

# TERMS AND CONDITIONS OF MOTOR THIRD PARTY LIABILITY INSURANCE

## KT.0939.18

These terms and conditions of motor third party liability insurance shall apply to motor third party liability insurance contracts concluded with ERGO Insurance SE. On any issues not settled under the terms and conditions of motor third party liability insurance, the parties shall be guided by the general terms and conditions of insurance contracts, the Motor Third Party Liability Insurance Act and the Law of Obligations Act. If the terms or conditions of a motor third party liability insurance conflict with the Motor Third Party Liability Insurance Act, the Motor Third Party Liability Insurance Act shall apply.

### 1. Insurance contract and insurance policy

- 1.1. This insurance contract (hereinafter: contract) shall be concluded for a fixed term.
- 1.2. The policyholder shall be entitled to choose whether to conclude this contract as an automatically renewing contract (YES contract) or for a specific term, that is, as a contract with no obligation of renewal (NO contract).
  - 1.2.1. An automatically renewed contract (YES contract) shall be concluded for an insurance period of one year. The premium under a YES contract may be paid in periodic payments.
  - 1.2.2. A contract with no obligation of renewal (NO contract) may be concluded for any period from one day to one year. The premium under a NO contract cannot be paid in periodic payments. A contract concluded through the mediation of an insurance broker shall always have no automatic obligation of renewal (NO contract). A NO contract shall be concluded also if the policyholder is a person not registered as the owner, authorised user or user in the traffic registry.
- 1.3. The conclusion of a contract shall be proven by an insurance policy issued for each insurance period. The start and end dates of the insurance period shall be indicated on the insurance policy. If the policyholder has concluded an automatically renewed contract, the policyholder shall be issued with a new insurance policy by the beginning of the new insurance period.
- 1.4. The green card is a policy which proves the validity of insurance in other EEC contracting countries besides Estonia as well as any third country indicated on the green card. At the policyholder's request, the insurer issues a green card to the policyholder or the insured person designated by the policyholder.

### 2. Insured object

- 2.1. The contract shall be concluded for motor vehicles or trailers thereof as specified in the Motor Third Party Liability Insurance Act.
- 2.2. The insurer shall indemnify, on the scale and terms set out in the Motor Third Party Liability Insurance Act, any loss or damage caused by the insured person (person in possession of the vehicle) for a third party as a result of the insured event.

### 3. Insured event

- 3.1. An insured event is the causing of loss or damage to a third party if this has occurred:
  - 1) due to the materialisation of a risk characteristic of operation in traffic and there is a causal relationship between the movement or location of the vehicle and the loss or damage caused;
  - 2) on the road or in any other area used for the normal traffic of vehicles.
- 3.2. An insured event shall not include loss or damage caused:
  - 1) in the vehicle, including an air or water craft, except when driving onto or off a ferry operating a scheduled service;
  - 2) at a location closed or sequestered for a competition, a training session or other similar event;

- 3) on the grounds of an aerodrome closed to public traffic;
- 4) on the highway or in any other area used for the normal traffic of vehicles, when this area is closed to public traffic, and if the vehicle with which loss or damage has been caused is being used for forestry, agricultural or construction works or other similar purposes and the loss or damage has been caused directly in the process of performing work.

### 4. Law governing an insured event and territorial validity

- 4.1. Unless the Regulation of the European Parliament and of the Council suggests otherwise, indemnity for any loss or damage caused through a tort or delict shall be subject to the laws of the country where the insured event occurred.
- 4.2. The insurance cover provided under the contract shall apply in all the contracting states without the parties having to agree this separately. In a third country, the insurance cover shall apply if that country has been indicated on the policy confirming the conclusion of the contract or on the green card.

