well as to store such information in Our data bases. This obligation does not apply where the parties are obliged to provide information to the competent state authorities in accordance with the requirements of the legislation of the Republic of Lithuania.

## **14. OTHER CONDITIONS**

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- 14.1.** Any notice which You or Us are required to give to each other must be given within the time limits set out in these Rules by one of the following methods:
- 14.1.1.** by providing it to You, at the addresses specified in the policy or other written documents or in the parties' notices of change of address;
  - 14.1.2.** by registered mail;

- 14.1.3.** by e-mail, where the Parties have provided for this method of communication in the contract, or by expressing their consent to the exchange of information in this way by means of an affirmative act.
- 14.2.** We have the right to transfer its rights and obligations under the insurance contract to another Insurer or Insurers in accordance with the procedure established by legislation. If the You object to the transfer of rights and obligations under the insurance contract, the Policyholder has the right to cancel the insurance contract in accordance with the procedure laid down in the contract within one month of the transfer of rights and obligations. In this case, You shall be reimbursed the premiums paid for the remaining period of the insurance contract.
- 14.3.** Contractual insurance legal relations are governed by the Laws of the Republic of Lithuania.
- 14.4.** The insurance contract is concluded on the basis of these General conditions and Special conditions. If the special and/or individual conditions of insurance specified in the contract (policy) and these General terms and conditions of insurance differ, the special and/or individual conditions of insurance shall prevail.
- 14.5.** You, the Insured, the Beneficiary and other persons who acquire rights on the basis of the insurance contract shall comply with the obligations set out in these Rules.
- 14.6.** These Rules shall enter into force on the date of their approval by the Board of BTA, unless the BTA Board has specified a different effective date.
- 14.7.** In case of conflicts or inconsistencies between languages, the Lithuanian text takes precedence.
- 14.8.** These rules are published on the BTA website at <http://www.bta.lt>.
- 14.9.** Consumer disputes with the insurer shall be examined by the Supervisory Authority of the Bank of Lithuania, Žalgirio str. 90, LT-09128, Vilnius, website: [www.lb.lt](http://www.lb.lt).

## **SPECIAL TERMS**

### **1. WHO IS WHO AND WHAT IS WHAT**

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**Additional equipment** – means any fixed equipment that is not serially installed (meaning – installed other than by the factory), including but not limited to: non-removable audio, video, navigation systems, alloy wheel rims, exterior luggage racks, auxiliary lights, gas equipment, additional safety bows, additional sills, decorative film, branded stickers.

**Damage** – destruction, damage or loss of property as a result of an insured event.

**Electric vehicle** – means a motor vehicle equipped with a powertrain, having at least one non-external electrical energy converter with an electrically rechargeable energy storage system that can be charged externally.

**Express consignment transportation** – means a transport vehicle intended for the carriage of express consignments, provided that it is used for the collection and delivery of any goods, mail and parcels, document consignments, other consignments and parcels to/from multiple delivery points, irrespective of whether such activities are authorised by permits issued in accordance with the regulatory enactments of the Republic of Lithuania, including where the vehicle is covered with parcel delivery advertising stickers or where additional equipment relating to the collection, transport and/or payment of express consignments is fitted inside or outside the vehicle.

**Factory specification** – means the specification of the vehicle as determined by the manufacturer or his authorised representative at the time of its release for circulation. The factory assembly is determined by the vehicle body number, subject to verification by an authorised vehicle dealer.

**Glass breakage** – sudden and unexpected damage or destruction of only the vehicle's glass (bodywork windows, exterior mirrors and headlight windows).

**Market value of a vehicle** – is the amount of money, including taxes in force in the Republic of Lithuania, for which an equivalent vehicle could be bought on the market of the Republic of Lithuania in a direct commercial transaction between a person wishing to buy it and a person wishing to sell it, provided that both parties to the transaction act in a business-like manner, without coercion and without being influenced by other transactions and interests.

**Misappropriation of property** – means the unlawful management (at least for a short period of time) of other person's property, which was trusted or left at the management of the perpetrator, while having a real possibility to use or dispose of said property.

**Paid passenger transportation** – means the carriage of passengers for remuneration (irrespective of whether such activities are authorised by permits in accordance with the regulatory enactments of the Republic of Lithuania), including cases where such activities are carried out through the use of advertising portals, social networks, or other means of public information, as well as cases where the vehicle is covered with stickers advertising passenger carriage services, or where additional equipment is attached to the interior or exterior of the vehicle, in relation to the provision of the passenger carriage service and/or payment. This condition shall not apply to buses registered as vehicles of categories M2 and M3 and having more than 8 passenger seats and 1 driver seat.



**Rechargeable hybrid** – is a car powered by an internal combustion engine or, where appropriate, by one or more integrated electric motors using electricity from an integrated rechargeable energy storage system.

