

LAND-BASED TRANSPORT INSURANCE REGULATIONS NO.4.6.

I. GENERAL CONDITIONS

1. Terms used in the Regulations.

- 1.1. **Insurer** – the Insurance Joint-Stock Company "Gjensidige Baltic".
- 1.2. **Policyholder** - a legal entity or an individual that has concluded an Insurance contract to its own or other person's benefit.
- 1.3. **Owner of the transport means** – an individual or legal entity, in the name of which the transport means is registered and to the benefit of which the Insurance contract is concluded.
- 1.4. **Insured** - a legal entity or an individual fixed in the insurance policy, that has an insurable interest and to the benefit of whom the Insurance contract is concluded.
- 1.5. **Legal user of the transport means** - the owner or a person using the transport means by permission of the owner by virtue of a power of attorney, contract of rent or lease or other agreement.
- 1.6. **Insurance contract** – an agreement between the Insurer and the Policyholder on insurance of a particular transport means pursuant to the present Insurance Regulations according to which the Policyholder and the Insurer undertake to meet their obligations stipulated in the insurance regulating legislation of the Republic of Latvia and in the present Insurance Regulations. The Insurance contract is formed with application for insurance, policy, Insurance Regulations and special provisions, wherever required.
- 1.7. **Insurance policy** – a document certifying the conclusion of the Insurance contract and contains the Insurance Regulations as well as all amendments or supplements to the Insurance contract as agreed in writing by the Insurer and the Policyholder during the period of validity of the Insurance contract.
- 1.8. **Sum Insured** - a sum of money specified in the policy for which the transport means is insured. After the payment of insurance indemnity the transport means remains insured in amount of the sum insured set in the policy.
- 1.9. **Insurance premium** – payment for insurance fixed in the policy.
- 1.10. **Insurable interest** - the interest not to suffer loss upon occurrence of the insured risk.
- 1.11. **Insured risk** - an event envisaged in the policy that is beyond control of the Insured and could occur in the future.
- 1.12. **Insured accident** - an occurrence causally related to the insured risk upon the occurrence of which a payment of the insurance indemnity is envisaged according to the Insurance contract.
- 1.13. **Insurance indemnity** - a sum of money to be paid out or services to be rendered for the insured accident.
- 1.14. **Own risk** - a part of the loss or sum insured expressed in terms of money or percentage to be covered by the Insured in the cases specified by the Insurance contract.
- 1.15. **Transport means** – any land-based mechanical transport means that is able to participate in road traffic subject to registration in the Road Traffic Safety Department (RTSD) or State Technical Surveillance Inspection (STSI).
- 1.16. **Actual value** - a sum of money for which a transport means of relevant trademark, model, year of output and completion or auxiliary equipment can be purchased according to the land-based transport means expert's opinion.
- 1.17. **Safety system** - any mechanical or electronic device mounted to the transport means targeted to prevent or hold up any theft of the transport means, including illicit penetration into and/or stripping of the transport means or robbery of the transport means.
- 1.18. **Approved notice** - a form to be filled in by the parties involved in a road traffic accident in the place of accident in which the signatures certify the accident run and scheme and mutual agreement on all essential circumstances of the accident. The Approved notice shall be filled in when not more than two vehicles are involved in the accident, there are no victims, no damages are inflicted to third persons' property, and no damages are inflicted to the transport means that would make it impossible or prohibited for the same to drive.
- 1.19. **Garage** – a roofed enclosed space arranged for continuous keeping of the transport means.
- 1.20. **Restricted territory** – an enclosed area adjoining a building and restricted with a fence in which no driving in/out of transport means and entry/exit of persons is possible without its

owner's and/or manager's knowledge.

- 1.21. **Guarded parking** – a territory restricted with a fence, in which the owner and/or manager controls for or without charge the entry/exit of persons and driving in/out of transport means and movement within it during 24 hours a day.
- 1.22. **Rent** - giving the transport means over to any person's use for charge.
- 1.23. **Vandalism** – activity of an individual with intentional purpose to damage and/or destroy the insured object.
- 1.24. **Theft** - stealing of the transport means as well as illicit penetration into and/or theft from the transport means.
- 1.25. **Stripping** - stealing of any built-in or incorporated part of the transport means.
- 1.26. **Robbery** - the transport means robbery, if connected with violence or threat of violence.

II. INSURED OBJECT. INSURED RISKS

2. Insured object.

- 2.1. The insured object is the transport means specified in the policy and its auxiliary equipment, if the auxiliary equipment is designated in the application for insurance. A number of transport means could be insured with one Insurance contract.
- 2.2. Auxiliary equipment is deemed to be the built-in equipment, systems and accessories, which are set or mounted in the transport means at the moment of the insured accident and which are designated in the application for insurance (such as audio facilities, advertising sticks, light-metal disks, design elements, etc.).
- 2.3. The total sum insured of the auxiliary equipment designated in the application should not exceed 20% of the sum insured of the transport means.
- 2.4. Insurance of training, rented, operational or public transport vehicles and taxis as well as transport means used for transportation of dangerous cargo shall only attach if a relevant entry is made in special provisions of the policy.
- 2.5. Set of individual registration number plates is insured according to the wish of the Policyholder at the time of conclusion of the Insurance contract or during validity of the existing contract and a relevant entry is made in special provisions of the Insurance contract.

