



# Motor Vehicle Insurance Regulations No 4.8.

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## I. General Provisions

### 1. Terms and Definitions

- 1.1. **Insurer** — ADB "Gjensidige" Latvian branch;
- 1.2. **Policyholder** — a natural person or a legal entity, which has concluded the Insurance Contract in favour of oneself or another person;
- 1.3. **Owner of the Vehicle** — a natural person or a legal entity in whose name the vehicle is registered and in whose favour the Insurance Contract has been concluded;
- 1.4. **Insured** — a natural person or a legal entity specified in the Insurance Policy who has an insurable interest and in whose favour the Insurance Contract has been concluded;
- 1.5. **Legal User of the Vehicle** — an owner or a person who uses the vehicle with the owner's permission by virtue of a power of attorney, rental or leasing agreement or any other agreement;
- 1.6. **Insurance Contract** — an agreement between the Insurer and the Policyholder on insurance of a particular vehicle(s) in compliance with these Insurance Regulations, whereby the Policyholder and the Insurer undertake to fulfil their liabilities stipulated in the laws of the Republic of Latvia regulating the business of insurance, and in the insurance regulations. The Insurance Contract consists of an insurance application, a policy, insurance regulations and special conditions, if necessary. The Insurance Contract may be concluded in person or by means of distance communication. In case of choosing the means of distance communication, a distance insurance contract shall be concluded;
- 1.7. **Distance Insurance Contract** — an insurance contract concluded by the Insurer and the Policyholder based on the Insurer's written offer that has been sent to the Policyholder by fax, via internet, or by e-mail (means of distance communication). An electronic printout of the Insurance Policy shall serve as a proof of conclusion of the Distance Insurance Contract;
- 1.8. **Insurance Policy** — a document that verifies conclusion of the Insurance Contract and includes Insurance Regulations, as well as all amendments and supplements to the Insurance Contract, upon which the Insurer and Policyholder have agreed in writing during the term of validity of the Insurance Contract;
- 1.9. **Sum Insured** — an amount of money specified in the Policy, to the extent of which the vehicle(s) is/are insured. After payment of Insurance Indemnity(ies) the vehicle shall remain insured in the amount of the Sum Insured provided in the Policy;
- 1.10. **Insurance Premium** — payment for insurance specified in the Policy;
- 1.11. **Insurable Interest** — an interest of not incurring losses in case of the Insured Risk;
- 1.12. **Insured Risk** — the event specified in the Insurance Policy that is not dependent on the Insured person's will and occurrence of which is possible in the future;
- 1.13. **Insurable Event** — an event that is causally related to the Insured Risk, upon occurrence of which the Insurance Indemnity payment is envisaged under the Insurance Contract;
- 1.14. **Insurance Indemnity** — an amount of money payable for the Insurable Event or services to be rendered thereof;
- 1.15. **Deductible** — a fixed amount or a percentage of the Insurance Indemnity that shall be deducted from the Insurance Indemnity in cases stipulated in the Insurance Contract and which shall not be indemnified by the Insurer;
- 1.16. **Vehicle** — any mechanical motor vehicle that is able to participate in the road traffic and is subject to registration with the Road Traffic Safety Directorate or the State Technical Supervision Inspectorate;
- 1.17. **Tachograph** — a control device that records driving time and rest periods of the driver;
- 1.18. **Actual Value** — an amount of money, for which a vehicle of the respective make, model, year of issue and configuration, or optional equipment may be bought according to the motor vehicle expert's evaluation;
- 1.19. **Acquisition Value** — an amount of money, for which a new, previously unused vehicle has been bought from an authorized dealer in the Republic of Latvia or in a country of the European Economic Area, and whose acquisition value is acknowledged by purchase documents;
- 1.20. **Security System** — mechanical or electronic devices installed in a vehicle with a purpose of preventing or hindering the theft of the vehicle, including breaking into the vehicle and/or burglary, or its robbery;
- 1.21. **European Russia** — the area of Russia that lies within Europe up to the meridian 55o east;
- 1.22. **Agreed Statement** — a form filled in by the drivers of vehicles involved in a road traffic accident (RTA) at the place of accident, acknowledging by their signatures the course and scheme of the accident, and mutually agreeing on all important circumstances thereof. The Agreed Statement shall be completed in cases when no more than two vehicles are involved in the accident, with no accident victims, no damages to the third party's property, or when the vehicles have not suffered damages due to which they cannot drive or are prohibited to be driven;
- 1.23. **Garage** — a closed roofed space made specifically for permanent keeping of a vehicle therein;
- 1.24. **Confined Territory** — a closed area adjacent to the building and enclosed with a fence where vehicles and persons can enter/exit only with its owner's and/or manager's permission;
- 1.25. **Guarded Car Park** — a fenced territory where an owner and/or manager controls for a charge or free of charge, on a 24/7 basis, the entry/exit of persons and vehicles and their movement therein;
- 1.26. **Rental** — transfer of a vehicle to some other person to be used by such person for a charge for a period not exceeding 6 (six) months;
- 1.27. **Vandalism** — an action of a natural person with an aim to deliberately damage and/or destroy the insured object;
- 1.28. **Theft** — larceny of a vehicle, as well as breaking into and/or burglary of the vehicle;
- 1.29. **Burglary** — larceny of any built-in or attached components of the vehicle;
- 1.30. **Robbery** — larceny of a vehicle if that is connected with violence or threats of violence;
- 1.31. **RTA** — a road traffic accident.

## II. Insurable Object and Insured Risks

### 2. Insurable Object

- 2.1. The Insurable Object shall mean a vehicle specified in the Policy and its optional equipment if such optional equipment is listed in the insurance application. Several vehicles may be insured under the same Insurance Contract.
- 2.2. Optional equipment shall be considered to include built-in devices, systems and accessories which as at the moment of occurrence of an Insurable Event were installed or fitted in a vehicle and which are listed in the insurance application (e.g. audio equipment, promotional labels, lightweight alloy wheels, design elements etc.).
- 2.3. The total Sum Insured of the optional equipment specified in the insurance application may not exceed 20% of the Sum Insured of the vehicle.
- 2.4. Insurance of training, rental, live-in vehicles (campers), emergency service and public transport vehicles, taxis, security or cash collection vehicles, as well as of vehicles used for transporting dangerous cargos shall be valid only if it is specifically noted in the Policy. The insurance shall not be valid for a sublease vehicle.
- 2.5. A set of individual number plates shall be insured by the Policyholder's will at the moment of concluding the Contract or during the period of validity of the Contract, whereof a respective entry shall be made in the Insurance Contract.