**Residual value** – is the amount of money for which a particular damaged/destroyed vehicle could be sold in a direct commercial transaction between willing sellers and willing buyers, after proper marketing, if both parties to the transaction acted in a business-like manner, free from coercion and unconstrained by any other transaction or interest.

**Short-term lease** – is the lease of a vehicle under a contract for a period of up to one year, except where it is leased under a finance lease or operating lease contract. Lease is also defined as such activities carried out through the use of advertising portals, social networks or other means of public communication, or where the vehicle is covered with stickers advertising rental services. The Short-term lease clause does not apply when a special-purpose vehicle or specialised machinery is hired out with a driver or operator – this is not considered to be short-term lease.

**Technical breakdown** – an unexpected and unforeseen failure of a mechanical or electrical component of the vehicle, which prevents the continuation of the journey because it endangers other road users, the insured or the vehicle itself.

**Traffic accident** – Is an incident involving at least one moving vehicle resulting in damage to the insured vehicle or injury to persons.

**Theft of a vehicle and its parts** – for the purposes of these Rules, theft of a vehicle and/or its parts, is when a situation is established as such by the relevant law enforcement authorities and a pre-trial investigation has been opened (a pre-trial investigation is only necessary in the case of theft of a vehicle) due to such fact and means:

- a) secret or open hijacking of a vehicle;
- b) secret or open theft of parts, components or assemblies of the vehicle;
- c) robbery – taking possession of an insured vehicle by using or threatening to use immediate physical or psychological violence, or otherwise depriving the rightful owner of the vehicle of the opportunity to resist.

**Vehicle fleet insurance contract** – an insurance contract covering two or more vehicles.

**Vehicle' means** a motor vehicle, complete, mass-produced, registered in accordance with the prescribed procedure and bearing a state registration number plate, intended for the transport of persons and/or goods. The term also includes trailers, semi-trailers, tractors, self-propelled machinery and mobile equipment.

**Vehicle operator** – a person who owns and uses a vehicle by ownership, trust, lease, hire, hire purchase or any other legal basis.

## **2. ESSENTIAL CIRCUMSTANCES OF THE INSURANCE CONTRACT**

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- 2.1. The insurance contract is based on the information you have given us about the circumstances that may materially affect the assessment of the insurance risk. You are responsible for the accuracy of the data provided.
- 2.2. Essential circumstances are:
  - 2.2.1. truthful information about the insured vehicle (make, model, year of manufacture, safety features, other risk factors);
  - 2.2.2. history of losses, damages and events;
  - 2.2.3. other circumstances described in these Rules or set out in the application to conclude an insurance contract.
- 2.3. The insurance contract is concluded at your verbal request, unless your request to conclude the insurance contract was made in writing or online.
- 2.4. The insurance contract consists of: the Insurance Rules, the insurance policy, the application for the conclusion of the insurance contract (if any), photographs, any other documents submitted or any annexes to the insurance contract.
- 2.5. In the event of a difference between the individual insurance terms and conditions set out in the insurance contract and the terms and conditions set out in these Rules, the individual insurance terms and conditions shall prevail.

## **3. WHAT IS PROHIBITED**

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- 3.1. These Rules apply to the insurance of vehicles, which are registered in the prescribed manner with the relevant authorities and which have state constant registration plates in the Republic of Lithuania.
- 3.2. Additional equipment may also be covered, as specified in the insurance policy.

## **4. IN WHICH CASES THE INSURANCE BENEFIT IS PAID**

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- 4.1. An insured event is any occurrence during the period of validity of the insurance contract in which the insured vehicle has been damaged or destroyed as a result of a direct, sudden and unforeseeable mechanical force from outside, or as a result of a fire or explosion, or if the insured vehicle (or any part(s) of the insured vehicle) has been stolen or taken by theft or by robbery.