3. Insured risks:

- 3.1. **damages** resulted from the following accidents:
- 3.1.1. when the transport means involved in road traffic has:
- 3.1.1.1. a collision with another transport means;
- 3.1.1.2. a collision with obstacle;
- 3.1.1.3. overturning, falling down (from a bridge, etc.), sliding down the road, driving in the hole, manhole or in connection with landslide of the transport means in driving;
- 3.1.1.4. sinking and/or falling through ice, if causally related directly to the road traffic accident;
- 3.1.1.5. running into pedestrian or animal;
- 3.1.2. glass crack;
- 3.1.3. fire including internal ignitions (short circuit);
- 3.1.4. explosion;
- 3.1.5. effect of natural elements, including the following risks only: storm (wind with the speed over 17.2 m/sec), flood, lightning, hail, landslide (sliding of big amount of earth down the mountain), avalanche, earthquake;
- 3.1.6. effect of falling things;
- 3.1.7. effect of animals, birds (excluding damages of the transport means coupe);
- 3.1.8. Illegal actions of a third person, including vandalism except for the risks specified in the Item 3.2. herein below.

3.2. theft and robbery

On the basis of the present Item insurance also covers damages which occurred while the transport means was stolen up to the moment when the transport means was handed over to the law enforcement authorities or legal user. The transport means can be only insured against theft and robbery if it is insured against all risks of damages specified in the Item 3.1. herein above.

4. Exclusions

- 4.1. No insurance indemnity shall be paid out for damages arisen:
- 4.1.1. when the transport means is used in any type of competition - at the time and in the venue of competitions or training rides;
- 4.1.2. when the transport means is driven or used for teaching driving by other person, while being affected by alcoholic drinks, narcotic, psychotropic or other intoxicating substances or after

taking medicines that reduce the driver's reaction rate or attention according to the regulatory acts of the administrative territory at which the accident occurs. The Insurer shall not indemnify for damages, if the driver of the insured transport means takes alcoholic drinks, narcotic, psychotropic or other intoxicating substances after the road traffic accident but before the testing stating the alcohol concentration in the blood or effect of narcotic or other intoxicating substances or before release from such testing in accordance with the regulatory acts. The Insurer shall not indemnify for damages, if the driver of the insured transport means refuses the testing stating the alcohol concentration in the blood or effect of narcotic or other intoxicating substances after the road traffic accident;

4.1.3. while driving the transport means not having the relevant vehicle category driver's license;

4.1.4. as a result of infringement of the transport means manufacturer's rules and operational requirements;

4.1.5. when conditions of AERT agreement (agreement among the European countries on the work of vehicle crews in the international road haulage) and other legal regulations on working hours and rest period of transport means are infringed;

4.1.6. during training ride, if performed not in accordance with the effective Road Traffic Rules;

4.1.7. in electrical and/or mechanical nodes and/or aggregates of the transport means (engine, transmission, speed gearbox, etc.), if such damages do not result from occurrence of the risks specified in the Item 3.1. herein above;

4.1.8. while using the transport means in the territories, which are not intended for traffic, including driving into natural or artificial water basins and/or puddles, if water gets inside the transport means engine or other aggregates, or driving over ice-covered water basins;

4.1.9. as a result of corrosion, cracking from frost or natural wear and tear. No damages shall be indemnified that are related to the deterioration of the transport means operational characteristics, natural wear and tear as well as the loss of the transport means quality and value reduction due to the insured accident and/or repair;

4.1.10. as a result of technical spoilage or low-quality repair, due to the lack of lubrication or other liquids in the systems, aggregates or nodes;

4.1.11. as a result of was, invasion, foreign enemy's operations, mutiny, revolution, insurrection, mass riot, terrorism, ionising radiation, property seizure, confiscation, requisition or nationalisation performed by any public, military or usurped authorities;

4.1.12. if at the moment of the insured accident the transport means does not meet the operational requirements pursuant to the Road Traffic Rules or other norms or standards applicable in Latvia as well as if the state technical check out of the transport means is not passed or the transport means is admitted not meeting the traffic safety requirements or dangerous for operation, except when the transport means in the period between the date of necessary check out and date of the occurrence of the insured accident is not operated and placed in the garage, restricted territory or guarded parking lot;

4.1.13. while driving a transport means having the total mass up to 3.5 tons with the speed exceeding the maximum driving speed permitted in the Road Traffic Rules by 30 km/h or more;

4.1.14. while driving a transport means having the total mass over 3.5 tons with the speed exceeding the maximum driving speed permitted in the Road Traffic Rules by 20 km/h or more;

4.1.15. while driving a transport means in such sickly or fatigue condition that denies to understand real circumstances and situation;

4.1.16. while crossing the cross-roads during stop light;

4.1.17. while omitting railway crossing rules;

4.1.18. while omitting road sign "STOP", as well as prohibitory and mandatory road signs;

4.1.19. while crossing road marking "Continuous line" or "Double continuous line" where it is prohibited or being at the oncoming traffic lane at the road sections marked with "Continuous line" or "Double continuous line";

4.1.20. while using telephone when the transport means is participating in the traffic (except the cases when the driver does not need to pick up the receiver in order to use it);