### 3. Insured Risks

- 3.1. The Insurable Object shall be only insured against those insurable risks that are specifically noted in the Policy. If an insurable risk is not noted in the Policy, it is not insured. The Insurer shall be entitled to limit the offering of certain risk coverage for some groups and/or types of vehicles.
- 3.2. **Risk of damage** — damages to the Insurable Object shall be insured that have occurred as a result of the following events:
- 3.2.1. While participating in the road traffic, the vehicle has been involved in:
- 3.2.1.1. collision with another vehicle;
- 3.2.1.2. collision with an obstacle;
- 3.2.1.3. a moving vehicle turns over or falls (off the bridge, etc.), runs off the road, runs into a pothole or manhole, or is otherwise damaged in connection with a road landslide;
- 3.2.1.4. sinking and/or breaking through the ice if such is directly related to the RTA;
- 3.2.1.5. running over a pedestrian or an animal.
- 3.2.2. Glass cracks, including cracks of the windscreen, side and rear windows of a vehicle as a result of temperature fluctuations;
- 3.2.3. Fire, including internal inflammation (short circuit);
- 3.2.4. Explosion;
- 3.2.5. Effects of natural disasters that include the following risks only: a storm (wind at the speed above 17.2 m/sec), floods, lightning, hail, landslides (sliding of large volumes of soil down the hill), snowslides, and earthquake;
- 3.2.6. Impact of falling objects;
- 3.2.7. Impact of animals, birds (except interior damages of a vehicle);
- 3.2.8. Illegal activity of a third party, including vandalism, except the risks stipulated in Clause 3.3.
- 3.3. **Risk of theft and robbery.** Based on this Clause, damages which may be caused to a vehicle while the vehicle was stolen until the moment when it is transferred to the law enforcement bodies or its Legal User, shall be also insured. The vehicle may be insured against the risk of theft and robbery only if it is insured against all risks of damage listed in Clause 3.2.
- 3.4. **Additional risk package** that includes all risks listed in Clause 3.4.1 – 3.4.10, unless otherwise provided in the Insurance Contract. The Insurable Object shall be insured against additional risks only if it is insured against all risks listed in Clause 3.2 and 3.3.
- 3.4.1. **Hydroshock** — losses for damages caused as a result of a vehicle driving in puddles or flooded areas, shall be indemnified but no more than in the amount of EUR 3,000 (three thousand euros 00 cents) during the period of validity of the Insurance Contract. The losses shall be indemnified by covering repair expenses of the Insured Object at the repair shop approved by the Insurer;
- 3.4.2. **Insurance of sports equipment and mountings** — losses for damages caused to the external mountings of the vehicle (roof rack fasteners, roof box, holders, platforms, etc.) and the special sports equipment carried thereon (a bicycle, skis, a snowboard, etc.) as a result of the RTA shall be indemnified, if such damages of the equipment have been reported to the police and if losses have been also caused to the vehicle itself. The total indemnity limit for all losses stated in this Clause shall be set in the amount of EUR 500 (five hundred euros 00 cents) during the period of validity of the Policy;
- 3.4.3. **Insurance of child seat(s)** — losses caused to a child seat(s) shall be indemnified if such losses are incurred as a result of the damage to or burglary of the vehicle when losses have been also caused to the vehicle itself. The total indemnity limit for all losses stated in this Clause shall be set in the amount of EUR 150 (one hundred fifty euros 00 cents) during the period of validity of the Policy. The losses shall be indemnified after payment for repair or purchase of a new child seat(s) after reporting the Insurable Event and submitting documents to the Insurer;
- 3.4.4. **Insurance of a vehicle number plate — compensation of losses** caused as a result of damaging or theft of the vehicle number plate, **without applying the Deductible.** Losses for renewal of the necessary vehicle number plates and registration certificates shall be indemnified based on the submitted payment documents. The total indemnity limit for all losses stated in this Clause shall be set in the amount of EUR 50 (fifty euros 00 cents) during the period of validity of the Policy;
- 3.4.5. **Covering of losses for replacement of all tyres of one axle of a vehicle** — if, as a result of the Insurable Event 1 (one) tyre of the vehicle is damaged or stolen, losses for 2 (two) analogous tyres shall be indemnified so that 2 (two) tyres of the same tread are fitted on one axle of the vehicle. This provision shall be applied if it is impossible to buy an analogous tyre to the damaged/stolen tyre. Calculation of the Insurance Indemnity shall be subject to the procedure of calculating tyre wear and tear in accordance with the methodology stipulated in the laws and regulations of the Republic of Latvia regulating the motor third party liability compulsory insurance;
- 3.4.6. **Additional protection** — losses caused to the body, lightweight alloy wheels, tyres, lights, glass and mirrors of the vehicle a result of occurrence of the risk stated in Clause 3.2 of these Regulations, shall be indemnified if the Insured Risk has occurred **during repair, washing and/or cleaning** of the vehicle while it was at the respective service provider's special servicing place;
- 3.4.7. **Unspecified optional equipment** — compensation of losses for damage to or theft of the optional equipment which at the moment of insuring a vehicle was not separately specified in the Insurance Policy. In case of theft, documents confirming installation of the respective optional equipment in the insured vehicle shall be presented. The total indemnity limit for all losses stated in this Clause shall be set in the amount of EUR 150 (one hundred fifty euros 00 cents) during the period of validity of the Policy;
- 3.4.8. **Baggage insurance** — compensation of losses for damages caused to the baggage carried inside or in a boot of the vehicle, as a result of the RTA if such damages have been reported to the police and losses have been also caused to the vehicle itself. The total indemnity limit for all losses stated in this Clause shall be set in the amount of EUR 200 (two hundred euros 00 cents) during the period of validity of the Policy;
- 3.4.9. **Theft of keys** — expenses for renewal of the vehicle ignition keys, controls of security systems (including programming of such systems) or lock replacement in case of larceny of the vehicle ignition keys and/or controls of security systems, if such theft has been reported to the police. Insurance Indemnity shall be paid after receipt of payment documents. The total indemnity limit for all losses stated in this Clause shall be set in the amount of EUR 150 (one hundred fifty euros 00 cents) during the period of validity of the Policy;
- 3.4.10. **Accident insurance of pets** — losses for injuries or death of a pet resulting from the RTA shall be indemnified if the pet was carried in the insured vehicle, losses have been also caused to the vehicle itself and such accident has been reported to the police. Insurance Indemnity shall be paid after receipt of the documents for vet services, purchase of the medication prescribed for treatment of the pet, or in case of death, the documents for burial/utilization expenses. The total indemnity limit for all losses stated in this Clause shall be set in the amount of EUR 200 (two hundred euros 00 cents) during the period of validity of the Policy.

