

# TERMS AND CONDITIONS OF EXTENDED VEHICLE WARRANTY INSURANCE 01.01.2019

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These terms and conditions of insurance stipulate the scope and conditions of cover, specified in the extended vehicle warranty insurance contract concluded between the policyholder and the insurer. The legislation shall be followed in any matters not covered by the insurance contract.

## 1. THE INSURER, THE POLICYHOLDER AND THE INSURED PERSON

- 1.1. The insurer is Compensa Vienna Insurance Group, the Estonian branch of ADB, Narva mnt 63/2, corpus West 10152 Tallinn, [www.compensa.ee](http://www.compensa.ee).
- 1.2. Warranty Insurance OÜ is the representative of the insurer in the conclusion, amendment and termination of contracts and loss adjustment based on these terms and conditions.
- 1.3. The policyholder is a person who has an insurable interest, and has concluded an insurance contract with the insurer and has the obligation to pay insurance premiums to the insurer. The policyholder has the obligation to explain to the insured person their rights and obligations arising from the insurance contract.
- 1.4. The insured person is the person who purchases or owns the insured object.
- 1.5. The persons using the vehicle with the consent of the insured person shall be considered equivalent to the insured person. The insured person is responsible for their conduct in the performance of obligations arising from the insurance contract as if it were their own.

## 2. INSURED OBJECT

The insured object is the vehicle specified in the insurance contract (incl. in the insurance certificate) in the state of completeness of the manufacturer

## 3. INSURED EVENT

- 3.1. **Extended vehicle warranty** - unexpected and unforeseeable technical failure of the insured object, caused by a manufacturing defect occurring during normal use of the object and in which case the damage shall not be compensated under the warranty (incl. extended warranty) provided by the manufacturer or a warranty against defects and/or if compensation for the respective damage is not excluded in clause 4 of the terms and conditions. **In case of an insured event of the extended vehicle warranty, the insurer shall never pay monetary compensation, but the compensation method is restoration of the insured object (through the service provider chosen by the insurer) or replacement.**
- 3.2. **Roadside assistance** - initial assistance is provided to M1, M1G, N1, N1G vehicle categories, if as a result of an unexpected and/or unforeseeable event the use of the vehicle or continuation of the journey is not possible. Such as a traffic accident or technical failure, driving off-road, a situation where the vehicle is stuck in snow or sand, has run out of fuel, a tyre has burst, alarm system fails or the vehicle fails to start. Roadside assistance is only provided if ordered from the contact phone of the insurer's roadside assistance. Towing service, required within the roadside assistance is only provided to the nearest storage space and/or repair shop.

## 4. EXCLUSIONS

The insurer does not reimburse damages related to the following circumstances or objects:

- 4.1. damage, excluded in the terms and conditions of the manufacturer's warranty;
- 4.2. the mileage, agreed upon in the insurance policy, has been exceeded;
- 4.3. if the damage is subject to compensation under any other insurance contract;
- 4.4. regular maintenance, adjustments and regulations, lubrications, adding oil and fluids and cleaning;
- 4.5. maintenance accessories and/or working parts: brake and clutch lining, bushings, driving belts, retractors, fuses, incandescent lamps/bulbs, spark plugs, windscreen wiper blades, filters, batteries (incl. high voltage battery), tyres, fasteners and holders;
- 4.6. if the manufacturer has not prescribed any regular maintenance during the warranty period or these are not performed in time (pursuant to the tolerance allowed by the manufacturer – up to one month and/or 1500 km);
- 4.7. failures and damages caused by overload, improper maintenance and repair; when the vehicle design or electric circuit has been changed (incl. tuning), negligent use, incorrect exploitation or accidents;
- 4.8. damage caused due to participation in competitions or training;
- 4.9. damage relating to air or hydro-pneumatic suspension and/or shock absorber(s) and their control system(s), if mileage exceeds 50,000 km;
- 4.10. damage occurred in a wheel bearing, if mileage exceeds 50,000 km;
- 4.11. damage caused to a vehicle used as a taxi, courier, emergency, response or short-term rent vehicle;
- 4.12. disruptions or damages arising from not using the manufacturer's original parts or parts with equivalent quality, or fuel or lubricants have been used which are not intended for the exploitation of the vehicle;
- 4.13. malfunctions and disruptions, arising when driving in extreme conditions;
- 4.14. very weak and low sound or vibration, which does not worsen the quality and operation of the vehicle;
- 4.15. minor leakage of oil from seals, if this does not result in significant and critical drop in oil level;
- 4.16. damages to body, paint, chromed parts, window glasses and exterior and interior finishing details;
- 4.17. external damages caused by stones, gravel, road salt and rust, corrosion, freezing;
- 4.18. damage arising from circumstances or events that were known or should have been known to the policyholder and/or the insured person before the conclusion of the insurance contract;
- 4.19. damage for which the manufacturer or seller is responsible;
- 4.20. repairs, maintenance, installation, disassembly and transport carried out by third persons or unauthorised enterprises;
- 4.21. damage resulting from long-term factors causing deterioration: wear, mould, mould fungus, waste water, decay, corrosion, accumulation of water or steam condensate, moisture, dust, smoke, soot, noise, light;
- 4.22. inability to use the insured object, incl. costs and inconvenience related to using a replacement product during the repair of the object;
- 4.23. the insurer does not have a compensation obligation if the person who concluded the insurance contract or a