4.1.21. upon occurrence of the risks specified in the Item 3.1. hereof, when the transport means is in illegal use, but it is not insured against risk of theft or robbery;

4.1.22. upon occurrence of the risks specified in the Item 3.2.

hereof, when the transport means is not equipped with a safety system approved by the Insurer or it is in a non-operating condition;

4.1.23. as a result of cheat, appropriation or racket;

4.1.24. inflicted to the transport means by infixed or improperly fixed cargo or things located in or on the transport means specified in the policy or in a semi-trailer attached thereto, or by the driver or passenger (s) not fastened with safety belts foreseen by the transport means construction or animal transported in the transport means coupe;

4.1.25. to the front removable panel of audio/video facilities if such damaged do not result from occurrence of the risks specified in the Item 3.1. hereof;

4.1.26. as a result of theft of a trailer or semi-trailer of the transport means, if the accident occurred at the time when the said trailer or semi-trailer is not in junction with the towing vehicle or not located in the garage, restricted territory or guarded parking lot;

4.1.27. if the insured transport means prior to the occurrence of the insured accident was searched by Interpol Bureau and/or Department of Records Management and Statistics of the Ministry of Internal Affairs of the Republic of Latvia;

4.1.28. if the Policyholder, the Insured, owner or legal user of the transport means handed over the transport means, its keys or safety system control desks or keys to the person which deliberately inflicted damages to the transport means or committed a theft of the transport means;

4.1.29. if the Insured, the Policyholder, the Owner of the transport means and/or the Legal user of the transport means has not performed all actions defined by applicable regulatory acts and insurance regulations upon the Insured accident to insure the Insurer's subrogation claim against the person in fault of the losses caused.

4.2. the Insurance contract entitles to receive insurance indemnity only if the insured transport means is used by legal user of the transport means.

III. TERRITORY AND PERIOD OF THE CONTRACT

5. Territory of the Insurance contract

5.1. Territory of the Insurance contract shall be: Latvia, Lithuania, Estonia, Albania, Andorra, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech, Cyprus, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Liechtenstein, Luxembourg, Macedonia, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden and Switzerland;

5.2. The Insurer and Policyholder can agree additionally that the following territories of the Contract are included in the territory stipulated in the Item 5.1. hereof, of which a relevant entry (-ies) is (are) made in the policy:

5.2.1. Great Britain, Ireland and Malta;

5.2.2. Byelorussia, Moldova, Russia and Ukraine.

5.3. The Insurer and Policyholder can agree on expansion of the territory of the Insurance Contract.

6. Period of the Insurance contract

6.1. Period of the Insurance contract is fixed in the policy. Period of the Insurance contract is one year, unless otherwise stipulated in the policy.

6.2. The Insurance contract shall be effective during the period of the Contract fixed in the policy, if the Policyholder has paid the insurance premium or the first instalment thereof before the date fixed in the policy.

6.3. If the Policyholder has failed to pay the insurance premium or the first instalment thereof before the date fixed in the policy, the Insurance contract shall be null and void as of the moment of conclusion thereof.

IV. RIGHTS AND OBLIGATIONS

7. Obligations of the Policyholder, Insured and legal user of the transport means:

7.1. Obligations of the Policyholder, Insured, owner of the transport means and legal user of the transport means:

7.1.1. on conclusion of the Insurance contract:

7.1.1.1. to give full and true information about the insured object;

7.1.1.2. when requested by the Insurer, to produce the insured object to the Insurer for inspection and picture making;

7.1.1.3. to inform the Insurer's representative about any circumstances that could affect the possibility of occurrence of the

insured risk. If the Policyholder has any doubts as to the affect of any circumstance, he/she/it should consult the Insurer.

7.1.2. during the period of the Insurance contract:

7.1.2.1. to inform the legal user (s) of the transport means about existence of the policy and its terms;

7.1.2.2. to inform the Insurer immediately about coming into effect of any other Insurance contract, if such contract provides for insurance indemnity for any or all risks covered by the present policy;

7.1.2.3. not later than within 3 days, to inform the Insurer in writing about any encumbrances on the transport means;

7.1.2.4. not later than within 3 days, to inform the Insurer about any changes pertaining to the Insurance contract and insured object as well as about any circumstances that could increase essentially the possibility of occurrence of the insured risk or scope of eventual damages (replacement of the license plate number and registration certificate, changes in the safety system and auxiliary equipment, changes in the form of use of the transport means, etc.);

7.1.2.5. when leaving the transport means to make it locked, its windows closed and the transport means safety system activated;

7.1.2.6. when requested by the Insurer, to produce immediately the transport means to the Insurer;

7.1.2.7. while operating transport means equipped with tachograph device, to meet the requirements of Agreement among the European countries on the work of vehicle crews in the international road haulage (AETR), also applying legislation of the Republic of Latvia providing working hours and rest period for the drivers of transport means, driving speed and regulations of use of control devices for registration of the vehicle's driving distance and speed for the conveyances carried out in the territory of the Republic of Latvia;

7.1.2.8. in case of loss or theft of the transport means keys, safety system control desks and/or keys, to make it known to the Insurer immediately taking further safety precautions (not to leave the transport means without control and bring it to the garage, restricted territory or guarded parking lot) and make the transport means keys and locks as well as safety system control desks and keys replaced at their own account;