## 5. IN WHICH CASES THE INSURANCE BENEFIT IS NOT PAID

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- 5.1.** Non-insurable events are events where the operator of the vehicle is:
- 5.1.1.** driving or teaching another person to drive while under the influence of alcohol (blood alcohol concentration above the legal limit in the country where the accident occurred), drugs, medicines or other intoxicating substances, or having consumed alcohol or other intoxicating substances after the accident, before the intoxication (sobriety) test, or having evaded an intoxication (sobriety) test;
  - 5.1.2.** driving a vehicle without the right to drive that category of vehicle;
  - 5.1.3.** driving a vehicle whose state technical inspection period had expired at the time of the accident and the accident was caused by a technical fault in the vehicle;
  - 5.1.4.** disobeying a police officer's (traffic regulator's) request to stop, attempted to flee or was forcibly stopped, or arbitrarily left the scene of an accident;
  - 5.1.5.** using the vehicle as an instrument of crime or as a means of suicide;
  - 5.1.6.** using the vehicle for a purpose other than its intended use, using the vehicle with tyres that do not comply with the regulatory requirements in force at the time of the accident. This clause applies only to the risk of a traffic accident;
  - 5.1.7.** while driving the vehicle, was preparing to take part in, or was taking part in, an event where the aim is to drive at the fastest possible speed (e.g. a sporting event, training), unless otherwise specified in the insurance contract;
  - 5.1.8.** used the vehicle to tow another vehicle, or transported, towed or transported or towed a vehicle driven by him in breach of the prescribed road traffic regulations;
  - 5.1.9.** using the vehicle in areas not intended for road traffic (frozen water bodies, forests, fields, meadows, etc.);
  - 5.1.10.** leaving the vehicle unattended, i.e. with the windows, sunroof or roof open, doors unlocked, and the safety devices in disorder and not activated;
  - 5.1.11.** using the vehicle in violation of its technical specifications.
- 5.2.** Non-insurable events are also considered to be cases where:
- 5.2.1.** the vehicle was driven by a person with less driving experience than the insurance contract provides for. An exception applies for the first event, but in this case an additional unconditional deductible of Eur 500 applies;
  - 5.2.2.** the vehicle owner or You have caused the damage deliberately, or concealed the causes, circumstances and consequences of the accident, or provided false or misleading information, or otherwise unlawfully sought to obtain or increase the amount of the insurance benefit, including where the theft or misappropriation of the vehicle was staged by You or persons connected with you;
  - 5.2.3.** the vehicle has been used in an increased risk environment, unless this is stated in the insurance policy. The following are considered to be increased risks:
    - 5.2.3.1. short-term vehicle rental, subletting;**
    - 5.2.3.2. transport of urgent (express) parcels;**
    - 5.2.3.3. driving training;**
    - 5.2.3.4. use for money collection, security, ambulance, police, fire-fighting and other emergency response or operational activities;**
    - 5.2.3.5. use of the vehicle for taxi or other paid passenger transport activities.**
  - 5.2.4.** the vehicle is lost, i.e. misappropriated, either by You or Your authorised person, or by other persons who, with the knowledge and intention of the owner or legal operators of the vehicle, had acquired the right to use the insured vehicle, or in case of taking possession of it by fraud;
  - 5.2.5.** damage caused by repairs, ageing, corrosion or wear and tear;
  - 5.2.6.** damage caused by a technical fault in the vehicle;
  - 5.2.7.** damage to the engine or its components, cooling and heating equipment or transmission, caused or aggravated by insufficient lubricant or coolant level, or by the use of the wrong type of lubricant, coolant or fuel, or by their inadequate circulation;
  - 5.2.8.** damage to the interior of the vehicle caused or aggravated by the actions of the occupants of the vehicle or animals inside the insured vehicle;
  - 5.2.9.** damage to the vehicle was caused or increased by running out of fuel;
  - 5.2.10.** the theft, damage or destruction of additional equipment or other parts of the vehicle, if the equipment was not in the insured vehicle at the time of the accident;
  - 5.2.11.** the vehicle was stolen using the vehicle's original ignition key or original anti-theft controls;

**5.2.12.** in the event of theft of a vehicle, the registration documents, keys and alarm system control panels of the insured vehicle have not been immediately handed over to us, unless they were lost during a robbery and such a fact was identified by the law enforcement authorities or they were handed over to the police.

- 5.3.** We will not pay the insurance benefit if You, the Beneficiary or any other legal owner of the vehicle has not provided Us with all the necessary documents to establish the possible causes of the insured event and the amount of the damage, as well as certificates issued by the police and/or other competent state authorities, if the accident should have been registered with the police and/or other authorities in accordance with the actual circumstances of the accident, the present Rules, and the regulatory enactments of the country in which the accident occurred.
- 5.4.** We do not pay any benefits for alterations and improvements to the vehicle, for repairs performed due to wear and tear, depreciation, for urgent delivery of parts, vehicle downtime, fuel spillages or theft, loss of income due to inability to use the vehicle, nor do we reimburse the cost of preparing independent valuers' reports, nor do we reimburse the costs of brokerage, administration, warranty provision and other similar costs. The loss of market price is only compensated if we have the right to recover the full amount of the damage from another insurance company registered in the Republic of Lithuania under the compulsory insurance of civil liability of motor vehicle owners.
- 5.5.** Losses resulting from the correction of a defect in the manufacturing or repairing company are not covered.
- 5.6.** The insurance benefit will be reduced or not paid if you have not fulfilled the obligations set out in clauses 14.2, 14.5, 14.6 and this has had an impact on the substantiation of the fact and circumstances of the potentially insured event and on the determination of the amount of the damage.
- 5.7.** Leaving the vehicle registration certificate, ignition keys, spare ignition keys, alarm system remotes, valuables, non-permanently installed accessories in the vehicle – in this case, the insurance benefit is reduced by up to 50% if this has contributed to the fact of the insured event or otherwise created the conditions for the damage to take place (made it easier to access the vehicle and make it more difficult to find it, or facilitated the realisation of a stolen vehicle).
- 5.8.** No insurance benefit may be payable if the obligations set out in Clause 14.3 of these Rules have not been fulfilled in the event of a potentially insured event.