### 5. Insurance obligation, calculation of payment and automatic insurance

- 5.1. The insurance obligation shall be incumbent on the person recorded in the traffic registry as the owner of the vehicle.
- 5.2. If the vehicle registered in the traffic registry has an authorised user, the insurance obligation instead shall be incumbent on the person recorded in the traffic registry as the authorised user.
- 5.3. There shall be no insurance obligation for 12 calendar months after the expiry of the contract provided that during this period the vehicle neither participates in traffic nor is used in any other manner that may cause an insured event. During the above calendar month, the insurer's limit of indemnity shall apply.
- 5.4. The insurer shall calculate the premium always based on the person with the insurance obligation, regardless of who is the policyholder.
- 5.5. A vehicle concerning which the insurance obligation has not been met, shall be subject to motor third party liability insurance as mandatory insurance under the Motor Third Party Liability Insurance Act and the Regulation of the Minister of Finance (automatic motor third party liability insurance). Automatic motor third party liability insurance shall be provided by the Estonian Traffic Insurance Fund.

### 6. Conclusion of a contract, insurable interest and identification of the customer

- 6.1. The contract shall be deemed to have been concluded from when the insurer and the policyholder have reached an agreement, that is, exchanged declarations of intention (for example, the policyholder pays the premium).
- 6.2. The contract shall take effect at the time indicated on the policy but not until the previous contract has expired. If no time of day is indicated on the policy, the contract shall take effect from 00.00. The validity of the contract shall end at 24.00 on the date indicated on the policy. The insurer shall provide information about the concluded contract to the traffic registry without delay.
- 6.3. A contract may be concluded by a person with an insurable interest (for example, a person who uses the vehicle and who, as a result, has an insurable interest).
- 6.4. In determining the insurable interest, the insurer shall in particular be guided by the information about the owner and users of the vehicle indicated in the traffic registry.
- 6.5. If the contract has not been concluded by the owner or the authorised user, the insurer shall identify the customer based on the information provided by her or him, the person's name, personal identification or registry code and the information

provided about the vehicle, comparing this information with the information received from the traffic registry. If the contract is concluded at the branch, the insurer shall ask the customer for an identity document for identification purposes.

- 6.6. If the contract has been concluded by a person other than the owner, authorised user, or user of the vehicle indicated in the registry, a natural person shall provide his or her identity document and the vehicle registration certificate to determine the insurable interest.
- 6.7. To conclude a contract, the insurer shall issue an insurance offer, providing the customer with all the information needed for making a considered decision.
- 6.8. When a contract is concluded, the customer shall disclose to the insurer all the risk circumstances linked to the use of the vehicle (vehicle application or any special circumstances concerning the use of the vehicle). The applications of the vehicle shall be indicated in the insurance offer and on the insurance policy.

## 7. Conclusion of this contract against payment

- 7.1. An offer issued by the insurer may indicate that the contract shall be deemed to have been concluded once the policyholder has paid the premium within the term specified in the offer. If the policyholder pays the premium, the contract shall have been concluded, and the insurer shall issue a policy in proof of the conclusion of the contract.
- 7.2. If the policyholder does not pay the premium or pays the premium late, no contract shall be concluded. The insurer shall refund a late payment to the policyholder.

## 8. Payment of the premium and consequences of defaulting on the premium

- 8.1. The obligation to pay the premium shall be incumbent on the policyholder.
- 8.2. Premiums under an automatically renewed contract may be paid in periodic payments.
  - 8.2.1. The first premium during a new period under an automatically renewed contract shall be regarded as a periodic payment.
- 8.3. If, within 14 days from the conclusion of the contract, the policyholder has not paid the premium or the first instalment thereof, the insurer shall withdraw from the contract.
- 8.4. If the policyholder has not paid the second or any subsequent premium by the specified time, the insurer shall set a new term of two weeks for the payment of the premium. If the policyholder has not made the payment by the next due date, the insurer shall cancel the contract.
- 8.5. Withdrawal from or cancellation of the contract shall not release the policyholder from her or his obligation to pay the premium for the period when the limit of indemnity applied.
- 8.6. If the policyholder pays the premium after the insurer has withdrawn from the contract or if the insurer has withdrawn from or cancelled the contract, the insurer shall refund the payment, deducting from it that portion of the payment that has become collectable.
- 8.7. If the insurer has not withdrawn from or cancelled the contract on any of the grounds above and the policyholder causes an insured event during a time for which the premium has not been paid, the insurer shall present the policyholder with a claim of recovery, which may be up to 30% of the indemnity paid out but no more than 640 euros. If the insurer has cancelled or withdrawn from the contract and the policyholder causes an insured event within 12 months from the expiry of the contract, the insurer shall recover from the policyholder the entire insurance indemnity paid out.