7.1.2.9. in case of replacement or making duplicates of the transport means keys and/or safety system control desks and/or keys, to have the changes co-ordinated in writing with the Insurer;

7.1.2.10. to keep control desks and keys of the contactless immobilizer of the transport means separately from ignition keys and safety system control desks of the transport means;

7.1.2.11. to ensure possession of registration certificate, keys and remote control desks, keys of security systems and etc. of the transport means in the place unavailable for the third persons;

7.1.3. upon occurrence of the insured accident:

7.1.3.1. to notify immediately:

7.1.3.1.1. in case of road accident – Road Police when Road Traffic Rules or other legal act providing action of the transport means driver after the occurrence of the insured accident and which is valid on the territory of the country where the insured accident has occurred bind the legal user of the transport means to notify Road Police on a road traffic accident;

Road Policy should not be notified on road traffic accident:

- if no damages are inflicted to third persons' property, there are no victims, no damages are inflicted to the transport means that would make it (them) impossible or prohibited for the same to drive according to the Road Traffic Rules, not more than two vehicles are involved in the accident, the drivers of the transport means are able to agree on essential circumstances of the road traffic accident and fill in the approved notice;

- if only one transport means is involved in the road traffic accident, there are no victims and no damages are inflicted to third persons' property the driver of the transport means is entitled to leave place of accident without notifying the police on accident irrespective of burden of damages caused to the transport means;

- in case of damage of windscreen, glasses of the transport means windows, lights and/or mirrors;

7.1.3.1.2. in case of theft of illegal action of a third person – police;

7.1.3.1.3. in case of fire or explosion – National Fire Extinguishing and Rescue Service and police;

7.1.3.1.4. in case of effect of falling things – municipal police or

other competent authority.

7.1.3.2. to take promptly all measures for the transport means keeping and elimination or reduction of losses;

7.1.3.3. to notify the Insurer immediately of occurrence of the insured accident and submit personally an application of the standard form to the Insurer during three working days upon occurrence of the insured accident. If it is impossible to submit the written application personally due to good reasons, it shall be made by the Policyholder's or legal user's family members or authorised person;

7.1.3.4. in case of theft of audio facilities, to give the front removable panel over to the Insurer;

7.1.3.5. to produce the transport means and damaged parts or remnants of the auxiliary equipment of the transport means to the Insurer;

7.1.3.6. to keep the transport means and its remnants in the same condition as after the insured accident and not to have the transport means repair or salvage started until permission of the Insurer or the Insurer's appointed expert is received;

7.1.3.7. to notify the Insurer of any hidden defects that are detected during repair and not fixed in the inspection report made by the expert appointed by the Insurer, before operations of elimination of above defects are started;

7.1.3.8. to supply (produce) to the Insurer the documents, proofs and information certifying the fact, circumstances of arising and amount of the damages referred to in the Item 11.14. hereof as well as to perform other obligations assigned by the Insurer in connection with clarification of the circumstances of the occurrence of the insured accident and amount of damages;

7.1.3.9. while operating transport means equipped with tachograph device, to hand over the tachograph disk being inside the damaged transport means tachograph at the moment of accident and tachograph disks for the previous 24 hours in case of any damage within the time period requested by the Insurer;

7.1.3.10. in case of theft of the transport means, to produce to the Insurer, along with the application for indemnification of losses, the transport means registration certificate, all keys and safety system remote control desk and keys of the transport means designated in the application, except for the event when above things are handed over to the police of which a seizure report is made. If the number of ignition keys, safety system control desks and/or keys is not designated in the application, all transport means keys and safety system control desks and keys foreseen by the manufacturer should be handed over to the Insurer pursuant to the manufacturer's information. A report of acceptance of above documents and/or things shall be made being signed by the Insurer's representative and the applicant.

On request of the Policyholder or the Insured, a copy of the report can be issued to them;

7.1.3.11. If the traffic accident takes place in a country-member of the Green Card convention and a third person is faulty for the road traffic accident, to find out and make known to the Insurer in writing all information about motor third party liability insurance (insurer's name and address, policy number) of the transport means that has caused the road traffic accident.

7.2. It shall be an obligation of the Insured to repay the received insurance indemnity or a part thereof to the Insurer, if:

7.2.1. any facts proving that the insurance indemnity or a part thereof is paid out unreasonably are stated after the insurance indemnity has been paid out;

7.2.2. the stolen transport means and (or) its parts and auxiliary equipment are given over to its owner;

7.2.3. the damages are covered by third person.

7.3. It shall be an obligation of the Insured to compensate for all expenses in connection with detection of the circumstances of arising and amount of damages, if wrong information has been produced about the insured accident.

8. Rights of the Policyholder:

8.1. on concluding the Insurance contract to be provided with explanations on questions about its effect;

8.2. in case of loss or destruction of the policy to be supplied with a copy thereof;

8.3. on submitting an application for damages, to request that the damaged transport is inspected within 3 working days, except for the event when the transport means is outside the territory of the Republic of Latvia;

8.4. after having submitted an application for damages, to receive the Insurer's notice of their decision in the manner and time stipulated herein.

