



GENERAL TERMS AND CONDITIONS OF INSURANCE OF MOTOR VEHICLES AGAINST LOSS, DESTRUCTION OR DAMAGE (MOTOR HULL) AND "HESTIA CAR ASSISTANCE" INSURANCE OF COSTS OF PROVIDING IMMEDIATE ASSISTANCE

GENERAL PROVISIONS

§ 1

Pursuant to these General Terms and Conditions of Insurance Sopockie Towarzystwo Ubezpieczeń Ergo Hestia SA, hereinafter called the "Insurer" shall underwrite insurance contracts covering motor vehicles against loss, destruction or damage (motor hull) and the "HESTIA CAR ASSISTANCE" insurance of costs of providing immediate assistance for natural persons, entrepreneurs and organisational units that are not legal persons hereinafter called "Policyholders".

§ 2

1. The insurance contract may be underwritten for the benefit of a third party.
2. Should the insurance contract be underwritten for the benefit of a third party the provisions of these General Terms and Conditions of Insurance shall apply to the person for whose benefit the contract has been underwritten accordingly.
3. A third party referred to under item 2 shall also mean the driver who is not named in the insurance contract and who was permitted by the Insured to drive the vehicle named in the insurance contract.

DEFINITIONS

§ 3

Pursuant to these General Terms and Conditions of Insurance:

- 1) **breakdown** shall mean any faulty functioning of the vehicle caused by mechanical, electrical, electronic or hydraulic defects which renders the driving impossible excluding the necessity of replenishing maintenance materials, conducting daily and periodic maintenance, delivery and installation of accessories and the lack of means necessary to operate the vehicle; breakdown shall also mean damage to the vehicle as a result of an accident;
- 2) **vehicle towing** shall mean the loading of the vehicle on an emergency road service vehicle, the transport from the site of an occurrence to the nearest service point or to the place of domicile of Insured or the Insured's enterprise and the unloading of the vehicle from the emergency road service vehicle;
- 3) **vehicle theft** shall mean the action showing all attributes of the act defined under Art. 278 of the Criminal Code (theft), Art. 279 of the Criminal Code (theft involving burglary) and Art. 280 of the Criminal Code (robbery); vehicle theft shall not mean the risk of embezzlement referred to under Art. 284 of the Criminal Code;
- 4) **lockout** shall mean the closing down of a workplace by the employer which involves dismissal of employees aimed at forcing them to accept worse terms of employment or as a result of a strike;
- 5) **closed or watched place** shall mean:
 - a) a fenced area watched by the Insured or persons professionally engaged in the protection of property round the clock;

- b) a garage locked with at least two multistrike locks or two multistrike padlocks; a locked garage equipped with a certified electrical locking system;

6) **vehicle repair under the HESTIA CAR ASSISTANCE insurance of costs of providing immediate assistance** shall mean removing the cause which renders it impossible to continue the journey or return to the Insured's place of domicile;

7) **vehicle operation period** shall mean the period running from the date of the first registration of the vehicle in the year of its manufacture until the first day of the insurance period; if the first registration date is not known or was later than in the year of manufacture the operation period shall run from 31 December of the vehicle manufacture year; the operation period so fixed shall apply in the whole twelve-month period of insurance;

8) **arrangement and covering of travel costs to the place of domicile or journey continuation** shall mean the arrangement and covering of the costs of further transport of the Insured and passengers of the vehicle to the journey's destination or to the place of domicile of the Insured or the Insured's enterprise (to the closer of those two locations) by train or by bus;

9) **arrangement and covering of hotel accommodation costs** shall mean the arrangement and covering of the costs of accommodation and breakfast in a hotel (a three star hotel at a maximum) for the Insured and passengers travelling by the insured vehicle for the period not exceeding the time of vehicle repair, it being not longer than 3 days, including the transport to the hotel;

10) **third parties** shall mean all persons remaining outside the insurance contract;

11) **vehicle unlawfully introduced into the Polish customs area** shall mean the vehicle:

- a) not delivered to the place of customs clearance and/or not declared for such clearance,
- b) which enters the country meeting the obligation specified under item a) but without observance of the obligation to state the true data in a customs declaration or another document or if trading restrictions have been violated;