## 9. Restrictions on the conclusion of a contract

- 9.1. The insurer shall not conclude a contract with a person who has no insurable interest.
- 9.2. Multiple contracts with overlapping insurance periods may not be concluded for a vehicle. If multiple contracts with overlapping insurance periods have been concluded, the later contract shall be void to the extent that it overlaps with the contract concluded earlier.

- 9.3. The insurer shall be entitled to decline to conclude a contract if the vehicle has not been registered in accordance with the stipulated procedure.
- 9.4. The insurer may conclude a contract concerning a vehicle acquired in a contracting state and to be delivered to Estonia before its registration in the traffic registry provided that no more than 30 calendar days have passed since the delivery of the vehicle to Estonia. The beginning of the delivery of the vehicle to Estonia shall be calculated from when the customs plate was issued for the vehicle. If no customs plate is issued for the vehicle, the time of delivery of a vehicle to Estonia shall be calculated from when the vehicle was turned over to the transferee.

## 10. Renewal of an automatically renewed contract for another period

- 10.1. In case of an automatically renewed contract, the insurer shall present the policyholder with an offer for another insurance period no later than 14 calendar days before the end of the insurance period. Before a new offer is made, the insurer shall check the information of the vehicle, its owners and authorised users in the traffic registry. If the vehicle information has changed, the insurer shall make an offer based on the up-to-date information in the traffic registry.
- 10.2. The premium shall be paid before the beginning of the new insurance period at the latest. By paying the premium, the policyholder confirms his or her wish to renew the contract for another insurance period.
- 10.3. The contract shall be renewed for the next period also if the policyholder has not, at least two business days before the end of the insurance period, concluded a contract with another insurer or notified the insurer that he/she does not wish to renew the contract for another period.
- 10.4. The insurer shall make an offer to the customer who has been the policyholder so far. If the contract is renewed, the insurer shall make reasonable efforts to ascertain if the customer continues to have an insurable interest.
- 10.5. The first payment under the new policy shall be regarded as a periodic payment, not as the first insurance payment.
- 10.6. The insurer shall issue the customer with a new policy before the beginning of the new insurance period.

## 11. Expiry and termination of contract

- 11.1. The contract may be terminated on bases provided in the Motor Third Party Liability Insurance Act or in the Law of Obligations Act.
- 11.2. Upon the expiry or termination of the contract, the insurer shall make an entry in the traffic registry about the termination of the contract.
- 11.3. If the contract has been cancelled, the vehicle must not be used in traffic. From the day following the expiry of the contract, the insurer's limit of indemnity shall apply for 12 calendar months. This contract shall expire automatically:
  - 1) if the vehicle is removed, that is removed temporarily, from the register;
  - 2) if more than 30 calendar days have passed since the vehicle was handed over to the transferee in the contracting state and the vehicle has not been registered in the Estonian traffic registry or such a vehicle is not being registered with the Estonian traffic registry;
  - 3) upon the expiry of the customs plate if the contract was concluded for insurance against liability from causing loss or damage with the above vehicle;
  - 4) in the event of a cancellation of or withdrawal from the contract;
  - 5) in any other instance provided by law.
- 11.5. The policyholder shall be entitled to cancel the contract extraordinarily if:
  - 1) the vehicle is destroyed or is declared destroyed. The insurer shall be provided with certification confirming this fact;
  - 2) the vehicle is stolen. Theft of the vehicle shall have been placed on record with the police;
  - 3) the vehicle cannot be used for technical reasons for more than one month. The insurer shall be provided with certification confirming this fact;