V. SUM INSURED AND INSURANCE PREMIUM

9. Sum Insured

- 9.1. The Sum Insured shall be determined by the Policyholder.
 9.2. The Sum Insured should not exceed the actual value of the transport means.
 9.3. Insurance of the new value of the transport means.
 9.3.1. Insurance of the new value shall apply to new vehicles (0 years of operation);
 9.3.2. Insurance of the new value shall be effective if a relevant entry is made in the special conditions of the insurance policy;
 9.3.3. Insurance of the new value is effective for not longer than one year counting from the day of coming into force of the Insurance policy.

10. Insurance premium

- 10.1. The insurance premium payment shall be effected with a single payment for the entire period of the Insurance contract, unless otherwise stipulated in the Insurance contract.
 10.2. If the Insurer entitles the Policyholder to pay by instalments the insurance premium fixed in the Insurance contract when concluding the Insurance contract:
 10.2.1. It shall be an obligation of the Policyholder to keep to the payment schedule fixed in the insurance policy;
 10.2.2. In case of breach of the insurance premium payment schedule, the insurance shall be suspended and the Insurer shall send to the Policyholder a note in writing asking for payment of the relevant premium part before a fixed date. If the premium is not paid in at the fixed time and amount, the Insurer shall terminate the Insurance contract;
 10.2.3. The Insurer shall be entitled to deduct the outstanding part of the insurance premium from the insurance indemnity payable under a relevant insurance policy.
 10.3. The Policyholder shall be entitled to pay the insurance premium in cash or by transfer. When the insurance premium is paid by transfer, the date of payment shall be deemed the date when money enters the Insurer's designated account.
 10.4. If the insurance premium or its first instalment is paid after the due date defined in the insurance policy, the Insurer shall be entitled to refund the insurance premium paid or its first instalment. Within 10 working days after the day of payment of the delayed insurance premium or its first instalment, the Insurer shall refund the insurance premium paid or its first instalment or send to the Policyholder a request for information regarding the way of refunding of the insurance premium paid or its first instalment.
 10.5. If within the period defined in 10.4. hereof the Insurer does not refund the insurance premium paid or its first instalment or does not send to the Policyholder a request for information regarding the way of refunding of the insurance premium paid or its first instalment, the Insurance contract shall be deemed valid from the day of its entering into force defined in the Contract.
 10.6. If the insurance premium or its first instalment is paid after the due date of payment of the insurance premium or its first instalment defined by the Insurance contract and the insured risk occurs before the day of payment of the insurance premium or its first instalment, it shall be deemed that the Insurance contract has not entered into force and the Insurer shall to inform the Policyholder about invalidity of this Contract and refund the insurance premium paid or its first instalment. In such event the Insurer shall, within 10 working days after the payment of the delayed insurance premium or its first instalment, send to the Policyholder a notice of invalidity of the Contract and refund him the insurance premium paid or its first instalment, or send to the Policyholder a notice of invalidity of the Insurance contract, requesting to inform of the way the Policyholder would like to receive refunding of the insurance premium or its first instalment, if the Insurer is not informed of the way the Policyholder may receive refunding of the insurance premium paid or its first instalment.

VI. INSURANCE INDEMNITY

11. Loss assessment and insurance indemnity payment

- 11.1. In case of damages or stripping, the insurance indemnity shall be assessed with regard to the following conditions:
 11.1.1. the Insurer or the Insurer's appointed land-based transport expert shall assess the costs of repair of the transport means (amount of damages) with the method applicable at the moment of the insured accident, which is specified in the Republic of Latvia acts regulating the motor third party liability insurance;

- 11.1.2. in case of theft or damage of the auxiliary equipment, the insurance indemnity shall be only assessed for the damaged or stolen details;
 11.1.3. if a relevant entry was made in the Insurance contract with regard the insurance of individual registration number plates, losses connected with theft of individual registration number plates are assessed taking into account sum insured of individual registration number plates, but if a relevant entry was not made – losses are assessed taking into account price of set of ordinary registration number plates at the date of the insured accident;
 11.1.4. if the insurance indemnity is paid in money, the amount of losses assessed in accordance to the Items 11.1.1.-11.1.3. hereof shall be reduced for the amount of value added tax (VAT);
 11.1.5. own risk of the Policyholder fixed in the insurance policy for the case of damages shall be deducted from the amount of losses assessed according to the Items 11.1.1. - 11.1.4. hereof if the insurance indemnity is accessed for the first reported during the validity of the policy insured accident. Own risk in amount of EUR 200.- (two hundred euro) is deducted from the amount of losses assessed for the second and the third insured accidents and EUR 500.- (five hundred euro) for the fourth and further insured accidents. If the own risk specified in the policy exceeds the amounts set in the present Item the own risk set is the policy is applied. The above mentioned procedure is not applied if only the front windscreen and/or headlight glass is damaged as a result of a road traffic accident during the validity of the Contract – these accidents are not considered insured accidents for the purpose of the present Item and the own risk for the risk of damage specified in the policy is applied while assessing insurance indemnity for such a cases. Calculating insurance indemnity in accordance with the above mentioned procedure only those reported during the validity of the policy insured accidents are taken into account the insurance indemnity with regards to which was not refused by the Insurer.
 11.1.6. The own risk shall not be deducted, if the transport means is damaged (other than totally lost) as a result of a road traffic accident occurred at the Latvian territory due to the fault of a third person fixed in the relevant decision of the Road Police or the Approved Notice.
 11.2. The Insured shall be entitled during the period of the Insurance contract to request for insurance indemnity for either of the insured accidents specified in the Item 3.1. hereof, if the accident according to the procedures provided by the Item 7.1.3.1. hereof had to be registered by the police, National Fire Extinguishing and Rescue Service or other competent authority but it was not done. The insurance indemnity shall be then assessed in the manner specified in the Item 11.1. hereof and shall not exceed EUR 1,500.- (one thousand five hundred euro).
 The provisions of the present Item shall not apply to the events when the Insured, the Policyholder or legal user of the transport means in the result of the corresponding insured accident caused damages to the third person's property or when the Insured, the owner or legal user of the transport means knows the particular person due to the fault of whom damages have been inflicted to the insured transport means or the transport means the driver of which has inflicted damages to the insured transport means, or they dispose of sufficient information for making it clear.
 11.3. Prior to the insurance indemnity receipt, it shall be an obligation of the Policyholder and/or the legal user on request of the Insurer to give over to it ownership the parts that are damaged in the insured accident and replaced during repair.
 11.4. The transport means shall be deemed totally lost, if the Insurer (appointed land-based transport expert) admits its repair technically impossible or economically inexpedient proceeding from the method of assessment referred to in the Item 11.1.1. herein above, as well as if the foreseen amount of the insurance indemnity exceeds 80% of the transport means actual value on the date of the insured accident.
 11.5. In case of theft, robbery or total loss of the transport means, the insurance indemnity shall be assessed with regard to the following conditions:
 11.5.1. depreciation at the rate of 1% (one per cent) of the sum insured for each full month from the date of the conclusion of the Insurance contract to the date of the insured accident as well as the amount of own risk fixed in the policy for the cases of theft or robbery shall be deducted from the sum insured fixed in the insurance policy;
 11.5.2. when the amount calculated by deduction of the depre-