## **6. INSURANCE COVER OPTIONS**

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- 6.1.** The insurance contract can be taken out with a fixed amount of cover, choosing one of the following options:
- 6.1.1. with depreciation** – with this insurance option, when calculating the amount of the damages, the cost of the parts to be replaced is calculated at the market price of the non-original or second-hand parts, up to the cost of the new original parts after deducting depreciation, with the repair company selected by Us. If You choose a repairer other than the one We recommend, the insurance benefit will be reduced to the amount for which the vehicle could have been repaired at the repairers We recommend;
- 6.1.2. without depreciation** – if you take out this type of insurance, the cost of the parts to be replaced is calculated at the market price of the new original parts on the date of the insured event, without deducting the percentage of depreciation (except for tyres for vehicles with a gross vehicle weight of more than 3.5 tonnes), and the repairs are organised by the repair company of Your choice;
- 6.1.3. new value, excluding depreciation** – when insuring a vehicle at new value, the sum insured and the market value are deemed to be equal to the vehicle's first sale value, as certified by the company that sold the vehicle. The loss is calculated on the basis of the purchase value of the vehicle (according to the purchase documents), without taking into account any depreciation during the period of the insurance contract. This applies only to vehicles purchased directly from the manufacturer or from a company trading as the manufacturer's authorised dealer. This insurance option is subject to the provisions of non-depreciation insurance.

## **7. AREA OF INSURANCE COVER VALIDITY**

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- 7.1.** The insurance contract is valid in the territory specified in the insurance policy.
- 7.2.** Where the policy specifies that the territory of the contract is Europe, the following are the parties to the contract: Ireland, Albania, Andorra, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Czech Republic, Denmark, Estonia, Greece, Iceland, Spain, Italy, United Kingdom, Cyprus, Croatia, Latvia, Poland, Liechtenstein, Lithuania, Luxembourg, Malta, Macedonia, Moldova, Monaco, Norway, Holland, Portugal, France, Romania, Russia (only the European part up to the Ural Mountains), San Marino, Serbia and Montenegro, Slovakia, Slovenia, Finland, Sweden, Switzerland, Turkey (only the European part of it ), Ukraine, Hungary, Germany.

## **8. SUM INSURED**

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- 8.1.** The sum insured is equal to the market value of the vehicle in Lithuania, unless otherwise stated in the insurance contract. The amount of cover for new, unused additional equipment is determined by the purchase price stated in the purchase documents. If the additional equipment is not new, the sum insured is its market value at the date of the contract.
- 8.2.** If the value of the vehicle you have provided is higher than the sum insured (insurance in excess of the insured value) on the date of conclusion of the insurance contract, the insurance contract is void for the part of the sum insured that exceeds the market value of the insured property.
- 8.3.** If the value of the vehicle you have provided is less than the sum insured (underinsured) on the date of conclusion of the insurance contract, in the event of an insured event, we will calculate the sum insured according to the ratio of the sum insured to the value of insurance. If the sum insured for the property is less than 10% of the insured value, no underinsurance applies.
- 8.4.** Vehicles are insured for the recovering sum insured – once the insurance benefit has been paid out, Our obligation remains for the full sum insured, without any deductible for benefits paid.

## **9. DEDUCTIBLE**

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- 9.1.** No deductible is applied if:
  - 9.1.1.** by paying the insurance benefit, We are entitled to recover the full amount of the damage from the insurance company registered in the Republic of Lithuania under the compulsory insurance of civil liability of motor vehicle owners;
  - 9.1.2.** the insured event in the territory of the Republic of Lithuania occurred due to the fault of third parties (persons who caused the damage), the perpetrators have been identified, their fault has been proven by law enforcement authorities, and the documents proving the fault are sufficient for Us to be entitled to recourse to the insurance benefit paid;
  - 9.1.3.** the insured event occurred outside the Republic of Lithuania, We shall pay the insurance benefit without deductible of a deductible only if the perpetrator of the accident has concluded an international motor third party liability insurance contract issued in the name of the National Insurers' Bureau belonging to the Green Card system, which fully compensates for the damage caused by the insured event, and if the documents proving the fault are sufficient for Us to have a real right of recourse to recover the insurance benefit paid.
- 9.2.** If the insured event was caused by the mutual fault of the parties involved in the insured event, the deductible is applied in proportion to the amount of your fault.
- 9.3.** In the event of a glass break, when the replacement is carried out at a glass repairer or garage specified by Us (where the vehicle is insured with a "new value" clause), the insurance benefit will be reduced by the glass break deductible shown in the insurance policy. For lorries and buses, this clause only applies to the first occurrence, all other occurrences are subject to the unconditional deductible specified in the insurance policy.
- 9.4.** If the vehicle's windscreen is repaired but not replaced, no deductible is made. For lorries and buses, this clause only applies to the first occurrence, all other occurrences are subject to the unconditional deductible specified in the insurance policy.
- 9.5.** In the event of theft of the vehicle and/or its parts, the percentage deductible specified in the insurance policy is applied, which cannot be lower than the unconditional deductible.