### 4. Exceptions

- 4.1. Insurance Indemnity shall not be paid for losses incurred:
- 4.1.1. As a result of using a vehicle in races of any type at the place of and during racing or race training;



- 4.1.2. As a result of driving a vehicle or acting as a driving instructor for another person under the influence of alcohol, narcotic, psychotropic or other intoxicating substances or after using such medication that adversely affects the driver's reaction time and attention, in accordance with the laws and regulations of such administrative territory where the accident has taken place. The Insurer shall not indemnify losses if the driver of the insured vehicle has used alcoholic drinks, narcotic, psychotropic or other intoxicating substances after the RTA but before taking an alcohol test or another test establishing the influence of narcotic or other intoxicating substances, or before being granted an exemption from such test according to the procedure provided in the laws and regulations. The Insurer shall not indemnify losses if the driver of the insured vehicle has refused to take an alcohol test or any other test of the influence of narcotic or other intoxicating substances;
- 4.1.3. As a result of driving a vehicle without a driving licence for the respective vehicle category, or if the vehicle driver has been banned from driving;
- 4.1.4. As a result of failure to comply with the vehicle operating instructions and requirements set by the manufacturer;
- 4.1.5. As a result of violating requirements of the AETR agreement (European agreement concerning the work of crews of vehicles engaged in international road transport) and other laws regarding the work and rest time of vehicles;
- 4.1.6. During instructed driving lessons if such have not been carried out in line with the effectual requirements of the Road Traffic Regulations;
- 4.1.7. Due to failure of the electric and/or mechanical nodes and/or units of a vehicle (in the engine, transmission, gear box, etc.), if such damage has not been caused as a result of occurrence of the risks listed in Clause 3.2;
- 4.1.8. As a result of using a vehicle in areas not intended for traffic, including, driving into natural or artificial reservoirs, swamps and/or puddles if water has penetrated in the engine or other units of the vehicle (except cases stated in Clause 3.4.1), or driving along ice-covered reservoirs;
- 4.1.9. As a result of corrosion, frost cracking (except cracks of the windscreen, side and rear windows of a vehicle), or natural wear and tear. Losses related to deterioration of the vehicle operation properties, natural wear and tear (including scratches, losses resulting from minor damages of varnish and paint), as well as in connection with the loss of quality and decrease of value of the vehicle due to the Insurable Event and/or repair shall not be indemnified;
- 4.1.10. As a result of a technical defect, low quality repair, lack of lubricants or other liquids in the systems, units and nodes;
- 4.1.11. As a result of war, invasion, foreign enemy activities, rebellion, revolution, uprising, mass riots, terrorism, ionized radiation, seizure, confiscation, requisition or nationalization of property by any government authority, military or usurped power;
- 4.1.12. If at the moment of occurrence of an Insurable Event the vehicle did not meet the requirements of the vehicle operating instructions as per the Road Traffic Regulations and other effectual regulations and standards of the Republic of Latvia, as well as if it has not been checked for the MOT test or the vehicle has been acknowledged as non-compliant with the traffic safety requirements or dangerous for its operation. This Clause shall not be applicable to cases when the lack of the MOT test is not directly or indirectly causally related to the Insurable Event, or if during the period between the date when the MOT test was due and the moment of occurrence of the Insurable Event the vehicle is not being used and is parked in a garage, confined territory or a guarded car park;
- 4.1.13. As a result of violating the Road Traffic Regulations that prohibit to drive the vehicle;
- 4.1.14. As a result of driving a vehicle with gross weight above 3.5 tonnes in such condition of illness or fatigue that prevents from comprehending the real circumstances and situation;
- 4.1.15. Upon occurrence of the risks listed in Clause 3.2 during the period when the vehicle was in illegal possession but had not been insured against the risk of theft and robbery;
- 4.1.16. Upon occurrence of the risks listed in Clause 3.3 during the period when the vehicle had not been equipped with a security system accepted by the Insurer, or it has not been in a proper technical condition;
- 4.1.17. As a result of fraud, appropriation or extortion;
- 4.1.18. Due to unsecured or improperly fastened cargo or possessions carried in the vehicle specified in the Policy, on such vehicle or in a trailer attached thereto, or due to the driver or passenger(s) who has/have not been fastened with the seat belts provided in the vehicle, or the pet carried in the vehicle;
- 4.1.19. Due to damage or loss of the detachable fascia of the audio/video equipment if such losses have not been caused as a result of occurrence of the risks listed in Clause 3.2;
- 4.1.20. As a result of the theft of a trailer or semi-trailer of the vehicle if such event has occurred at the time when the given trailer or semi-trailer was not attached to the hauling vehicle or was not parked in a garage, confined territory or guarded car park;
- 4.1.21. If before the moment of occurrence of the Insurable Event the insured vehicle is under search by the Interpol and/or the Office of Operating Records and Statistics of the Ministry of Interior of the Republic of Latvia;
- 4.1.22. If the Legal User of the insured vehicle has caused an Insurable Event with a malicious intent (including making a deliberate crime);
- 4.1.23. If the Policyholder, Insured, Owner or Legal User of the vehicle has himself/herself given the vehicle, its keys or a security system control or key to a person who has deliberately caused damages to the vehicle or has stolen the vehicle;
- 4.1.24. If after an Insurable Event the Insured, Policyholder, Owner and/or Legal User of the vehicle has failed to take all actions stipulated in the effectual laws and regulations and insurance regulations for securing the Insurer's subrogation claim against the person who is guilty of causing losses;
- 4.2. The Insurance Contract entitles to an Insurance Indemnity only if the insured vehicle is used by its Legal User.

### III. Coverage Territory and Period of Validity of the Contract

#### 5. Coverage territory of the Insurance Contract

- 5.1. The territory covered by the Insurance Contract shall include Latvia, Lithuania, Estonia, Albania, Austria, Andorra, Belgium, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Denmark, France, Greece, Croatia, Italy, Cyprus, Liechtenstein, Luxembourg, Macedonia, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Serbia and Montenegro, Slovakia, Slovenia, Finland, Spain, Switzerland, Hungary, Germany and Sweden;
- 5.2. The Insurer and Policyholder may in addition agree on inclusion of the following territories covered by the Contract in the territory stipulated in Clause 5.1 of these Regulations, whereof a respective note(s) shall be made in the Policy:
- 5.2.1. Ireland, Great Britain and Malta;
- 5.2.2. Belarus, European Russia, Moldova and Ukraine.
- 5.3. The Insurer and Policyholder may agree on extending the territory covered by the Insurance Contract.

#### 6. Period of validity of the Insurance Contract

- 6.1. The period of validity of the Insurance Contract shall be specified in the Policy. The period of validity of the Insurance Contract shall be 1 (one) year, unless specified otherwise in the Policy.
- 6.2. The Insurance Contract shall be valid for the period of validity of the Contract specified in the Policy, provided that the Policyholder has paid the Insurance Premium or the first instalment thereof by the due date specified in the Policy.
- 6.3. If the Policyholder has not paid the Insurance Premium or the first instalment thereof by the due date specified in the Policy, the Insurance Contract shall be deemed null and void as of the moment of its conclusion.