ciation amount fixed in the Item 11.5.1. hereof from the sum insured exceeds the transport means actual value on the date of the insured accident, the Insurer shall be entitled to assess the insurance indemnity by way of deduction of the own risk fixed for the cases of theft and robbery or total loss that cannot be less than the own risk fixed for the case of damages from the transport means actual value.

11.5.3. If the transport means is insured in accordance with the Item 9.3. hereof, the insurance indemnity in case of theft, robbery or total loss of the transport means shall be assessed by way of deduction of the amount of the own risk fixed for a relevant risk in the policy from the sum insured fixed in the insurance policy.

11.5.4. If the theft or robbery occurred at the territory of Byelorussia, Russia or Ukraine, a double rate of the own risk fixed for the risk of theft or robbery shall apply to the calculations described in the Items 11.5.1.-11.5.3. herein above.

11.6. Before the insurance indemnity is paid out, the transport means that is admitted totally lost shall be given over to the Insurer's ownership on its request. If the owner of the transport means disagrees and refuses making all required actions in connection with the transport means transfer to the Insurer's ownership, or if the Insurer does not request for the transport means transfer to its ownership, the insurance indemnity shall be assessed by way of deduction of the market value of the totally lost transport means remnants from the insurance indemnity amount calculated in accordance with the Item 11.5. hereof.

11.7. Before the insurance indemnity for the stolen or robbed transport means is received, the owner of the transport means shall sign a letter of commitment approved by the Insurer, in which rights and obligations of the parties are stipulated for the event if the transport means (or its parts) is found.

11.8. The Insurer shall indemnify for the costs of rescue of the transport means damaged in the result of the insured accident or delivery of the transport means damaged in the result of the insured accident to the nearest repair company or parking lot as well as costs pertaining to the transport means damaged in the result of the insured accident putting it on the road at the Republic of Latvia territory in the amount of up to EUR 200.- (two hundred euro), at the other territory of the contract validity - up to EUR 500.- (five hundred euro) for all costs referred to in the present Item in total. Costs connected with the use of parking place are not indemnified.

11.9. If the transport means is insured over its market value on the date of the Insurance contract (overinsurance), the Insurer shall pay out the insurance indemnity in the amount which would have been paid out should the sum insured be equal to the transport means actual value.

11.10. If the sum insured is less than the actual value of the insured transport means at the moment of conclusion of the Contract, the Insurer shall pay out the insurance indemnity in the proportion of the sum insured to the said value, unless otherwise stipulated in the Insurance contract.

11.11. In case of the damage of the transport means:

11.11.1. as agreed by the Insurer and Insured the insurance indemnity of the Insured could be in the form of payment for the cost of the insured object repair in the repair company agreed by the Insurer. The Insurer may decide not to indemnify replacement of such spare parts and equipment of the transport means in comparison with the condition it had prior to the insured accident;

11.11.2. At the choice of the Insured or in the event if no agreement is reached by the Insurer and Insured as to the repair shop where the transport means will be repaired, the insurance indemnity to the Insured is paid in the form of money payment;

11.11.3. If the age of the transport means does not exceed 3 (three) years the Insurer may accept its repair in authorised dealer repair enterprise.

11.12. In case of theft, robbery or total loss of the transport means the insurance indemnity to the Insured is paid in the form of money payment.