- 4) the contract under which the policyholder was using the vehicle expires.
- 11.6. The person who has acquired the vehicle and/or has been designated as the new person with an insurance obligation shall be entitled to conclude a contract with a new insurer. The contract concluded with the insurer shall expire upon the conclusion of a new contract.
- 11.7. The policyholder shall state grounds for the expiry of the insurable interest.
- 11.8. If the policyholder is not the person with an insurance obligation (the owner or authorised user of the vehicle), the insurer shall provide notification about the termination of the contract to the person with an insurance obligation in addition to the insurer.
- 11.9. The policyholder shall provide notification about the cancellation of the contract in a form reproducible in writing. The insurer shall honour orally transmitted notices or notifications if in case of these the customer cannot be identified.
- 11.10. The insurer shall be entitled to cancel the contract extraordinarily if:
- 1) the insurable risk has increased;
  - 2) the policyholder has failed to make the first payment or a periodic payment by the stipulated deadline;
  - 3) the policyholder has not performed her or his notification obligation;
  - 4) the person with the insurance obligation (owner of the vehicle) has changed (cancellation occurs within one month from learning about it and with the provision of one month's advance notice).
- 11.11. In the event of the termination of the contract, the insurer shall refund to the policyholder the premium that the policyholder has paid in advance for the remaining insurance period.

## 12. Change of the owner or authorised user of the vehicle in the traffic registry or transfer of the vehicle

- 12.1. In the event of a transfer of a vehicle or a change in the owner or authorised user of a vehicle registered in the traffic registry, the contract shall be transferred to the person with the new insurance obligation (that is, the owner or authorised user of the vehicle if so specified) from when the entry is made in the traffic registry. In the event of the contract being transferred, those provisions set out in the Law of Obligations Act concerning transfer.
- 12.2. The contract shall pass over to the new person with an insurance obligation also if a new authorised user is specified in the registry for whatever reason instead of the previous authorised user.
- 12.3. The transferor or the transferee shall notify the insurer about the transfer of the the vehicle immediately. After receiving the notice, the insurer shall conclude a new contract with the policyholder.
- 12.4. The insurer shall be entitled to adjust the premium based on the risk circumstances of the person with the new insurance obligation. The adjusted premium shall apply from when the contract has been transferred. In the event of the contract being transferred, the insurer shall not refund any prepaid premium to the previous policyholder.
- 12.5. The person who has acquired the vehicle and/or has been designated as the new person with an insurance obligations shall be entitled to conclude a contract with a new insurer. The contract concluded with the insurer shall expire upon the conclusion of a new contract.
- 12.6. The transferor and the transferee of the vehicle shall be solidarily liable for the premium for the insurance period during transfer, that is, the insurer may claim an outstanding premium from the previous or the new owner or from both at the same time.

## 13. Indemnity for loss or damage

- 13.1. Any loss or damage shall be indemnified in accordance with the Motor Third Party Liability Insurance Act. The insurer shall not provide indemnity on a scale greater than that which is stipulated in the Motor Third Party Liability Insurance Act.
- 13.2. The insurer shall not apply the excess if an insured event occurs.

## 14. Settlement of disputes

Any disputes under this contract shall be settled by the insurance conciliation body operated under the auspices of the Estonian Traffic Insurance Fund (Mustamäe tee 46, Tallinn) (see [www.lkf.ee](http://www.lkf.ee)).

## 15. Additional cover of motor third party liability insurance

The terms and conditions of additional cover of motor third party liability insurance (MTPL) shall apply to MTPL contracts entered into between the insurer and the policyholder, for which the client has selected additional cover besides the protection arising from the Motor Insurance Act. Additional cover can be chosen for passenger cars and delivery vans in regular use (vehicle categories M1; M1G; N1; B1G). A vehicle in regular use cannot be used as a short-term rental vehicle, emergency vehicle, a vehicle for driving practice, for providing transport, courier or taxi services or for ride-hailing/ride-sharing (such as Uber, Taxify).