## IV. Rights and Obligations

### 7. Obligations of the Policyholder, Insured and Legal User of the vehicle:

- 7.1. Obligations of the Policyholder, Insured, Owner and Legal User of the vehicle:
- 7.1.1. Upon conclusion of the Insurance Contract:
- 7.1.1.1. To provide complete and true information about the Insurable Object;
- 7.1.1.2. To present, upon the Insurer's request, the Insurable Object for inspection and photographing;
- 7.1.1.3. To inform the Insurer's representative about all circumstances that may affect the possibility of occurrence of the Insured Risk. In case the Policyholder has doubts about the impact of any circumstance, he/she shall consult the Insurer.
- 7.1.2. During the period of validity of the Insurance Contract:
- 7.1.2.1. To inform the Legal User(s) of the vehicle about existence of the Policy and provisions thereof;
- 7.1.2.2. To inform the Insurer immediately about any other insurance contract entering into force if such contract provides for insurance indemnity for any or all risks insured under this Policy;
- 7.1.2.3. No later than within 3 (three) business days to inform the Insurer about any encumbrances with regard to the vehicle;
- 7.1.2.4. No later than within 3 (three) business days to inform the Insurer about changes regarding the Insurance Contract and Insurable Object, as well as about all circumstances that may considerably increase the probability of occurrence of the Insured Risk or the extent of the possible losses (change of the number plates and registration certificate, changes in security systems and optional equipment, changes in the type of use of the vehicle etc.);
- 7.1.2.5. When leaving the vehicle, to lock it, to shut the windows and activate security systems of the vehicle;
- 7.1.2.6. To present immediately, upon the Insurer's request, the vehicle to the Insurer;
- 7.1.2.7. When using vehicles equipped with a tachograph device, to comply with the requirements of the European agreement concerning the work of crews of vehicles engaged in international road transport (AETR), by also applying other laws of the Republic of Latvia to shipments transported in the territory of the Republic of Latvia, which stipulate provisions for the vehicle driver's work and rest time and the use of control devices for registering the driving distance and speed;
- 7.1.2.8. In case of loss or theft of the vehicle keys, controls and/or keys of security systems to inform the Insurer immediately thereof, taking additional safety measures (not to leave the vehicle unattended and to take it to a garage, confined territory or guarded car park) and to replace the vehicle keys, locks, as well as controls and keys of security systems at one's own expense;
- 7.1.2.9. In case of replacing or making a duplicate of the vehicle keys, security systems and/or their controls and/or keys to approve the changes made with the Insurer in writing;
- 7.1.2.10. To keep the contactless immobilizer (an electronic security device to prevent the engine from running) control devices of the vehicle separately from the vehicle ignition keys and alarm remote controls;
- 7.1.2.11. To ensure that the vehicle registration documents, keys and remote controls and keys of security systems etc. are kept in a place not accessible by third parties, including when leaving the vehicle, to make sure that the items listed in this Clause are not left in the vehicle.
- 7.1.3. Upon occurrence of an Insurable Event:
- 7.1.3.1. To inform immediately:
- 7.1.3.1.1. about the RTA — to the traffic police when the Road Traffic Regulations or any other law governing the vehicle driver's conduct after the RTA and which is valid in the territory of that country where the RTA has happened and binds the Policyholder, Insured or Legal User of the vehicle to report the RTA to the police;
- The RTA shall not be reported to the police:
- if as a result of the RTA no damage is caused to the third party's property, no people have suffered, the vehicle(s) does/do not have damages due to which it/they cannot drive or is/are not allowed to drive according to the Road Traffic Regulations, and in case when no more than 2 (two) vehicles are involved in the RTA, the drivers are also able to agree on all important circumstances of the RTA and fill in the Agreed Statement in accordance with the laws and regulations of the particular country;
  - if only one vehicle is involved in the RTA, no people have suffered and no damages are caused to the third party's property, the vehicle driver may leave the place of accident without reporting it to the police regardless of the severity of damages caused to the vehicle;
  - in case of damage to the windscreen, side and rear windows, lights and/or mirrors of the vehicle;
- 7.1.3.1.2. about theft or illegal action of the third party — to the police;
- 7.1.3.1.3. about fire or explosion — to the State Fire and Rescue Service and the police;
- 7.1.3.1.4. about the impact of falling objects — to the municipal police or any other competent institution, except in case of external unexpected force, the cause or probability of occurrence of which is not dependant on the third parties' activity or inactivity, and which according to the provisions of the laws and regulations shall not be reported to the police;
- 7.1.3.1.5. about the damages caused to a vehicle during its repair, washing or cleaning — to the police or management of the respective service provider's company, whereof a mutually signed document about the circumstances of an Insurable Event and damaged caused to the vehicle shall be drawn up with such company.
- 7.1.3.2. To immediately take measures for preserving the vehicle and preventing and eliminating losses;
- 7.1.3.3. To inform the Insurer immediately at the first opportunity about occurrence of an Insurable Event and to submit to the Insurer a specific claim application form in person or to fill it in and submit electronically via the Insurer's Internet website within 10 (ten) business days after occurrence of the Insurable Event but no later than within 1 (one) business day after expiry of the Insurance Policy. In case of theft or robbery of the vehicle the claim application shall be only submitted in person immediately but no later than within 3 (three) business days after occurrence of the Insurable Event. If due to objective reasons it is impossible to submit a written claim in person, it shall be done by family members or an authorized representative of the Policyholder or Legal User;
- 7.1.3.4. In case of theft of audio, video or navigation equipment which has a detachable fascia, display or any other removable part, such detachable component shall be handed in to the Insurer;
- 7.1.3.5. To present the insured vehicle and the damaged parts or remains of the insured optional equipment of the vehicle to the Insurer;
- 7.1.3.6. To preserve the vehicle and its remains in such condition as they were after the Insurable Event, and not to start repair or utilization of the vehicle before an expert appointed by the Insurer has not carried out an inspection;
- 7.1.3.7. To inform the Insurer about any hidden defects which are found out during repair of the vehicle and have not been stated in the inspection report drawn up by an expert appointed by the Insurer, before starting elimination of the said defects;
- 7.1.3.8. To submit (present) to the Insurer documents, evidence and information stated in Clause 11.15 confirming the fact of losses, circumstances of their occurrence and their extent, as well as to fulfil any other obligations set by the Insurer in relation to establishing the circumstances and extent of losses of the Insurable Event;
- 7.1.3.9. When using vehicles equipped with a tachograph device, in case of any damage to submit information from the tachograph (for the last 48 (forty eight) hours after an accident) installed in the damaged vehicle at the time of the accident, within the period of time requested by the Insurer;