In some cases lost, robbed or stolen transport means and auxiliary equipment could be replaced by equivalent ones. If the Insurer takes the decision on replacement of the transport means with equivalent one, the owner of the transport means should pay to the Insurer a relevant amount of own risk, otherwise a cheaper transport means is purchased by the amount of the own risk.

11.13. The Insurer shall decide on the insurance indemnity

payment, pay out thereof, take other required measures to indemnify for damages resulted from the occurrence of the insured accident, or decide to refuse payment of the insurance indemnity in the following terms:

11.13.1. in case of the transport means theft or robbery - during one month upon receipt of all required documents, if the transport means is not found at the time;

11.13.2. in other cases - during seven working days upon receipt of all required documents. If it is impossible for the Insurer due to good reasons to keep to above terms, the time could be extended up to six months as of the date of receipt of application for damages giving a notice in writing to the person entitled to the insurance indemnity.

11.14. Decision of the insurance indemnity payment shall be made upon receipt of all documents as follows:

11.14.1. Original of statement of the Policyholder, Insured, owner of the transport means, legal user of the transport means of occurrence of the insured accident and explanations on actual circumstances of the insured risk attachment and its consequences;

11.14.2. certificates and/or reports of competent authorities responsible for the investigation of relevant accidents and/or Approved Notice of the road traffic accident;

11.14.3. when required, further opinions of relevant field experts, conclusions on the risk attachment or its consequences, road traffic accident reports, information from judicial authorities or prosecutor's offices;

11.14.4. other documents pertaining to the occurrence of the insured accident and/or its consequences.

12. Reduction or refusal of the insurance indemnity

12.1. The Insurer shall be entitled to refuse paying out the insurance indemnity, if:

12.1.1. the Policyholder, owner of the transport means, legal user of the transport means or the Insured has not performed the obligations specified in the Item 7.1. (except for Item 7.1.2.4. consequence of default on mentioned obligations of which is provided by the Item 12.5.). In the same way the provision of the present Item is not attributed to the exclusion mentioned in the Item 11.2. of the present Regulations in connection with default on obligations mentioned in the Item 7.1.3.1. hereof;

12.1.2. the transport means is stolen, stripped or damaged when it is parked not being locked or left with open windows or with the transport means safety system not activated;

12.1.3. the transport means keys, safety system control desk and/or registration certificate have been left in easily accessible places or given over to a person who has thereafter stolen or robbed the transport means.

12.2. The Insurer shall be entitled to refuse the insurance indemnity payment, if the Insured, Policyholder or legal user of the transport means has produced wrong information or refused information requested by the Insurer on the conclusion of the Insurance contract, during its period or after incur of losses, and it has been made due to malicious intent or gross negligence.

12.3. The Insurer shall be entitled to refuse the insurance indemnity payment if the driver of the transport means caused the insured accident by ignoring the road traffic safety measures corresponding to the particular road situation and acted in the most thoughtless and careless manner disregarding the possible consequences of his/her actions.

12.4. The insurance indemnity shall be reduced by 50%, but if the accident mentioned in the Items 12.4.1.-12.4.4. hereof occurs due to malicious intent or gross negligence of the Policyholder, Insured, legal user or owner of the transport means, its payment shall be refused, if:

12.4.1. in case of the transport means theft any of the transport means keys and/or safety system control desks (keys) and/or registration certificate of the transport means is stolen or lost irrespective of the above mentioned items/documents were stolen or lost before or after theft;

12.4.2. in case of the transport means theft or robbery, the contactless immobilizer (electronic device blocking the engine operation) control desks (keys) have not been kept separately from ignition keys and alarm desk of the transport means;

12.4.3. in case of the transport means theft or robbery, the transport means is equipped with safety systems, but the manufacturer's instructions are not performed pursuant to the mutual agreement and/or manufacturer's advice on the device operation (the subscriber fee is not paid up, replacement of the plate number is not notified, etc.);

12.4.4. in case of the transport means theft or robbery, the transport means registration certificate loss, theft or robbery has not been notified duly to the police, the Road Traffic Safety Department or State Technical Surveillance Inspection or they do not confirm the fact.

12.5. If circumstances are detected during the Contract period which can increase essentially the possibility of occurrence of the insured risk or amount of eventual losses and the insured accident occurs before making amendments to or termination of the Insurance contract, and the Policyholder, the owner or legal user of the transport means or the Insured:

12.5.1. has performed the obligations stipulated in the Item 7.1.2.4 hereof, the Insurer shall pay out the insurance indemnity fixed in the Insurance contract;

12.5.2. has not performed the obligations stipulated in the Item 7.1.2.4. hereof, the Insurer shall:

12.5.2.1. not pay out the insurance indemnity, if the obligations have not been performed due to malicious intent or gross negligence;

12.5.2.2. pay out the insurance indemnity fixed in the Insurance contract, if the Policyholder, the owner or legal user of the transport means or the Insured is not to be blamed for non-informing about the fact of increase of possibility of the insured risk attachment;

12.5.2.3. pay out the insurance indemnity fixed in the Insurance contract in the proportion between the insurance premium paid in and the insurance premium that the Policyholder would have been paid in if they have informed about actual circumstances of increase of possibility of the insured risk attachment, if the reason for non-informing is petty negligence of the Policyholder, the owner or legal user of the transport means or the Insured.