12) **fire** shall mean the action of fire which spread beyond the hearth or originated without a hearth and was able to spread on its own;

13) **entrepreneur** shall mean a natural person, a legal person or an organisational unit not being a legal person conducting business or professional activity in their own name;

14) **service point** shall mean a repair garage authorized by the manufacturer to make repairs of vehicles of a given make or any other garage agreed upon by the Insured and the Insurer;

15) **vehicle under the HESTIA CAR ASSISTANCE insurance of costs of providing immediate assistance** shall mean a passenger vehicle, passenger-goods vehicle or goods vehicle with the payload weight of up to 2.5 tonnes or a caravan named in the insurance contract with Polish number plates and having a valid vehicle test certificate in the

registration document permitting the vehicle to travel on public roads;

16) **replacement car** shall mean a car of the engine cubic capacity of up to 2,000 cm³, owned by an entity dealing professionally with rental of cars made available to the Insured;

17) **passenger vehicle** shall mean a vehicle registered as a passenger vehicle and a cross-country vehicle, goods-passenger vehicle, microbus, van or another vehicle registered as a goods vehicle but having the body of a passenger vehicle, a cross-country vehicle or an estate car;

18) **strike** shall mean collective, voluntary interruption of work by workers for a certain period of time at one or several workplaces, institutions as an expression of protest, e.g. of a political or economic nature and demand for changes;

19) **total loss** shall mean theft of the vehicle, total destruction of the vehicle or such damage to the vehicle the estimated repair cost of which exceeds 70% of the market value of such vehicle as at the date of the loss where the estimated repair cost shall include the cost of repair made in accordance with the manufacturer's technology and the scope of damage described in the vehicle inspection report (technical assessment) covering:

a) the cost of labour adequate for the repair garage authorized by the manufacturer of vehicles of a specific make;

b) prices of parts and materials of the vehicle manufacturer (particularly those included in the Audatex system) without taking into account the normal wear and tear;

c) VAT;

20) **loss under the HESTIA CAR ASSISTANCE insurance** shall mean breakdown, destruction of or damage to the vehicle;

21) **loss under the insurance of motor vehicles against loss, destruction or damage (motor hull)** shall mean loss, destruction of or damage to the vehicle;

22) **terrorism** shall mean illegal actions organized for ideological or political reasons, individually or in group, targeted against persons or facilities and aimed at creating chaos, intimidating people and disorganizing the public life with the use of force and targeted against the public with the purpose of intimidation in order to achieve political or social objectives;

23) **short-term insurance** shall mean an insurance contract executed for a period shorter than 12 months;

24) **self-insured retention** shall mean the amount by which the total indemnity related to a specific occurrence is reduced by the Insurer;

25) **anti-theft protection equipment** shall mean an independent, operating, certified and permanently installed mechanical or electronic anti-theft protection system. The fact of installation and operability of the equipment must be confirmed by a relevant certificate issued by a licensed service station. It is not required that the operability of the equipment should be confirmed unless more than 24 months have passed since the time of its substantiated installation;

26) **vehicle market value** shall mean the value determined by the Insurer on the basis of market price quotations for vehicles of a given make and type specified in the Info-Expert monthly Pojazdy samochodowe – wartości rynkowe [Motor Vehicles – Market Values] taking into account individual features to include in particular: the year of manufacture, equipment, mileage and technical condition of the vehicle, applicable in the territory of the Republic of Poland;

27) **explosion** shall mean a sudden change in the state of equilibrium of a system with a simultaneous release of gases, dust or vapour caused by their property of propagation; in respect of pressure vessels and other containers of that kind,

an occurrence shall be considered an explosion on condition that the walls of such vessels and containers have been torn to such an extent that a sudden equalisation of pressures has occurred as a result of the escape of gases, dust, vapour or liquids; explosion shall also mean implosion consisting in damage caused to a container or a vacuum apparatus by external pressure;

28) **vehicle additional equipment** shall mean audio and audiovisual equipment, and telephone and radio-telephone communication equipment, including loudspeakers and aerials, and also taximeters, external luggage racks, tow hooks, spoilers and cover plates, advertising signs and stickers, wheel disks of lightweight metal alloys unless they constitute equipment installed by the manufacturer that is standard for a given vehicle model; and also child car-seats fixed by vehicle belts to the vehicle seat or by Isofix;

29) **vehicle basic equipment** shall mean the equipment and devices necessary for the maintenance and operation of the vehicle in accordance with its intended purpose or anti-theft or safe-driving devices and audio equipment if installed by the manufacturer in a given vehicle type as well as LPG or hybrid installations.