- 7.1.3.10. In case of theft of a vehicle, along with the claim for compensation of losses referred to in Clause 7.1.3.3 of these Regulations, to submit to the Insurer a vehicle registration certificate, all vehicle keys and remote controls, controls and keys of security systems specified in the insurance application except when the said items are handed over to the police, whereof a statement of seizure has been drawn up. In case the number of ignition keys, controls and keys of security systems is not specified in the insurance application, all vehicle keys, controls and keys of security systems envisaged by the manufacturer shall be handed over to the Insurer according to the vehicle manufacturer's data. A statement of acceptance of the above mentioned documents and/or items is drawn up which shall be signed by the Insurer's representative and the claimant. The Policyholder or Insured may, upon request, obtain a copy of such statement;
- 7.1.3.11. If the RTA has happened in a country which is a member of the Green Card Convention and the third party is at fault for the RTA, to find out and inform the Insurer in writing about the civil liability insurance of the vehicle which has caused the RTA (name and address of the insurer, policy number).
- 7.2. The Insured shall have an obligation to refund the received Insurance Indemnity or any part thereof to the Insurer if:
- 7.2.1. after payment of the Insurance Indemnity facts are established that prove that the Insurance Indemnity or any part thereof was paid without a reasonable basis;
- 7.2.2. the stolen vehicle and/or its parts and optional equipment has been returned to its owner;
- 7.2.3. the loss has been indemnified by a third party.
- 7.3. The Insured shall have an obligation to refund expenses related to establishing circumstances of occurring of losses and their extent if false information has been given regarding the Insurable Event.
- 10.2.1. The Policyholder shall have an obligation to comply with the payment schedule stipulated in the Insurance Policy;
- 10.2.2. In case of default of the Insurance Premium payment schedule, the Insurer shall send to the Policyholder a written notification with a request to pay the respective part of the Premium by a certain date. If the Premium is not paid within the term and to the extent specified in the notification, the Insurer shall terminate the Insurance Contract;
- 10.2.3. The Insurer shall be entitled to withhold the outstanding parts of the Insurance Premium till the end of the insurance period from the Insurance Indemnity payable in accordance with the respective Insurance Policy.
- 10.3. The Policyholder shall be entitled to pay the Insurance Premium in cash or by a bank transfer. If the Insurance Premium is paid by a bank transfer, the date of payment shall be deemed the date when it has been transferred into the bank account specified by the Insurer.
- 10.4. If the Insurance Premium or the first instalment thereof is paid after the due date specified in the Insurance Policy, the Insurer shall be entitled to refund the paid Insurance Premium or the first instalment thereof. The Insurer shall within 10 (ten) business days after the date of payment of the delayed Insurance Premium or the first instalment thereof refund the paid Insurance Premium or the first instalment thereof, or shall send a request to the Policyholder to inform the Insurer about the method of receiving the Insurance Premium or the first instalment thereof.
- 10.5. If the Insurer fails to refund the paid Insurance Premium or the first instalment thereof, or fails to send a request to the Policyholder to inform the Insurer about the method of receiving the Insurance Premium or the first instalment thereof within the term stipulated in Clause 10.4, it shall be deemed that the Insurance Contract is valid as of the date of the Contract entering into force specified therein.
- 10.6. If the Insurance Premium or the first instalment thereof is paid after the due date of the Premium or the first instalment thereof specified in the Insurance Contract and an Insurable Risk has occurred before the date of payment of the Insurance Premium or the first instalment thereof, it shall be deemed that the Insurance Contract is null and void and the Insurer shall have an obligation to notify the Policyholder of invalidity of this Contract and refund the paid Insurance Premium or the first instalment thereof. In such case the Insurer shall have an obligation within 10 (ten) business days after the date of payment of the delayed Insurance Premium or the first instalment thereof to send a notification to the Policyholder of invalidity of the Insurance Contract and refund the paid Insurance Premium or the first instalment thereof, or to send a notification to the Policyholder of invalidity of the Insurance Contract with a request to inform about the Policyholder's preferred method of receiving the refund of the Insurance Premium or the first instalment thereof if the Insurer has no knowledge about the Policyholder's preferred method of receiving the refund of the Insurance Premium or the first instalment thereof.

## 8. Rights of the Policyholder:

- 8.1. Upon conclusion of the Contract, to obtain an explanation of issues concerning its fulfilment;
- 8.2. To obtain a copy of the Policy in case the Policy is lost or destroyed;
- 8.3. Upon submission of a claim for compensation of losses, to request inspection of the damaged vehicle within 3 (three) business day, except when the vehicle is outside the territory of the Republic of Latvia;
- 8.4. After submission of the claim for compensation of losses according to the procedure and within the terms set in these Regulations, to obtain the Insurer's notification of the decision made.

## V. Sum Insured and Insurance Premium

### 9. Sum Insured

- 9.1. The Sum Insured shall be defined by the Policyholder.
- 9.2. The Sum Insured may not exceed the Actual Value of the vehicle.
- 9.3. Insurance of the Acquisition Value of the vehicle:
- 9.3.1. Insurance of the Acquisition Value shall be applicable to new vehicles (0 years old);
- 9.3.2. Insurance of the Acquisition Value shall be valid if since the first day or registration of the vehicle, it has only had one owner;
- 9.3.3. Insurance of the Acquisition Value shall be valid if a respective note is made in the Insurance Policy;
- 9.3.4. Insurance of the Acquisition Value shall be valid no longer than one year starting from the day of the Insurance Policy coming into effect.

### 10. Insurance Premium

- 10.1. The Insurance Premium shall be paid as a single payment for the entire period of validity of the Insurance Contract, unless specified otherwise in the Insurance Contract.
- 10.2. If upon conclusion of the Insurance Contract the Insurer grants the Policyholder the right to pay the Insurance Premium specified in the Insurance Contract by instalments:

## VI. Insurance Indemnity

### 11. Determination and payment of the Insurance Indemnity

- 11.1. In case of damage, robbery or occurrence of the risks listed in Clause 3.4, the Insurance Indemnity shall be calculated subject to the following conditions:
- 11.1.1. The Insurer or motor vehicle expert appointed by the Insurer shall calculate the vehicle repair expenses (amount of losses) based on the methodology stipulated in the laws and regulations of the Republic of Latvia regulating the motor third party liability compulsory insurance, effectual at the moment of an Insurable Event taking into account the price level prevailing in the territory of the Republic of Latvia;