12.6. The insurance indemnity could be reduced by 20% but not less than by EUR 150.- (one hundred fifty euro) if the age of the driver of the insured transport means that is blameable in road traffic accident is below 25 years and/or length of driver is less than two years.

12.7. The Insurer refusing or reducing payment of insurance indemnity due to the non-observance of the terms of the Insurance contract by the Policyholder assesses the fault of the Policyholder, causal relation between non-observance of insurance conditions and amount of losses occurred due to the non-observance of insurance conditions.

VII. OTHER CONDITIONS

13. Early termination of the policy

13.1. If during the period of the Insurance contract the transport means is alienated and there is no other valid agreement with the Insurer, the Insurance contract shall terminate as of the moment when the transport means is given over to a new owner, except for the events when the transport means transfers to the ownership of the legal user fixed in the policy.

13.2. The Insurer shall be entitled to terminate the Insurance contract in the following events:

13.2.1. concluding the Insurance contract or making a statement of the insured accident, the Policyholder or the Insured has produced wrong information due to malicious intent or gross negligence;

13.2.2. after the insurance indemnity has been paid out;

13.2.3. in other events stipulated in the Insurance Regulations and the Insurance Contract Law.

13.3. The Insurance contract shall terminate in the events stipulated in the Item 13.2. hereof at a 15 days' notice in writing to the Policyholder to the address given in the policy.

13.4. The Insurance contract shall terminate immediately after the insurance indemnity has been paid out for the totally lost or stolen transport means. If a number of transport means is insured with one Insurance contract the Insurance contract shall terminate with regards to the transport means for the total loss of which the insurance indemnity has been paid out. Validity of the Insurance contract with regards to the rest transport means continues according to the conditions 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 Contract period at a notice in writing. Termination date of the Insurance contract could not be prior the date of notice receipt. If the insured accident is reported under the Insurance contract to be terminated, the insurance policy shall be only terminated after the insurance indemnity is paid out.

13.6. In the event of liquidation or insolvency of the Policyholder,

the insolvency administrator or liquidator may terminate the Insurance contract by giving a written notice only within one month after the day of appointing of the insolvency administrator or liquidator. In such case, the Insurer can terminate the Insurance contract not earlier than one month after the day of appointing of the insolvency administrator or liquidator. Terminating the Insurance contract in the event of liquidation or insolvency of the Policyholder, the Insurer shall refund the unused part of the insurance premium, which shall be defined in accordance with the Items 13.7.1. hereof.

13.7. Conditions of determination and repayment of unused part of the premium:

13.7.1. the unused part of the premium shall be estimated by way of deduction from the premium fixed in the policy that part of premium corresponding to the actual period of the Insurance contract, costs of conclusion of the Insurance contract to be estimated according to the methods applied by the Insurer, and amount(s) of the insurance indemnity (ies) paid out under the insurance policy. Costs of conclusion of the Insurance contract shall not be deducted, if the unused part of the premium is transferred to the payment of any Insurance contract concluded with the Insurer. Costs of conclusion of the Insurance contract mentioned in the present Item could not exceed 25% from the total insurance premium.

13.7.2. When the Contract is terminated pursuant to the Items 13.2.1. and 13.4. hereof, the unused part of the insurance premium shall not be repaid.

13.7.3. The day of termination of the Insurance contract cannot be earlier than the day of receipt of the application. If the insured accident is reported in accordance with the Insurance contract being terminated, the insurance policy shall be terminated only after the insurance indemnity is paid.

14. Confidentiality

14.1. It shall be an obligation of the Insurer and the Policyholder to guarantee confidentiality of information about the other party or third person of the Insurance contract, information about which becomes known in connection with conclusion and operation of the Insurance contract.

14.2. The Policyholder agrees that the Insurer, as a system supervisor and personal data operator, shall process personal data of the Policyholder, including sensitive personal data and person qualification (classification) codes for the purpose to assure the performance of the Insurance contract in accordance with the Personal Data Protection Law and other regulatory acts of the Republic of Latvia.

14.3. To assure the conclusion and operation of the Insurance contract, the Insurer shall be entitled to transfer the data referred to in the Items 14.1. and 14.2. to their personnel, specialists, experts, co-insurers or reinsurers keeping thereof in their data bases.

14.4. The Insurer should produce the data referred to in the Items 14.1. and 14.2. to the governmental and municipal authorities and third persons in the events, amount and manner as stipulated in the regulatory acts.

15. Assignment of rights and settlement of disputes

15.1. Having paid out the insurance indemnity, the Insurer shall succeed to the rights of the Insured towards the person faulty for incurred losses in the amount of the paid out indemnity. The right to claim shall not be used against the legal user of the transport means, except for the repair, maintenance or other service providers or personnel as well as the events when both the road traffic accident causing and suffered transport means have the same owner.

15.2. The Insurance Contract Law, Civil Code and other effective regulatory acts of the Republic of Latvia shall apply to the regulation of legal relations arisen from the Insurance contract.

15.3. The Insurer shall consider any claims or complaints made in writing by the Policyholder or the Insured and give a reply in writing during 30 days as of the date of receiving thereof.

15.4. Any disputes arisen from the Insurance contract shall be settled by way of negotiations. If the parties fail to come to understanding by way of negotiations, the dispute shall be examined in accordance with the effective regulatory acts of the Republic of Latvia.