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- person entitled to receive insurance indemnity is subject to international financial sanctions;
- 4.24. military acts, terrorism, civil disturbance, insurgency, mass disorder, strike, coup, state of emergency, expropriation, confiscation, use of nuclear energy for any reason whatsoever or its getting out of control, radiation and radioactive contamination, use of chemical, biological, biochemical or electromagnetic weapons, earthquake, flood.

## 5. RELEASE OF THE INSURER FROM THE OBLIGATION TO PERFORM THE INSURANCE CONTRACT

**The insurer shall be partially or fully exempt from the obligation to perform the insurance obligation if:**

- 5.1. The policyholder or the insured person has willingly or due to gross negligence violated at least one obligation provided in the insurance contract and such violation has an impact on the occurrence or size of the damages or establishing the extent of the damages;
- 5.2. The policyholder or the insured person has knowingly presented false data on the circumstances of the damages or the extent of the damages;
- 5.3. The insured event has taken place due to the intention or gross negligence of the policyholder, insured person or a person considered equivalent to them;
- 5.4. The policyholder or the insured person waives their rights against the person who caused the damages or, if the realisation of the insurer's right of recourse is rendered impossible by the policyholder or the insured person (the term of the claim is exceeded, required documents are not presented), or if the circumstances of the insured event cannot be identified or they have not been established by the policyholder in a manner that they can be identified;
- 5.5. the damages have been reimbursed by a third person.

## 6. INSURANCE PERIOD AND COVERED TERRITORY

- 6.1. The insurance period is the period of validity of the extended vehicle warranty insurance, specified in the insurance contract and the insurance certificate.
- 6.2. The insurance cover only applies to insured events that take place during the validity of the insurance period.
- 6.3. Insurance coverage shall terminate:
- 6.3.1. on the final date of the insurance cover as stated in the insurance certificate;
- 6.3.2. upon exceeding the agreed mileage;
- 6.3.3. if the insured object is replaced following an insured event or by the manufacturer during the warranty period;
- 6.3.4. in other situations that, based on the law, constitute grounds for ending/terminating the insurance contract.
- 6.4. The covered territory has been indicated in the insurance policy and the insurer has the indemnification obligation only in case of events that occurred on the covered territory. If the covered territory has not been stated in the insurance contract, the covered territory shall be the geographical part of Europe.

## 7. DEDUCTIBLE

The deductible is the sum of money agreed in the insurance contract that is to be covered by the policyholder/insured person in the case of each event.

## 8. RIGHTS AND OBLIGATIONS OF THE POLICYHOLDER AND THE INSURED PERSON

**The policyholder and the insured person have the obligation to:**

- 8.1. operate the vehicle in accordance with the instructions and/or restrictions set out by the manufacturer;
- 8.2. explain the rights and obligations arising from the insurance contract to all people treated equally to policyholders/insured persons, as well as persons working under the policyholder/insured person whom the policyholder/insured person uses in their business activities;
- 8.3. as soon as possible, provide information on a possible increase of the insured risk.

**In the case of an insured event the policyholder shall:**

- 8.4. immediately contact the official dealership authorised by the manufacturer of the vehicle;
- 8.5. Inform the insurer of the insured event as soon as possible, however no later than within 7 working days as of becoming aware of the insured event. If the exact time of an insured event cannot be specified, it shall be deemed to have occurred at a time when the policyholder should have become aware of the insured event;
- 8.6. present the damaged vehicle or its remains to the insurer for examination of the state after the insured event. The policyholder may not commence restoration or utilisation of the vehicle without the prior consent of the insurer;
- 8.7. assist the insurer in establishing the circumstances necessary for loss adjustment and the collection of relevant evidence, if necessary, issuing a letter of authorisation to the insurer;
- 8.8. provide the insurer with all information in his/her possession necessary to determine the insurer's obligations, including all documents on the causes of the damage and the amount of damage, and to authorise the insurer to obtain the necessary information and documents;
- 8.9. notify the insurer as soon as possible in a format that can be reproduced in writing of the damages being reimbursed by a third person or the claim presented to the insurer being revoked.

**The policyholder and the insured person have the right to:**

- 8.10. demand an explanation of these terms and conditions from the insurer.

## 9. RIGHTS AND OBLIGATIONS OF THE INSURER

**The insurer has the right to:**

- 9.1. involve third persons in the loss adjustment, if necessary.