- 11.1.2. In case of theft or damage of the optional equipment the Insurance Indemnity shall be calculated only for the damaged or stolen parts;
- 11.1.3. If the Insurance Contract contains a stipulation regarding insurance of the number plates, losses pertaining to the theft of personalised number plates shall be calculated based on the Sum Insured of the personalised number plates stipulated in the Insurance Contract, however, in case of non-existence of such stipulation losses shall be calculated based on the price of a set of standard number plates on the day of the Insurable Event;
- 11.1.4. If the Insurance Indemnity is paid in cash, the amount of losses calculated according to the provisions of Clause 11.1.1 – 11.1.3 shall be reduced by the amount of the value added tax (VAT);
- 11.1.5. The Policyholder's Deductible in the event of damage shall be withheld from the amount of losses calculated according to the provisions of Clause 11.1.1 – 11.1.4;
- 11.1.6. If the Policy states the Policyholder's Deductible based on the number of Insurable Events reported during the period of validity of the Policy, the Deductible in the respective amount shall be withheld from the calculated amount of losses. When calculating the Insurance Indemnity according to the procedure set in this Clause, only those Insurable Events reported during the period of validity of the Policy shall be taken into account, for which the Insurer has not refused the Insurance Indemnity payment.
- 11.1.7. Provisions of Clause 11.1.6 of the Regulations shall not be applicable in the event when during the period of validity of the Contract damages are caused only to the windscreen of the vehicle; such events shall not be deemed as Insurable Events for the purposes of Clause 11.1.6 of these Regulations, and in such cases procedure stipulated in the Policy and Deductible for the windscreen damage set therein shall be applied;
- 11.1.8. Deductible shall not be withheld if a vehicle has been damaged (except total loss) as a result of the RTA that has happened in the territory of the member states of the European Economic Area covered by the Insurance Contract due to the third party's fault that is stated in a respective police resolution or Agreed Statement.
- 11.2. During the period of validity of the Insurance Contract the Insured shall be entitled to claim the Insurance Indemnity for one Insurable Event listed in Clause 3.2 if such event must have been reported to the police, the State Fire and Rescue Service or any other competent institution according to the procedure stipulated in Clause 7.1.3.1 of the Regulations but it has not been done. In such case the Insurance Indemnity shall be calculated according to the procedure stipulated in Clause 11.1 and may not exceed EUR 1,500 (one thousand five hundred euros). This Clause shall not be applicable in the even when the Insured, Policyholder or Legal User of the vehicle has caused damages to the third party's property as a result of the above mentioned Insurable Event, or when the Insured, Owner or Legal User of the vehicle knew or had chances to find out a particular person who was at fault for causing damages to the insured vehicle, or the vehicle whose driver has caused damages to the insured vehicle.
- 11.3. Before receiving the Insurance Indemnity, the Policyholder and/or Legal User shall have an obligation, upon the Insurer's request, to transfer the parts damaged during the Insurable Event and replaced during the repairs to the Insurer's possession.
- 11.4. A vehicle shall be deemed as totally lost if the Insurer (the appointed motor vehicle expert), based on the methodology for calculating indemnity referred to in Clause 11.1.1, has acknowledged that its repair is technically infeasible or uneconomical (repairs shall be deemed as uneconomical if the expected vehicle repair costs exceed the amount calculated as a difference between the vehicle value before the RTA and the salvage value of the damaged vehicle after the RTA).
- 11.5. In case of theft, robbery or total loss of a vehicle the Insurance Indemnity shall be calculated subject to the following conditions:
- 11.5.1. Depreciation in the amount of 1% (one per cent) of the Sum Insured for each full month from the day of concluding the Insurance Contract till the day when the Insurable Event occurred, as well as the Deductible set for the events of theft, robbery or total loss shall be deducted from the Sum Insured specified in the Insurance Policy.
- 11.5.2. If the amount that is calculated by deducting depreciation referred to in Clause 11.5.1 from the Sum Insured exceeds the Actual Value of a vehicle on the day when the Insurable Event occurred, the Insurer shall calculate the Insurance Indemnity by withholding the Deductible set for the events of theft, robbery or total loss from the Actual Value of the vehicle.
- 11.5.3. If a vehicle is insured according to Clause 9.3 of the Regulations, the Insurance Indemnity in case of theft, robbery and total loss of the vehicle shall be calculated by withholding the corresponding amount of Deductible set for the respective risk in the Policy from the Sum Insured stated in the Insurance Policy;
- 11.5.4. If the theft or robbery has happened in the territory of Belarus, European Russia or Ukraine, a doubled Deductible set for the risk of theft and robbery shall be applied in the calculations referred to in Clause 11.5.1-11.5.3.
- 11.6. Before the payment of Insurance Indemnity, the vehicle that is acknowledged as totally lost shall be, upon the Insurer's request, transferred to the Insurer's possession. If the vehicle Owner does not agree to that or refuses to take all necessary actions related to transferring the vehicle to the Insurer's possession, or if the Insurer has not requested to transfer the vehicle to its possession, the Insurance Indemnity shall be calculated by deducting the market value of salvage of the totally lost vehicle (incl. VAT) from the amount of Insurance Indemnity calculated according to the procedure stipulated in Clause 11.5.
- 11.7. Before receiving the Insurance Indemnity for the stolen or robbed vehicle, the vehicle Owner shall sign a promissory note accepted by the Insurer where rights and obligations of the parties are stipulated in case the vehicle (or any parts thereof) is found.
- 11.8. The Insurer shall indemnify expenses for rescuing the vehicle that has suffered as a result of an Insurable Event or taking it to the nearest repair shop or car park, expenses related to putting the vehicle that has suffered as a result of an Insurable Event back on road and reloading the cargo carried by the vehicle, as well as expenses for the use of a paid car park outside the normal business hours of the repair shop or until obtaining the Insurer's approval by the repair shop, or if the vehicle has been parked in a car park for the purposes of investigation process, for the period until the police allows to take any further actions with the vehicle, and expenses for a repeated transportation of the vehicle to the nearest repair shop, in the amount of EUR 200 (two hundred euros, 00 cents) in the territory of the Republic of Latvia, or EUR 500 (five hundred euros, 00 cents) in the rest of the territory covered by the Contract for all expenses referred to in this Clause altogether without applying the Deductible for damages.
- 11.9. If a vehicle is insured above its Actual Value at the moment of concluding the Insurance Contract (overinsurance), the Insurer shall pay the Insurance Indemnity in such amount as the indemnity would have been paid if the Sum Insured was equal to the Actual Value of the vehicle.
- 11.10. If the Sum Insured at the moment of concluding the Contract is below the Actual Value of the vehicle, the Insurer shall pay the Insurance Indemnity in such proportion as between the Sum Insured and such value, unless the Insurance Contract provides otherwise.
- 11.11. In case of damage of the vehicle:
- 11.11.1. Upon agreement between the Insurer and Insured, the Insurance Indemnity shall be paid to the Insured by covering repair expenses for the Insurable Object at the repair shop approved by the Insurer, or if the Insurance Contract contains a respective stipulation, the Insurance Indemnity shall be paid to the Insured in the amount specified in the repair cost estimates agreed with the repair shop, less value added tax (VAT);
- 11.11.2. Damages to the windscreen of a vehicle if no other damage is caused to the vehicle shall be covered by paying repair expenses for the Insurable Object only at the repair shop approved by the Insurer;
- 11.11.3. The Insurer may not cover replacement of such spare parts or equipment of a vehicle which may improve the technical condition of the vehicle comparing to what it was before the Insurable Event;