INSURANCE COVERAGE

§ 4

1. The insurance shall cover the following vehicles defined in the contract:

1) vehicles inclusive of their basic equipment which are subject to registration in the Republic of Poland pursuant to the provisions of the Road Traffic Law of 20 June, 1997;

2) other land vehicles propelled by an engine from their own source of power or without their own source of power;

3) trolley-buses.

2. The vehicle additional equipment may be covered by insurance against payment of an additional premium.

§ 5

1. The vehicles defined in the insurance contract shall be covered by insurance against losses arising as a result of:

1) collision of vehicles;

2) collision of the vehicle with persons, animals or objects outside the vehicle;

3) damage to the vehicle by third persons;

4) fire, explosion, flooding or sudden action of other natural forces, regardless of the place of their origin;

5) sudden action of a thermal or chemical agent outside the vehicle.

2. Against payment of an additional premium the vehicles defined in the insurance contract may also be covered by insurance against losses arising as a result of theft of the vehicle or a part thereof provided that anti-theft protection devices are installed in the vehicle as required by the Insurer.

3. Passenger vehicles, delivery vans with the payload weight of up to 2.5 tonnes, goods-passenger vehicles, goods-universal vehicles, cross-country vehicles and minibuses may be covered by insurance within the scope defined under item 2 provided that they are equipped with at least:

1) one anti-theft protection device certified for sale on the Polish market on the basis of the obtained certificate as required pursuant to the applicable legal regulations (e.g. a qualification certificate) – in respect of vehicles of the market value not exceeding PLN 40,000 (gross) as at the date of underwriting the insurance contract;

2) two anti-theft protection devices certified for sale on the Polish market on the basis of the obtained certificate as

required pursuant to the applicable legal regulations (e.g. a qualification certificate) – in respect of vehicles of the market value exceeding PLN 40,000 (gross) as at the date of underwriting the insurance contract.

4. Motorcycles, mopeds may be covered by insurance in the scope defined under item 2 provided that they are equipped with at least one anti-theft protection device certified for sale on the Polish market on the basis of the obtained certificate as required pursuant to the applicable legal regulations (e.g. a qualification certificate).

5. Goods vehicles of the payload weight exceeding 2.5 tonnes, truck-tractors and buses of the market value exceeding PLN 100,000 (gross) as at the date of underwriting the insurance contract may be insured under the coverage referred to under item 2, provided that they are equipped with at least one anti-theft protection device certified for sale on the Polish market on the basis of the obtained certificate as required pursuant to the applicable legal regulations (e.g. a qualification certificate).

§ 6

1. Notwithstanding the conditions stipulated under § 5 items 3-5 the Insurer may make the insurance coverage in respect of the risks referred to under § 5 item 2 also subject to:

1) installation of an additional anti-theft protection device (e.g. an alarm and vehicle positioning system);

2) including a self-insured retention in the insurance contract in respect of the losses referred to under § 5 item 2 in the amount depending on the number of thefts committed to the detriment of the Insured in a period of three successive years (broken down into specific years) prior to the date of underwriting the current insurance contract by the Insurer to be fixed on the basis of the following rules, subject to the provisions of item 2:

a) in the event of the first theft of a vehicle – a self-insured retention of 10% of the sum insured defined in the insurance contract;

b) in the event of the second theft of a vehicle – a self-insured retention of 20% of the sum insured defined in the insurance contract;

c) in the event of the third and each successive theft of a vehicle – a self-insured retention fixed individually depending on risk assessment.

2. In respect of passenger vehicles of the market value exceeding PLN 150,000 (gross) as at the date of underwriting the insurance contract, the Insurer, notwithstanding the provisions of item 1 and § 5 item 3, may make the insurance coverage extension to include the risk of theft subject to:

1) including a self-insured retention in the insurance contract in respect of losses resulting from theft of a vehicle from a place other than a closed and watched place;

2) installing an additional vehicle anti-theft protection device – the way of protection and the type of the additional protection anti-theft device shall be determined by the Insurer.