## **10. INCREASE AND DECREASE IN INSURANCE RISK**

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- 10.1.** An increase in insurance risk is as follows, including but not limited to:
  - 10.1.1.** a change in the information provided at the time of concluding the insurance contract;
  - 10.1.2.** inoperability of the security devices/equipment fitted to the vehicle;
  - 10.1.3.** the replacement of technical and structural elements of the vehicle as installed by the vehicle's manufacturer at the factory of that vehicle;
  - 10.1.4.** deterioration of the insured vehicle's security system's condition or other security systems;
  - 10.1.5.** loss or misplacement of the insured vehicle's registration certificate, ignition keys or control panels for the security system;
  - 10.1.6.** re-registration or deregistration of the insured vehicle in the national vehicle register.
- 10.2.** If, during the term of the insurance contract, there is a material change in the circumstances provided for in the insurance contract which reduces or may reduce the risk of insurance, you have the right to request a change in the terms of the insurance contract or a reduction in the premium because of the reduction in the risk of insurance. If We do not agree to change the terms of the insurance contract or to reduce the premium, You have the right to apply to the court for termination or amendment of the insurance contract in the event of a material change in circumstances.

## 11. HOW WE DETERMINE THE AMOUNT OF LOSSES

- 11.1.** We determine the insurance benefit on the basis of the documents received from You and the competent authorities, which substantiate the fact of the insured event and allow us to determine its causes and assess the amount of damage. In determining the amount of the losses, only visible damage to the vehicle itself, caused by a direct link to the accident, is taken into account.
- 11.2.** Losses due to the destruction of the vehicle/accessory equipment is held as follows:
- 11.2.1.** if the vehicle (additional equipment) is insured under the new value option (clause 6.1.3), the value of the new vehicle, up to the amount of the sum insured, less the residual value of the salvageable residual parts of the vehicle and less the risk deductible;
- 11.2.2.** otherwise, the market value of the vehicle/accessory equipment on the date of the insured event, less the value of the usable residual parts of the vehicle and less the risk deductible.  
A vehicle (additional equipment) is considered destroyed if it cannot be repaired for technical reasons or if the cost of repairing it would exceed 75% of the market value of the vehicle (additional equipment) on the date of the insured event, unless otherwise provided in the insurance contract.
- 11.3.** Losses due to theft of a vehicle and its parts (additional equipment) include:
- 11.3.1.** if the vehicle (additional equipment) is insured under the new value option (clause 6.1.3), the value of the new vehicle (additional equipment) up to the amount of the insurance sum, less a deductible, if provided for in the insurance contract;
- 11.3.2.** in other cases, the market value of the vehicle or its parts (additional equipment) on the date of the insured event, up to the amount of the sum insured, after deductible of the deductible if provided for in the insurance contract.
- 11.4.** In the event of damage to the vehicle, the amount of the loss is based on the actual cost of repairs, which includes the value of the repair work, the value of the painting work, the value of the parts (additional equipment) to be replaced, and the cost of the work necessary to restore the damaged vehicle or the market value of its parts and/or components before the insured event. Damage to the vehicle (additional equipment) is not compensated for by the reports made by the Independent valuers. If it is determined that the damaged parts can be repaired and replacement is not mandatory, the vehicle must be repaired using this method only.
- 11.5.** The depreciation of the vehicle's parts and accessories is assessed in accordance with the table below or the procedure set out in the insurance policy:

**Table 1**

Vehicle age in years	Parts depreciation by vehicle type					
	Additional equipment	Passenger cars (M1, with a gross vehicle mass not exceeding 3500 kg)	Electric cars and plug-in hybrids	Caravans, motorhomes, motorcycles	Buses, cargo vehicles (N1, N2, N3, trailers (semi-trailers), special vehicles and their trailers (semi-trailers) mopeds	Tractors and self-propelled machinery
< 1	20	0	0	0	0	0
1	35	0	0	0	0	0
2	45	5	0	0	0	5
3	55	9	0	0	5	10
4	64	13	5	5	10	15
5	72	19	10	10	15	20
6	80	24	16	15	20	25
7	86	30	22	20	25	30
8	90	37	30	25	30	35
9	93	43	38	30	35	40
10	95	49	47	35	40	45
11	95	55	55	40	45	50