**The insurer has the obligation to:**

- 9.2. introduce the documents related to the insurance contract to the policyholder before the conclusion of the insurance contract and to keep the confidentiality of the information that has become known to the same in connection with the contract;
- 9.3. start loss adjustment immediately, when damages are reported by the policyholder or the insured person and establish the amount of damages to be reimbursed;

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- 9.4. register the notice of damage and introduce the procedure for resolving the insured event to the policyholder or the insured person;
- 9.5. make a decision on the compensation for damages or refusal to do so within three working days at the latest as of the receipt of all the required documents and establishment of the amount of damage and the circumstances related to its occurrence.

## 10. INSURANCE INDEMNITY, MEANS AND PROCEDURE OF COMPENSATION

- 10.1. The insurer has the right to decide whether the methods of compensation for the assets is restoration or replacement with an equivalent and choose the respective service provider. **The insurer never pays monetary compensation.**
- 10.2. The amount of indemnity per insured event is limited by the sum insured.
- 10.3. If the property is replaced, the right of ownership to the damaged vehicle shall be transferred to the insured (i.e. upon destruction of the vehicle and in a situation where the method of compensation is replacement of property, the precondition to compensation is delivery of the damage vehicle to the insurer).
- 10.4. The policyholder/insured person has the obligation to return the insurance indemnity to the insurer as soon as possible, when circumstances precluding the compensation have appeared after the damages have been compensated or the damages have been compensated for by a third person.
- 10.5. After compensation of the insured event, the policyholder's and insured person's right of claim for the occurrence of damages against the person responsible is transferred to the insurer within the extent of the insurance indemnity paid. If requested by the insurer, the policyholder and the insured person must transfer the right of ownership or right of claim by a written agreement.

## 11. PROCESSING OF CUSTOMER COMPLAINTS AND RESOLUTION OF DISPUTES

- 11.1. Any disputes arising from the insurance contract are attempted to be resolved by means of agreement and, if an agreement is not reached, the parties have the right to go to court.
- 11.2. If the policyholder/insured person is not satisfied with the activities of the insurer, they have the right to file a claim to the insurer. Client's expression of dissatisfaction presented in a format that can be reproduced in writing is registered as a complaint. The insurer notifies the client of their term of answering the complaint as soon as possible.
- 11.3. In order to resolve disputes, the policyholder may approach the conciliation body of the Estonian Insurance Association based on the procedural code of the said body.

## 12. FORM OF NOTICES

- 12.1. All notices between the parties to the insurance contract that are necessary for the performance of the contract shall be forwarded in a form that can be reproduced in writing.
- 12.2. The insurer has the right to record the phone calls related to the performance under the insurance contract.

## 13. DATA PROCESSING AND PROTECTION

- 13.1. The insurer processes personal data in accordance with the legislation. The insurer has the right to process the policyholder's data to assess the risk and to prepare, conclude and fulfil the insurance contract.
- 13.2. With their request to conclude an insurance contract or conclusion of an insurance contract, the policyholder grants their full and unconditional consent to process the policyholder's personal data for the conclusion, amendment and performance of the insurance contract, incl. the person's age, residence, contact details, job, position, business activity, relationships, hobbies, insurance and loss history, as well as sensitive personal data, incl. data on the client's state of health or disability, data on committing or being a victim of a crime.
- 13.3. The policyholder authorises the insurer to source the said data from third persons. The policyholder grants the insurer the right to forward the personal data to all third parties related to the conclusion, amendment and performance of the contract, incl. re-insurers, treatment facilities, providers of printing service, doctors, postal and direct mailing service providers.
- 13.4. The insurer has the right to forward client's data to third parties whom they use in fulfilling their obligations (processors). Information on the processors is provided on the insurer's website: [www.compensa.ee](http://www.compensa.ee).
- 13.5. The insurer has the right to issue a copy of the insurance policy/insurance certificate to the insured person and the pledgee of the insured object. The insurer has the right to disclose information related to a loss event to a government body in whose competence the proceedings of the loss event is.
- 13.6. The policyholder agrees that the insurer uses the client data for offering additional insurance services to the policyholder and marketing information on the said services.
- 13.7. The policyholder has the right to obtain information from the insurer on the personal data and their use at any time and demand the correction of incorrect data, and demand the ceasing of the processing of personal data from the insurer, unless otherwise provided by the law.
- 13.8. The insurer retains the personal data for as long as is necessary for fulfilling the objectives of client data processing or performing the objectives arising from the legislation, also taking into account the term of expiry of claims arising from the contract.

## 14. CONTRADICTIONS

In the case of any contradictions in the documents of the insurance contract, the following hierarchy of documents will be used in their interpretation, where each preceding document shall prevail over the next one: special terms and conditions – insurance policy – insurance certificate – terms and conditions of extended vehicle warranty insurance.