§ 7

1. The insurance shall cover losses occurring within the geographical limits of Europe and in the territory of Algeria, Morocco, Tunisia, Israel and Iran, however, in the territory of the former USSR states (except for Lithuania, Latvia and Estonia) losses arising as a result of the occurrences mentioned under § 5 items 3)-5) and § 5 item 2 shall be excluded from the insurance coverage.

2. Upon the Policyholder's request, the insurance coverage may be limited to the territory of the Republic of Poland. In such event the premium paid by the Policyholder shall be reduced.

3. In the event of underwriting a contract providing insurance coverage limited to the territory of the Republic of Poland, the coverage may be extended beyond the territory of the Republic of Poland against payment of an additional premium – the remaining insurance coverage remaining unchanged.

4. The insurance of vehicles with foreign number plates shall be limited to the territory of the Republic of Poland.

EXCLUSIONS

§ 8

1. Subject to the provisions of item 2 the insurance shall not cover:

1) motor vehicles manufactured (assembled) outside a factory (so called self-assembled vehicles);

2) motorcycles and mopeds;

3) cabriolets;

4) vehicles with foreign number plates;

5) vehicles manufactured in North American countries or manufactured in other countries with the intention of being sold on the markets of North American countries;

6) vehicles owned by natural persons with a period of operation exceeding 12 years counted in accordance with § 3 item 7).

2. The insurance may cover vehicles mentioned under item 1 provided that the underwritten contract is a loss-free continuation of the previous contract.

§ 9

1. The Insurer shall not be liable for losses:

1) in engine fuels and lubricants;

2) the value of which does not exceed 1% of the sum insured, it being however not less than PLN 300;

3) in respect of vehicles leased under lease agreements the value of which does not exceed 1% of the sum insured, it being however not less than PLN 500;

as well as losses occurring:

4) during normal vehicle operation (resulting from normal wear and tear) or caused by shocks on rough roads or as a result of corrosion or manufacturing defects, and also resulting from improperly performed earlier repairs;

5) while travelling on public roads in vehicles not registered or not reported for registration, or without a valid vehicle test certificate confirmed by a relevant entry in the vehicle registration document valid on the date of the occurrence of loss;

6) as a result of theft of the vehicle or a part thereof if:

a) at the time of theft the vehicle was not protected in the manner intended by its design or not all anti-theft devices installed in the vehicle specified under § 5 items 3-5 were employed unless it was lost as a result of robbery;

b) at the time of theft the vehicle did not have anti-theft devices installed as specified under § 5 items 3-5;

c) the vehicle keys (factory devices used for unlocking the vehicle) or vehicle documents were not properly protected outside the vehicle unless the vehicle was lost as a result of robbery;

d) the injured party did not submit to the Insurer the vehicle documents on the basis of which the vehicle was permitted to travel on public roads at the date of loss and a complete set of keys (factory devices) for unlocking the vehicle in a number not smaller than stated in the proposal for insurance, including a complete set of alarm system activating devices (remote control devices, immobilisers, etc.) unless the vehicle was lost as a result of robbery;

7) in a vehicle the driver of which, at the time of the accident,

did not have the required qualifications to drive the vehicle as required under the Road Traffic Law dated 20 June, 1997;

8) in circumstances other than those described by the Insured when reporting the loss to the Insurer;

9) in a vehicle consigned for sale;

10) in a vehicle unlawfully introduced into the Polish customs area;

11) when the vehicle is used for transport of hazardous materials in particular such as: fuels, toxic chemical substances or gases;

12) during test drives, races, training sessions, competitions and when the vehicle is used as a prop;

13) when the vehicle is used for driving-school purposes;

14) when the vehicle is used for rental purposes in return for compensation and in vehicles provided as replacement vehicles on terms other than renting;

15) in the vehicle additional equipment;

16) as a result of vehicle loss due to embezzlement.

2. Upon the Policyholder's request the insurance coverage may be extended to include the losses mentioned under item 1.11)-16).

3. The insurance coverage referred to under item 1.11) may be extended only upon payment of an additional premium and only for such period as was accepted in the original insurance contract.