12	95	61	61	45	50	55
13	95	67	67	50	55	60
14	95	70	70	50	60	65
15	95	70	70	50	65	70
> 15	95	70	70	50	70	75

- 11.6.** We ensure that the damaged vehicle can be repaired to an appropriate quality by a repairer approved by Us, restoring the vehicle to its condition immediately before the insured event. If the vehicle is insured under the "no depreciation" option, fitting a new part of the same type does not constitute an improvement to the vehicle.
- 11.7.** In the absence of submitted documentation confirming the cost of repairing the vehicle and documents confirming payment, the necessary repair costs shall be calculated excluding VAT in accordance with the manufacturer's recommended time standards, at an hourly rate no higher than the hourly rate of the repairer recommended by Us and at the prices quoted by Us for the replacement of the parts and/or components (new non-original, second-hand, or, in the event of unavailability on the market, new original parts) corresponding to the level of technology of the damaged vehicle, having regard to the price We would pay for the parts and/or components. Repair cost estimates prepared by other persons (independent valuers, repairers other than Our recommended repairers, etc.) may only be used in cases where Our recommended repairers refuse to carry out repairs on the insured vehicle.
- 11.8.** If the vehicle is insured with a "no depreciation" clause, no depreciation is deducted unless proof of purchase and payment for the parts is provided.
- 11.9.** At our option, damage caused by the destruction or theft of a vehicle may be compensated by a cash sum insured or by transferring to you a similar vehicle, the market value of which on the date of the payment of the sum insured must not be less than the value of the destroyed or stolen vehicle on the date of the insured event.
- 11.10.** In the event of damage, destruction or theft of the vehicle, the insurance benefit for the repair of the vehicle as a result of a previous insured/uninsured event is payable only on presentation of the actual documents proving that the work has been carried out and paid for. If we have already paid for the defects as a result of a previous insured event, the benefit will be reduced by the amount of the damage (only if we have not been provided with documents proving that the work was actually carried out and paid for).
- 11.11.** We will only pay the insurance benefit including value added tax (VAT) if the vehicle is actually repaired and VAT has been paid for the repair services, and if you are not entitled to deduct VAT under the laws and regulations in force in the Republic of Lithuania.
- 11.12.** If the insured event causes additional damage or breakages to parts of the vehicle that were already damaged before the insured event and no additional damage is caused, 50% of the damage is covered.
- 11.13.** In the case of theft of vehicle parts, the damage will be reimbursed only after the vehicle has actually been repaired and after proof of the repair costs and payment has been provided.

## **12. WHAT ADDITIONAL COSTS WE WILL REIMBURSE**

- 12.1.** Additional compensation (included in the amount of damage) is paid for:
- 12.1.1.** In cases where the vehicle has been damaged in an insured event (if such an insured event has been provided for in the insurance contract), the damage also includes the necessary costs of removing the vehicle from the scene of the accident (removal from the rollover site, loading the remains into another vehicle, etc.). We only reimburse costs actually incurred, substantiated and fully documented.
- 12.1.2.** In cases where the vehicle has been damaged in an insured event (if such an insured event has been provided for in the insurance contract), and the vehicle has to be transported after the insured event due to a technical fault, the damage shall also include the necessary costs of towing (transporting) the vehicle to the nearest repair shop that would carry out the minimum necessary repairs to enable the vehicle to drive on its own to the place of residence of the rightful keeper. BTA shall reimburse only the costs actually incurred and confirmed by relevant documents, necessary to tow (transport) the vehicle to the nearest repair shop, but not more than EUR 500 in the Republic of Lithuania and EUR 1500 abroad for vehicles whose maximum permissible weight (gross weight) does not exceed 3500 kg, and EUR 800 in the Republic of Lithuania and EUR 4000 abroad for vehicles whose maximum permissible weight (gross weight) exceeds 3500 kg.
- 12.1.3.** If only one vehicle of a vehicle train (a vehicle train is a combination of two coupled vehicles which were participating in traffic when the insured event occurred) is damaged during the insured event, the salvage/transportation costs shall be paid in proportion to the cost of the salvage/transportation of the two vehicles in the vehicle train, with a deductible for each of the vehicles insured by Us in

the vehicle train.