### 15.1. ERGO Autoabi (roadside assistance)

- 15.1.1. ERGO Autoabi is an optional additional cover chosen for ERGO MTPL insurance that offers assistance in the case of unexpected events, when further driving with the vehicle is prevented, as well as initial free consultation and help on the roadside assistance phone No. specified in the insurance contract.
- 15.1.2. The covered territory of Autoabi includes European countries, except for Ukraine, Belarus, Russia, Azerbaijan, Georgia, Kazakhstan, Moldova and Turkey.
- 15.1.3. Autoabi includes:
- 15.1.3.1. provision of starting current in the case of an empty battery;
  - 15.1.3.2. provision of fuel in the case that the vehicle has run out of fuel, (the fuel necessary to make it to the nearest petrol station is free of charge);
  - 15.1.3.3. assistance in changing a tyre in the case of a flat tyre (cost of repairing or replacing the tyre shall be borne by the client);
  - 15.1.3.4. lifting a vehicle that has driven off the road, back onto the road;
  - 15.1.3.5. pulling out a car that is stuck in a ditch, snow, etc.;
  - 15.1.3.6. driving the client to pick up spare keys, if keys to the vehicle are lost;
  - 15.1.3.7. towing the vehicle to the nearest workshop or garage, in the case of a technical fault or accident;
  - 15.1.3.8. In the case of an accident that occurred in Estonia, taking the passengers to the desired destination within Estonia. If the client's destination is outside Estonia, the passengers are taken to the closest point in Estonia where they can continue their trip.
- 15.1.4. Provision of roadside assistance can be refused, if:
- 15.1.4.1. the event is not unexpected or unforeseen (such as repeatedly providing starting current);
  - 15.1.4.2. at least one of the circumstances specified in clause 15.5 exist, which prevents payment of the indemnity.

### 15.2. (Moose MoD)

- 15.2.1. Moose MoD is an optional additional cover with limited scope that can be chosen for ERGO MTPL, according to which the owner of the vehicle is compensated for damage incurred to the vehicle as a result of a collision with big game (wolf, bear, lynx, wild boar, red deer, moose or roe-deer), which has unexpectedly run into the road, provided that the case has been duly reported to the police.