4. The insurance coverage referred to under item 1.12)-16) may be extended only upon writing an insurance contract with extended coverage including the risk of theft, against payment of an additional premium and only for such period as was accepted in the original insurance contract.

§ 10

1. The insurance shall not cover losses in vehicles acquired due to theft or other crime the ownership title of which had not been acquired by the Insured until the date of loss unless consent has been given by the owner that indemnity should be paid to the Insured.

2. If the owner did not give consent that indemnity should be paid to the Insured, the premium paid shall be refunded subject to the deduction of administrative expenses in the amount of 20 %.

§ 11

1. The insurance shall not cover losses resulting from wilful act or gross negligence of the Insured or persons sharing the Insured's household or for whom the Insured is responsible.

2. The insurance also shall not cover losses resulting from:

1) warlike operations, martial law, state of emergency, riots, disturbances, civil commotion, earthquake, strikes, lockouts and acts of terrorism and sabotage, and also confiscation, nationalisation, detention or requisition of property by authorities;

2) effect of nuclear energy or radioactive contamination, laser and maser rays and a magnetic and electromagnetic field.

3. Furthermore, losses occurring:

1) due to the use of the vehicle not in accordance with its intended purpose and caused by the carried cargo;

2) when the vehicle is used by the Insured or an authorized driver as an instrument of crime;

3) when the vehicle is used in connection with compulsory performance for military forces or other organisations and also in vehicles which participate in protest actions and road blockades;

4) in a vehicle the driver of which, at the time of the accident or arrival of the police unit at the accident site, was in a state indicating consumption of alcohol or in a state of drunkenness,

under the influence of drugs or other agents having a similar effect, and also when the driver of the vehicle has run away from the accident site without a justified reason shall be excluded from the insurance coverage.

LIMITATION OF INSURANCE COVERAGE

§ 12

1. Upon the Policyholder's request the insurance contract may be underwritten with limited insurance coverage.

2. The limitation of insurance coverage referred to under item 1 may consist in including a self-insured retention in the insurance contract in respect of losses occurring as a result of the occurrences referred to under § 5 item 1 in the amount of 15% of the sum insured specified in the insurance contract.

3. Should the insurance coverage be limited as referred to under item 2, the premium paid by the Policyholder shall be reduced accordingly.

"HESTIA CAR ASSISTANCE"

INSURANCE OF COSTS OF PROVIDING IMMEDIATE ASSISTANCE

Insurance coverage

§ 13

1. The insurance shall cover costs related to providing immediate "HESTIA CAR ASSISTANCE" by the Insurer through the Alarm Centre within the scope and on the terms defined in these General Terms and Conditions of Insurance.

2. The Insurer shall be liable under the HESTIA CAR ASSISTANCE insurance of costs of providing immediate assistance provided that the Policyholder has taken out insurance of motor vehicles against loss, destruction or damage (motor hull).

3. The territorial scope of the HESTIA CAR ASSISTANCE insurance of costs of providing immediate assistance shall depend on the territorial scope stipulated in the contract of insurance of motor vehicles against loss, destruction or damage (motor hull).

§ 14

The insurance shall cover losses consisting in:

1) an occurrence taking place in the vehicle covered under the motor vehicle insurance against loss, destruction or damage (motor hull) referred to under § 5 item 1 which renders it impossible to continue the journey or return to the place of domicile of the Insured or the Insured's enterprise;

2) a breakdown occurring in the vehicle which renders it impossible to continue the journey or return to the place of domicile of the Insured or the Insured's enterprise;

3) immobilisation of the vehicle due to a discharged battery, loss of or damage to the keys (factory devices) serving to unlock and start the vehicle, tyre puncture as well as the lack of or improper fuel in the vehicle tank.

§ 15

The HESTIA CAR ASSISTANCE insurance of costs of providing immediate assistance shall cover the following benefits:

1) in the event of an occurrence referred to under § 14 the Insurer, upon the Insured's request, shall cover the costs of repair of the vehicle on the site of a covered occurrence to be made by a specialist authorised thereto by the Insurer (excluding the costs of fuel and spare parts used for such repair);

2) in the event referred to under item 1), should it be impossible to repair the vehicle on the site of the occurrence, the Insurer shall arrange vehicle towing to the nearest service point or to the place of domicile of the Insured or the Insured's enterprise (whichever of those locations is closer to the site of a covered occurrence).