- 11.11.4. At the Insured person's choice or if an agreement between the Insurer and Insured is not reached regarding the repair shop where the vehicle would be repaired, the Insurance Indemnity shall be paid to the Insured by a bank transfer to the specified bank account;
- 11.11.5. If a vehicle is not older than 3 (three) years, the Insurer shall accept its repair at an authorised dealer repair shop. For older vehicles repairs at the authorised dealer repair shop may be accepted if it is specifically noted in the Policy.
- 11.12. In case of theft, robbery or total loss of a vehicle the Insurance Indemnity shall be paid to the Insured in cash. In certain cases the lost, robbed or stolen vehicle and optional equipment may be replaced with an equivalent vehicle or equipment. If the Insurer makes a decision to replace the vehicle with an equivalent one, the vehicle Owner shall pay to the Insurer the respective amount of Deductible, otherwise a vehicle that is cheaper by the amount of Deductible shall be purchased.
- 11.13. The Insurer shall make a decision on payment of the Insurance Indemnity, shall pay it, shall take any other actions required for compensation of losses caused as a result of occurrence of the Insurable Event, or shall make a decision on refusal to pay the Insurance Indemnity in the following period of time:
- 11.13.1. In case of theft or robbery of a vehicle — within 1 (one) month after receipt of the Insurable Event claim but no later than within 7 (seven) business days after receipt of all required documents, if the vehicle is not found within 1 (one) month after receipt of the claim;
- 11.13.2. In all other cases — within 7 (seven) business days after receipt of all required documents.
- 11.14. If due to objective reasons the Insurer cannot meet the deadlines stipulated in Clause 11.13.1 and 11.13.2, it may be extended for a period of up to 6 (six) months following the day when the Insurance Indemnity claim was received. The person who is entitled to receive an Insurance Indemnity, shall be informed thereof by sending him/her a justified written notification.
- 11.15. A decision on the Insurance Indemnity payment shall be made after receipt of all documents as stated below:
- 11.15.1. A claim application submitted by the Policyholder, Insured, Owner and/or Legal User of the vehicle regarding occurrence of an Insurable Event and explanations of the actual circumstances of occurrence of the Insured Risk and consequences caused thereof;
- 11.15.2. References and/or statements from competent institutions which are responsible for investigation of the respective accidents, and/or an Agreed Statement of the RTA;
- 11.15.3. In case of need, additional opinions or findings of the relevant industry experts regarding occurrence of the risk and consequences caused, statements of the RTA, references from institutions of the Prosecutor's Office;
- 11.15.4. Other documents related to occurrence of an Insurable Event and/or consequences caused thereof;
- 12. Reduction and refusal of the Insurance Indemnity**
- 12.1. The Insurer shall be entitled to refuse the Insurance Indemnity payment if:
- 12.1.1. The Policyholder, Owner, Legal User of the vehicle, or the Insured has failed to fulfil any of the obligations under Clause 7.1 of these Regulations (except Clause 7.1.2.4 where consequences of default of the said obligations are subject to Clause 12.5). Likewise, this Clause shall not be applicable to an exception referred to in Clause 11.2 in relation to default of obligations under Clause 7.1.3.1 of the Regulations);
- 12.1.2. The vehicle has been stolen, robbed or damaged while it was parked unlocked or with open windows, or failing to activate the vehicle security systems;
- 12.1.3. Vehicle keys, controls of the security systems and/or registration certificate has been left in easily accessible places or given to the person who has later stolen or robbed the vehicle.
- 12.2. The Insurer shall be entitled to refuse an indemnity if upon conclusion of the Insurance Contract, during its period of validity or after occurrence of loss, the Insured, Policyholder or Legal User of a vehicle has given false information or refuses to provide the information requested by the Insurer, and it has been done with a malicious intent or due to gross negligence.
- 12.3. The Insurer shall be entitled to refuse an indemnity if an Insurable Event has occurred due to the vehicle driver ignoring the road safety measures normally required in the respective conditions and has acted with the utmost carelessness and neglect of the possible consequences of his/her action.
- 12.4. Insurance Indemnity shall be reduced by 50%, however, if the events referred to in Clause 12.4.1 — 12.4.4 have occurred due to malicious intent or gross negligence by the Policyholder, Insured, Legal User or Owner of the vehicle, it shall be refused if:
- 12.4.1. In case of theft, at least one of the vehicle keys and/or controls (keys) of security systems and/or vehicle registration certificate is/are stolen or lost regardless of whether the said items/documents were stolen or lost before or after the theft. This Clause shall not be applicable in cases when the vehicle keys and/or control devices (remote controls/keys) of security systems and/or vehicle registration certificate is/are stolen simultaneously with the vehicle as a result of third parties illegally entering closed premises with obvious signs of burglary, and such event has been reported to the police;
- 12.4.2. In case of theft or robbery, the contactless immobilizer (an electronic security device to prevent the engine from running) control devices (remote controls, keys) have not been kept separately from the vehicle ignition keys and alarm remote controls;
- 12.4.3. In case of theft or robbery, the vehicle is equipped with the security systems stated in the insurance application, however, instructions of the company installing such systems have not been fulfilled in line with the mutual agreement and/or manufacturer's recommendations regarding operation of the security system have not been observed (failure to pay subscription fee, to inform about the change of the registration number, late notice of the accident etc.);
- 12.4.4. In case of theft or robbery, the loss, theft or robbery of the vehicle registration certificate has not been reported to the police, Road Traffic Safety Directorate or State Technical Supervision Inspectorate, or such institutions do not confirm such fact.
- 12.5. If during the period of validity of the Contract circumstances arise which may considerably increase the probability of occurrence of the Insured Risk or the possible extent of losses, and an Insurable Event occurs before amendment of the terms and conditions of the Insurance Contract or its termination, and the Policyholder, Owner, Legal User of the vehicle or the Insured:
- 12.5.1. Has fulfilled the obligations under Clause 7.1.2.4, the Insurer shall pay the Insurance Indemnity provided for in the Insurance Contract;
- 12.5.2. Has failed to fulfil the obligations under Clause 7.1.2.4, the Insurer:
- 12.5.2.1. shall not pay the Insurance Indemnity if such default of obligations is caused by malicious intent or gross negligence;
- 12.5.2.2. shall pay the Insurance Indemnity provided for in the Insurance Contract if the Policyholder, Owner, Legal User of the vehicle or the Insured cannot be blamed for failure to inform about the fact of increased probability of occurrence of the Insured Risk;
- 12.5.2.3. shall pay the Insurance Indemnity provided for in the Insurance Contract proportionally to the paid Insurance Premium and the Insurance Premium that the Policyholder would be supposed to pay if it had informed about the actual circumstances of increased probability of occurrence of the Insured Risk, if the reason of failure to inform is minor carelessness.
- 12.6. The Insurance Indemnity may be reduced by 20% but at least by EUR 150 (one hundred fifty euros, 00 cents) in cases when the age and/or driving experience of the driver of the insured vehicle, who is the perpetrator of the RTA, is less than the age and/or driving experience of the youngest driver of the vehicle specified in the Policy.