- 15.2.2. The insured object of Moose MoD may be a passenger car or delivery van in regular use (vehicle categories M1; M1G; N1; N1G) in the completeness prescribed by the manufacturer (standard equipment) together with accessories within 10% of the market value of a vehicle with standard equipment.
- 15.2.3. The sum insured of the vehicle is its standard price, i.e. market value, however not more than the maximum sum insured stated in the insurance contract per each insured event, including reasonable towing costs within the limit specified in the insurance contract and the sum insured of accessories within a maximum of 10% of the market value of vehicle with standard equipment.
- 15.2.4. The deductible applicable for each insured event is stated in the insurance contract.
- 15.2.5. The following shall not be compensated:
  - 15.2.5.1. damage, caused by driving off the road to avoid collision with big game;
  - 15.2.5.2. expedited delivery costs of spare parts of the vehicle;
  - 15.2.5.3. damage incurred to the vehicle, which at the time of the occurrence of the loss event had not passed the roadworthiness test by the specified term;
  - 15.2.5.4. damage caused as a result of an accident occurring outside the Republic of Estonia;
  - 15.2.5.5. fuel in the vehicle's tank and additives.
- 15.3. Compensation of claims damage for a replacement vehicle
  - 15.3.1. Compensation of claims for a replacement vehicle is an optional additional cover selected for ERGO MTPL insurance, under which the injured party is reimbursed reasonable costs of using a replacement vehicle after an insured event covered by the MTPL contract within the sum insured stated in the insurance contract.
  - 15.3.2. The precondition for reimbursement is the claim for covering the rental costs of a replacement vehicle, which the injured party shall submit to the person who caused the insured event covered by the MTPL contract.
  - 15.3.3. Upon need, ERGO will assist the policyholder in establishing the reasonable amount of the claim.
  - 15.3.4. The deductible applicable for each insured event is stated in the insurance contract.
- 15.4. Accident insurance of a driver
  - 15.4.1. Accident insurance of a driver is an optional additional cover with limited scope, selected for ERGO MTPL insurance, under which indemnity is paid if the traffic accident has caused permanent disability or death of the driver.
  - 15.4.2. The sum insured is the maximum disbursement amount for all insured events during the insurance period. The sum insured in the case of death and permanent disability is stated in the insurance contract.
  - 15.4.3. Establishing permanent disability indemnity
    - 15.4.3.1. The presence and extent of permanent disability caused by a traffic accident is established by an expert doctor of ERGO when one year has passed from the insured event, taking the health of the insured at the time of establishing the disability as the basis. If the injury is permanent and there is no hope for recovery, the permanent disability and its extent may be established before one year has passed.
    - 15.4.3.2. Permanent disability is established on the basis of medical records and indemnity is paid as a percentage from the sum insured.
    - 15.4.3.3. The percentage of permanent disability is established according to the table of trauma benefit and permanent disability benefit of ERGO accident insurance, valid at the beginning of the insurance period. If the damage to a body part or a sensory organ, caused by an insured event, cannot be determined based on the said indemnity table, the decision on the indemnity is made based on the gravity level of the permanent disability.
  - 15.4.3.4. Only the gravity and nature and not the profession, hobbies, lifestyle, etc. of the insured person are taken into account in establishing the permanent disability. The gravity of the disability determined by the state, loss of capacity of work or loss of income are not taken into account in establishing the disability.
- 15.4.4. Permanent disability indemnity is not paid:
  - 15.4.4.1. in the case of damage to teeth or prosthetics;
  - 15.4.4.2. if permanent disability appears later than within one year after the traffic accident. If the state of the insured person's health deteriorates after permanent disability is established, additional permanent disability indemnity will not be paid to them;
  - 15.4.4.3. if the insured dies as a result of the traffic accident within one year as of the day of the traffic accident.
- 15.4.5. In the case of death:
  - 15.4.5.1. indemnity is paid, if the insured dies as a result of the traffic accident within three years as of the day of the traffic accident;
  - 15.4.5.2. indemnity is paid to the heirs of the insured, who have received the estate, pursuant to their share in the estate;
  - 15.4.5.3. death indemnity is reduced by the permanent disability indemnity paid before due to the same traffic accident. If the previously paid indemnity is bigger than the death indemnity, the paid indemnity shall not be recovered.
- 15.4.6. In the case of a traffic accident, the driver shall:
  - 15.4.6.1. turn to a licensed physician at the first opportunity, follow the physician's instructions and do everything they can to prevent aggravation of the injuries caused by the insured event;
  - 15.4.6.2. notify the insurer as soon as possible of the occurrence of an insured event in writing, by doing it either in person or via other persons, presenting the details about the event and estimated time of treatment in the application, and follow further instructions of the representative of the insurer;
  - 15.4.6.3. upon the request of the insurer and during the term specified by the same, undergo a medical check-up by the doctors indicated by the Insurer; ensure the provision of necessary information, explanations and documents to the insurer, authorising the insurer to apply for these or present them in person upon the request of the insurer.
- 15.5. Circumstances precluding the payment of indemnity of Moose MoD, compensation of claims of a replacement vehicle and driver's accident insurance indemnity:
  - 15.5.1. during the occurrence of the insured event, the MTPL premium had not been paid by the specified date;
  - 15.5.2. the policyholder caused the insured event deliberately;
  - 15.5.3. at the time of the occurrence of the insured event, the driver did not have the right to drive a vehicle of the corresponding category;
  - 15.5.4. the policyholder left the scene of the insured event illegally and wrongfully after the insured event;
  - 15.5.5. the policyholder drove a vehicle, the possession of which was illegal;
  - 15.5.6. the policyholder was driving the vehicle while being in an intoxicated state or in a state specified in Section 69 of the Traffic Act or consumed alcohol, narcotic or psychotropic substances immediately after the occurrence of the insured event;
  - 15.5.7. the policyholder deliberately ignored a stop signal immediately before the occurrence of the insured event, which, according to Subsection 200 (1) of the Traffic Act was given to the same by a person exercising traffic supervision;
  - 15.5.8. the policyholder exceeded the speed limit by 41 km/h or more immediately before the occurrence of the

- insured event;
- 15.5.9. during the occurrence of the insured event, the policyholder was driving the vehicle ignoring the prohibition to drive the power-driven vehicle, specified in Subsection 90 (1) 1) or 2) of the Traffic Act;
  - 15.5.10 the vehicle was being used or had been used during the insurance period as a short-term rental vehicle, emergency vehicle, a vehicle for driving practice, for providing transport, courier or taxi services or for ride-hailing/ride-sharing (such as Uber, Taxify); the vehicle had participated in a competition or training, or driven outside of the road traffic (according to the definition of the Traffic Act of the Republic of Estonia).

This is a translation of the original terms and conditions in Estonian, which take precedence should there be any differences between the original and the translation.