§ 16

1. Against payment of an additional premium the insurance coverage may be extended to include the following benefits:

1) should it be necessary to repair the vehicle towed by the Insurer due to a covered occurrence (taking place at a straight line distance not shorter than 50 km from the place of domicile of the Insured or the Insured's enterprise) at a service point referred to under § 15 item 2) located at a straight line distance not shorter than 50 km from the place of domicile of the Insured or the Insured's enterprise the Insurer shall:

a) arrange and cover the costs of accommodation of the Insured and vehicle passengers (in the number limited to the number of seats stated in the vehicle registration document) in the nearest medium class (two- or three-star) hotel for the vehicle repair period which shall not, however, be longer than three hotel nights;

b) arrange and cover the costs of transport (by purchasing and delivering to the Insured a first-class train or bus ticket) for the Insured and vehicle passengers (in the number limited to the number of seats stated in the vehicle registration document) to the journey destination or the place of domicile of the Insured or the Insured's enterprise, subject to the provisions of item 2;

2) should it be necessary to repair the vehicle towed by the Insurer due to an occurrence (taking place at a straight line distance not shorter than 50 km from the place of domicile of the Insured or the Insured's enterprise) referred to under § 14 item 1) at a service point referred to under § 15 item 2) located at a straight line distance not shorter than 50 km from the place of domicile of the Insured or the Insured's enterprise, the Insurer shall provide the Insured (in order to continue the journey or return to the place of domicile of the Insured or the Insured's enterprise), for a period not longer than 3 days, with a replacement car of the class comparable (as far as practicable under the local conditions) to the Insured's vehicle; in respect of passenger vehicles, the Insurer shall provide a vehicle of not more than 2000 cm³ in cubic capacity; the insurance shall not cover the costs of fuel for the replacement car, insurance or any other charges;

3) in the event that the occurrence referred to under § 14 takes place, the Insurer shall organize and cover the costs of watched parking for the whole period of parking up to the sum of PLN 300;

4) in the event that the occurrence referred to under § 14 takes place, the Insurer shall organize and cover the costs of collecting the repaired vehicle and delivering it to the journey destination or the place of domicile of the Insured or the Insured's enterprise;

5) in the event of a total loss, the Insurer, upon the Insured's request, shall organize and cover the costs of legal scrapping of the vehicle up to the sum of PLN 600.

2. In the event that the distance from the journey destination or the place of domicile of the Insured or the Insured's enterprise exceeds 1000 kilometres the transport referred to under item 1.1)b) may take place by aircraft with the Insurer's consent.

3. The benefits referred to under item 1 shall be provided if, due to the repair of the vehicle, it is necessary to leave the vehicle at a service point for a period longer than 24 hours.

4. The benefits referred to under item 1.1)-2) may not be

combined in respect of the same occurrence covered under insurance.

5. The Insurer shall reimburse for the costs related to providing a replacement vehicle referred to under item 1.2) or the Insured's travel to the place of rental of such vehicle up to the sum of PLN 200 on the basis of original bills or invoices related to the costs incurred by the Insured.

6. The costs referred to under item 1.2) shall not include the costs of fuel for the replacement vehicle, insurance and additional charges, i.e. a deposit to cover the self-insured retention and other requirements set by rental companies, and the Insured shall not be released from the necessity of having a credit card or other security required in respect of providing a replacement vehicle in accordance with the general terms of rental applied by rental companies.

7. The Insured shall be obliged to review the general terms and conditions of rental and the terms and conditions of insurance for the rented vehicle and act in accordance with the received guidelines and instructions.

§ 17

1. The Insurer shall not reimburse the Insured for the costs incurred by the Insured on his/her own, even if such costs are contained within the limits of the sum insured referred to under § 22.

2. The stipulation referred to under item 1 shall not apply to the costs of towing referred to under § 15 item 2).

3. The insurance shall cover exclusively vehicle repairs on the site of a covered occurrence which are necessary to continue the journey or return to the place of domicile of the Insured in a safe manner and in compliance with the regulations applicable on the site of the occurrence.