- 12.1.4.** The costs referred to in clauses 12.1 to 12.3 are only reimbursed if the vehicle has been damaged in an insured event (if such an insured event was provided for in the insurance contract) and they are reasonable and necessary.
- 12.1.5.** Costs relating to damage to the insured vehicle that was deliberately caused in order to save the injured.
- 12.1.6.** Necessary storage costs after the insured event, but not for more than five days (up to a maximum of EUR 500 per accident).
- 12.1.7.** The cost of repairs abroad without coordination with BTA, provided that on the date of payment they do not exceed EUR 1,500 according to the official exchange rate of the Bank of Lithuania on the date of invoicing and that such repairs are necessary to ensure traffic safety. The amount of the loss is determined on the basis of the invoices submitted, which show the work carried out, the materials used and the parts replaced.
- 12.1.8.** Costs (up to a maximum of Eur 600 per incident) for damage to a transported bicycle, bike racks, skis and a luggage rack if the vehicle itself is damaged or destroyed in the same incident. The sum is allocated for all of the above-mentioned objects together.
- 12.1.9.** Costs due to the theft or damage of a child safety seat if it was in the vehicle insured by Us at the time of the insured event. The maximum benefit for damage to or loss of a child safety seat is Eur 500 per insured event and for the entire duration of the insurance contract. The amount is for all the seats in the vehicle combined.
- 12.1.10.** Costs for theft or destruction of a vehicle's number plate (up to a maximum of Eur 50). No deductible is applied when only the number plates are damaged/stolen in the event of an insured event.
- 12.1.11.** Expenses (up to a maximum of Eur 500 per incident) for making the vehicle keys, replacing the locks, immobiliser card, alarm remote control and/or security system re-programming if the keys were stolen and the police were informed. The compensation is paid only on presentation of documents proving the actual costs: documents proving the purchase of the goods or services after the insured event.
- 12.1.12.** Once during the term of the contract, the cost of damage to, destruction of, or theft from the vehicle of the additional equipment, even if the additional equipment was not separately insured. We will pay up to the amount of the damage caused, up to a maximum of Eur 1000.
- 12.1.13.** Costs due to fuel mismatch (when you put the wrong fuel in your tank): repair of your car's fuel supply system, - draining the fuel and cleaning the tank, up to a maximum of Eur 400. We do not reimburse losses due to engine repairs and losses caused by other materials entering the fuel supply system. For these events, we apply the deductible provided for in the insurance policy.
- 12.1.14.** If one tyre is completely damaged in an insured event (regardless of whether only the tyre is damaged or other parts of the vehicle are damaged as well), we will reimburse for two similar tyres without any deductible. If more tyres are damaged, we will reimburse you for the number of tyres needed to fit two tyres with the same tread on one axle. This applies only to passenger cars with a gross vehicle weight of up to 3,500 kg and registered as M1 class cars.

### **13. HOW WE WILL PAY THE INSURANCE CLAIM**

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- 13.1.** The insurance benefit is payable to the rightful owner of the damaged/destroyed vehicle, to the Beneficiary or to the person designated by the Beneficiary.
- 13.2.** The benefits payment for parts and/or their repairs, that have been damaged and/or which have been paid for in the past, you will only be reimbursed again if you provide proof of purchase and/or repair of the parts.
- 13.3.** We have no right to pay or refuse to pay an insurance benefit without being satisfied that an insured event has occurred and without checking all the information available to Us.
- 13.4.** The insurance benefit must be paid out no later than fifteen days after all information relevant for establishing the fact, circumstances and consequences of the insured event and the amount of the insurance benefit has been received. We have the right to postpone the payment of the insurance claim until the amount of the loss has been proven.
- 13.5.** If You and the Insured person entitled to compensation are the subject of legal court proceedings, administrative or pre-trial investigations, the outcome of which is relevant to the case being administered, the payment of the insurance benefit may be postponed until the legal court proceedings, administrative or pre-trial investigations are concluded.