- 12.7. When refusing to pay or reducing the Insurance Indemnity due to the Policyholder's failure to comply with the provisions of the Insurance Contract, the Insurer shall assess the Policyholder's guilt, causal relationship between non-compliance with the insurance regulations and the Insurable Event and the extent of losses caused as a result of failure to comply with the insurance regulations.

## VII. Other Provisions

### 13. Early termination of the Policy

- 13.1. If during the period of validity of the Insurance Contract a vehicle is expropriated and no other valid agreement with the Insurer exists, the Insurance Contract shall expire at the moment when the vehicle is transferred to its new owner, except when the vehicle is transferred to the possession of the Legal User specified in the Policy.
- 13.2. The Insurer shall be entitled to terminate the Insurance Contract in the following cases:
- 13.2.1. When concluding the Insurance Contract, reporting an Insurable Event or during the period of validity of the Insurance Contract the Policyholder or Insured, due to malicious intent or gross negligence, has provided false information or refuses to provide the information requested by the Insurer;
- 13.2.2. After payment of the Insurance Indemnity;
- 13.2.3. In other cases stipulated in the insurance regulations and the law "On Insurance Contract".
- 13.3. The Insurance Contract shall be terminated in cases stipulated in Clause 13.2 by sending a written notification to the Policyholder to the address specified in the Policy 15 (fifteen) days in advance.
- 13.4. The Insurance Contract shall be terminated with an immediate effect after payment of the Insurance Indemnity for the totally lost or stolen vehicle. If several vehicles are insured under the same Insurance Contract, the Insurance Contract shall expire with regard to the vehicle, for the loss of which the Insurance Indemnity was paid. With regard to other insured vehicles, the Insurance Contract shall remain valid according to provisions of the Insurance Contract.
- 13.5. The Policyholder and/or the Insured shall be entitled to terminate the Insurance Contract at their own discretion during the period of validity of the Contract by submitting a written application thereof.
- 13.6. In case of liquidation or insolvency of the Policyholder, an insolvency administrator or liquidator may terminate the Insurance Contract by a written notification only within 1 (one) month following the date of appointing the administrator or liquidator. In such case the Insurer may not terminate the Insurance Contract earlier than after 1 (one) month following the date of appointing the administrator or liquidator. When the Insurance Contract is terminated due to liquidation or insolvency of the Policyholder, the Insurer shall not refund the unused Premium determined according to Clause 13.7.1.
- 13.7. Provisions for determining and refunding the share of unused Premium:
- 13.7.1. The share of unused Premium shall be calculated by deducting the share of Premium corresponding to the actual period of validity of the Insurance Contract, expenses related to conclusion of the Insurance Contract and calculated according to the Insurer's effectual methodology, and the amount(s) of Indemnity paid under the Insurance Policy from the Premium specified in the Policy. Expenses related to conclusion of the Insurance Contract shall not be withheld in cases when the share of unused Premium is used as a set-off for any Insurance Contract concluded with the Insurer. Expenses related to conclusion of the Insurance Contract stipulated herein may not exceed 25% of the total Insurance Premium.
- 13.7.2. When the Insurance Contract is terminated according to Clause 13.2.1 and 13.4, the share of unused Premium shall not be refunded.

- 13.7.3. The date of termination of the Insurance Contract may not be earlier than the date of the receipt of an application. If according to the Insurance Contract subject to termination an Insurable Event is reported, the Insurance Policy shall be terminated only after payment of an Insurance Indemnity.
- 13.7.4. If the Insurance Contract represents a Distance Insurance Contract, the Policyholder shall be entitled to exercise the right of withdrawal and to unilaterally withdraw from this Insurance Contract within 14 (fourteen) days after conclusion of this Insurance Contract by notifying the Insurer thereof in writing. In such case the entire Insurance Contract shall become null and void with regard to the whole Insurable Object on the date of sending the Policyholder's notice of withdrawal. The Insurer shall refund the share of Insurance Premium, the amount of which is determined by deducting the share of Premium corresponding to the actual period of validity of the Insurance Contract from the Premium paid.

### 14. Confidentiality

- 14.1. The Insurer and Policyholder shall have an obligation to ensure confidentiality of information about the other party of the Insurance Contract, or the third party, whereof information becomes known in relation to conclusion or execution of the Insurance Contract.
- 14.2. The Policyholder agrees that the Insurer as a system manager and personal data operator processes the Policyholder's personal data, including sensitive personal data and personal ID (classification) numbers with a purpose to ensure execution of the Insurance Contract in accordance with the Personal Data Protection Law and other laws and regulations of the Republic of Latvia, as well as in case the Policyholder and Insured are two different persons, the Policyholder undertakes to obtain and, in case of need, to present to the Insurer a written consent from the Insured for processing of personal data in the above mentioned manner.
- 14.3. For the purposes of conclusion and execution of the Insurance Contract, the Insurer shall be entitled to transfer the data referred to in Clause 14.1 and 14.2 to its employees, specialists, experts, coinsurers and reinsurers, and to store them in its databases.
- 14.4. The Insurer shall submit the data referred to in Clause 14.1 and 14.2 to the governmental and municipal authorities and third parties in cases, to the extent and according to the procedure stipulated in the laws and regulations.

### 15. Transfer of rights and settlement of disputes

- 15.2. Upon payment of the Insurance Indemnity the Insurer shall take over the Insured person's right of claim against the person who is responsible for the losses caused, in the amount of the paid Indemnity; The right of claim shall not be executed against the Legal User of a vehicle, except providers of repair services, maintenance service and other services, or their employees, as well as in cases when the vehicle that has caused and suffered as a result of the RTA has a single owner.
- 15.3. Relationships arising from the Insurance Contract shall be governed by the law "On Insurance Contract", Civil Law and other effectual laws and regulations of the Republic of Latvia.
- 15.4. The Insurer shall consider all claims or complaints of the Policyholder or the Insured which have been submitted in writing, and shall provide a written answer within 30 (thirty) days following the date of receipt thereof.
- 15.5. All disputes arising from the Insurance Contract shall be settled by means of negotiations. Should the Parties are unable to reach an agreement by means of negotiations, the dispute shall be subject to the procedure stipulated in the effectual laws and regulations of the Republic of Latvia.
- 15.6. In case of discrepancy or ambiguity of this regulation between the Latvian language text and foreign language, the Latvian language text shall prevail.