## **14. RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE INSURANCE CONTRACT**

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- 14.1.** We are obliged:
- 14.1.1.** not to publish information obtained in the course of insurance activities about you, the Insured person or the Beneficiary, except for the exceptions provided for by regulatory enactments;
  - 14.1.2.** in the event of an insured event, to pay insurance benefits within the terms and conditions set out in these Rules.
- 14.2.** Your obligations during the term of the insurance contract, the fulfilment of which is the basis for payment of the insurance benefit:
- 14.2.1.** notify Us immediately if you lose your security system remote control or ignition keys. In this case, the cover provided by the insurance contract in the event of theft of the vehicle will cease to apply until You replace the lock(s) and/or alarm on the vehicle and notify Us in writing of this;
  - 14.2.2.** replace or repair alarms or other security devices in the event of their failure or inoperability by notifying Us in writing;
  - 14.2.3.** inform us in writing immediately, but no later than 3 working days, of any changes or improvements to the vehicle or additional equipment.
- 14.3.** In the event of an insured event, you must immediately report any damage, destruction or loss of your vehicle to the competent authorities (for theft, deliberate acts by third parties, to the police, the fires, to the fire brigade, and for explosions, to the police or emergency services). In the event of an accident, follow the rules of the road.
- 14.4.** When paying an insurance benefit, We have the right to set off any part of the premium to-be-paid for the insurance contract that is already due. In cases where the damage is compensated for irreparable damage/destruction of the vehicle - by payment of the residual value, We are entitled to set off the insurance premium for the entire duration of the insurance contract.
- 14.5.** In the event of a potentially insured event, the payment of the insurance benefit is conditional upon the fulfilment of the obligations of the Lawful operator of the vehicle, as laid down in the applicable regulatory enactments, including those listed below. Under these Rules, you are obliged to:
- 14.5.1.** protect the vehicle if the vehicle remains with you or the legal owner of the vehicle after the accident until it is transferred for repairs or handed over to us;
  - 14.5.2.** in the event of theft of a vehicle, to inform us of a potential insured event as soon as possible, but no later than within 1 working day, and to write a detailed written report of the event within 3 working days. In the event of damage to or destruction of the vehicle, to inform Us of the potential insured event as soon as possible, but not later than within 3 working days, and to write a detailed written report of the event within 3 working days at Our request. If the legal owner of the vehicle notifies Us in writing of a potentially insurable event later than the time limit set out in these Regulations from the date of the event, the legal owner of the vehicle must prove to Us that he or she was unable to notify Us of the event earlier due to objective reasons. The notification period starts from the moment you (or your representative) knew or should have known about the potentially insured event;
  - 14.5.3.** give Our representative the opportunity to inspect the vehicle within a reasonable period of time (term) after a potentially insured event;
  - 14.5.4.** if the vehicle is stolen, you must give us the vehicle keys, the alarm key and the registration certificate as soon as you are able, but within 3 working days at the latest, unless you have given the vehicle registration certificate, the keys and the alarm key to the police;
  - 14.5.5.** if the insured vehicle has been stolen or taken by robbery, take all reasonable steps to initiate criminal proceedings in the country in whose territory the insured event may have taken place for the theft of the insured vehicle or for the taking by robbery of the insured vehicle or its parts (car parts), and to put in all possible effort to have an international search for the vehicle issued without delay.
- 14.6.** After the vehicle has been repaired, hand over to Us the parts damaged and replaced during the insured risk, if We require it.
- 14.7.** If the stolen vehicle is found after the insurance benefit has been already paid by Us, You may, by agreement between the parties, either reimburse the insurance benefit paid or hand the vehicle over to Us in accordance with the order prescribed by legislation.
- 14.8.** If it turns out that the insurance benefit should not have been paid in accordance with the terms and conditions of the insurance, You must reimburse Us the insurance benefit unlawfully received within 10 calendar days from the date of Our claim.
- 14.9.** Your authorised person or a member of your family may also provide information about a potentially insured event, but you are responsible for the accuracy of the information provided about a potentially insured event.



**14.10.** Allow Us to carry out the necessary investigations, the conclusions of which are necessary to confirm the fact and circumstances of the insured event and/or the amount of the damage caused by the event, and to provide Us with all the information and documentation required for the investigation of the event as requested by Us.

**14.11.** Assist Us in exercising the right of recourse, to provide Us with any information You know about the person responsible for the damage caused.

## **15. PROCEDURES AND TERMS FOR TERMINATION, AMENDMENT AND EXPIRY OF THE INSURANCE CONTRACT**

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**15.1.** If the insurance contract is for a period of less than one month, you have the right to cancel the insurance contract by giving us at least three working days' written notice before the scheduled insurance contract termination date.

**15.2.** In the event of a change of ownership of the insured vehicle, the insurance cover is only available until 24 hours 00 minutes of the next working day, after which the insurance cover for that vehicle shall cease.

**15.3.** The insurance contract ends when the insurance benefit for the stolen or destroyed vehicle is paid;

**15.4.** When the insurance risk of a vehicle ceases to exist, the insurance cover for its additional equipment and the accident cover for the driver and passengers also ceases or terminates.

**15.5.** In case during the validity term of the insurance contract the insurance coverage validity is terminated for more than 20% of the vehicle fleet vehicles, insured under the valid insurance contract, in case of termination of insurance coverage of every other vehicle You have to cover the insurance contract conclusion and performance costs, which are equal to 30% of the insurance premium that has to be paid for the remaining period until the expiry (end) of the insurance contract, but no less than Eur 100 for each vehicle. If the insurance contract conclusion and performance costs cannot be deducted, You are obliged to cover such costs. The number of vehicles for which insurance cover has been terminated does not include cases where insurance cover for vehicles has been terminated following a change of ownership of the insured vehicle or following the disappearance of the insured risk (destruction, loss of vehicle etc.).