4. The insurance shall not cover the costs covered under the insurance of motor vehicles against loss, destruction or damage (motor hull), the costs of purchase of parts required to repair the vehicle and also the costs occurring:

1) as a result of recurrent breakdowns due to the cause not having been removed by the Insured after a benefit was provided by the Insurer;

2) as a result of using the vehicle not in accordance with its intended purpose or caused by the carried cargo;

3) when the vehicle is used by the Insured or an authorized driver as an instrument of crime;

4) when the vehicle is used in connection with compulsory performance for military forces or other organisations and also taking place in vehicles which participate in protest actions and road blockades;

5) as a result of theft of the vehicle or a part thereof or if the vehicle is used without the owner's consent and knowledge,

6) in a vehicle consigned for sale;

7) in a vehicle the driver of which at the time of the accident did not have the required qualifications to drive the vehicle as required under the Road Traffic Law of 20 June, 1997;

8) in a vehicle the driver of which, at the time of the accident or arrival of the police unit at the accident site, was in a state indicating consumption of alcohol or in a state of drunkenness, under the influence of drugs or other agents having a similar effect, and also when the driver of the vehicle has run away from the accident site without a justified reason;

9) during tests drives, training drives, races, training sessions, competitions and when the vehicle is used as a prop;

10) in a vehicle unlawfully introduced into the Polish customs area;

11) when the vehicle is used for transport of hazardous materials in particular such as: fuels, toxic chemical substances or gases;

- 12) when the vehicle is used for driving-school purposes;
- 13) when the vehicle is used for rental purposes in return for compensation and in vehicles provided as replacement vehicles on terms other than renting;
5. The Insurer shall not be liable for any losses directly or indirectly related to rendering the benefits referred to under § 15-16.

UNDERWRITING INSURANCE CONTRACT

§ 18

1. The insurance contract shall be underwritten on the basis of a proposal for insurance made in writing in the form required by the Insurer.
2. The proposal for insurance should include at least the following details:
 - 1) name and surname or company name and address of the Policyholder (PESEL [personal identification number], REGON [business statistical number], NIP [tax identification number]);
 - 2) name and surname or company name and address of the Insured (PESEL [personal identification number], REGON [business statistical number], NIP [tax identification number]) if the contract has been underwritten for the benefit of a third party;
 - 3) insurance coverage;
 - 4) territorial scope of insurance;
 - 5) the sum insured and the manner of fixing it;
 - 6) the manner of establishing the extent of loss and indemnity amount;
 - 7) period of insurance;
 - 8) data concerning the vehicle equipment;
 - 9) information about anti-theft protection devices;
 - 10) information about the number of vehicle keys (factory devices serving to unlock the vehicle);
 - 11) loss history
 - 12) number and extent of losses in the last 5 years with a breakdown for specific years.
3. The Insurer may make the underwriting of the insurance contract subject to obtaining additional information related to the contract.
4. Should the proposal not include all the details specified under item 2 or should it be made incorrectly or not in accordance with these Terms and Conditions of Insurance, the Policyholder shall, upon the Insurer's request, supplement it appropriately or make a new proposal within 14 days from the date of receiving notice from the Insurer.
5. Should the Policyholder be granted an undue premium reduction on the basis of a proposal for insurance, a submitted document or a statement the Insurer shall be entitled to request that an additional premium be paid plus interest, and if a loss has already occurred, the Insurer shall be entitled to decrease the indemnity in proportion to the lowered premium.

SUM INSURED

§ 19

1. The sum insured under the insurance of motor vehicles against loss, destruction or damage shall be declared by the Policyholder. The sum should correspond to the market value of the vehicle including VAT as at the date of underwriting the insurance contract as specified in the Info-Ekspert monthly Pojazdy samochodowe – wartości rynkowe [Automotive Vehicles – Market Values] subject to the provisions of items 3 & 4 and § 49.
2. The sum insured for a brand new vehicle of a specific make purchased from an authorised dealer selling vehicles of such

make on a professional basis may also be declared in the amount stated in the purchase invoice for that vehicle plus VAT, however, not later than within one month from the invoice issue date. The sum insured fixed in such manner shall be deemed by the Insurer to be the vehicle market value for a period not exceeding six months from the date of underwriting the insurance contract covering that vehicle provided that by the date of loss occurrence:

- 1) the vehicle mileage has not exceeded 10,000 km;
- 2) the vehicle has not been damaged.
3. Should it be impossible to determine the actual market value of the vehicle on the basis of the monthly referred to under item 1, the Policyholder, in agreement with the Insurer, may use another reliable specialist source.
4. The Insurer may adopt a sum insured increased or decreased by more than 10% of the value stated in the Info-Ekspert monthly Pojazdy samochodowe – wartości rynkowe [Automotive Vehicles – Market Values] provided that the vehicle has been valued by an authorized expert in the area of automotive engineering. The obligation to provide such valuation shall rest with the Policyholder.
5. The sum insured stated in the insurance contract should include VAT, subject to the provisions of item 6.
6. Should the vehicle owner be entitled to deduct VAT charged at the purchase transaction of the vehicle, the sum insured may be fixed without taking VAT into account.

§ 20

1. The sum insured shall be the upper limit of the Insurer's liability, subject to the provisions of § 49.
2. The sum insured shall each time be reduced by the indemnity paid (sum insured consumption) until it is fully exhausted in which case the insurance contract shall terminate.
3. With the Insurer's consent the Policyholder may supplement the sum insured to reach the market value of the vehicle by completing a new proposal for insurance, submitting the vehicle for inspection and paying an additional premium.
4. Against the payment of an additional premium the insurance contract may be underwritten without the sum insured consumption being applied.

§ 21

1. The sum insured for the additional equipment shall be specified by the Policyholder on the basis of retail prices of the articles of the same or similar type and sort less the degree of wear and tear, subject to the provisions of item 2.
2. The sum insured for the brand new additional equipment may also be declared in the amount specified in the sale invoice of such equipment including VAT, however not later than within one month from the invoice issue date.
3. The sum insured for the additional equipment fixed in the contract should include VAT, subject to the provisions of item 4.
4. Should the vehicle owner be entitled to deduct VAT charged at the purchase transaction, the sum insured may be fixed without including VAT.
5. The sum insured for the additional equipment may not exceed 20% of the sum insured for the vehicle and it may not exceed PLN 10,000.
6. The sum insured shall each time be reduced by the indemnity paid (sum insured consumption) until it is fully exhausted in which case the insurance contract covering the additional equipment shall terminate.
7. With the Insurer's consent the Policyholder may supplement the sum insured by completing a new proposal for insurance.

8. The Policyholder may at any time during the term of the insurance contract increase the sum insured within the limits specified under 5.

§ 22

1. The sum insured under the HESTIA CAR ASSISTANCE insurance of costs of providing immediate assistance shall constitute the aggregate limit of the Insurer's liability for all incidents occurring in the insurance period.

2. The sum referred to under item 1 shall be PLN 15,000.

3. After a benefit under the HESTIA CAR ASSISTANCE coverage has been rendered the aggregate liability limit shall be reduced by the amount of the costs incurred by the Insurer until the limit is fully exhausted in which case the insurance contract shall terminate.

FIXING AND PAYMENT OF INSURANCE PREMIUM

§ 23

1. The insurance premium shall be fixed after risk assessment.

2. The insurance premium shall be paid in one instalment; upon the Policyholder's request the insurance premium may be paid in instalments. The dates of payment of instalments and their amount shall be determined in the insurance contract.

3. The insurance premium shall take into account the decrease in the market value of the vehicle during the insurance period.

§ 24

1. The premium for insuring a vehicle in respect of the risks referred to under §5 item 1 shall be fixed as a percentage of the sum insured depending on the value and type of the vehicle and the regional zone applicable for the place of domicile of the Insured or the Insured's enterprise.

2. The basic premium for the motor hull coverage shall be calculated by multiplying the sum insured by the insurance rate defined in the tariff applicable on the date of underwriting the insurance contract.

3. The premium amount for extending the insurance coverage to include the risk of theft shall be fixed as a percentage of the sum insured depending on the value and type of the vehicle and the regional zone applicable for the place of domicile of Insured or the Insured's enterprise.

4. The premium due for insurance of motor vehicles against loss, destruction or damage (motor hull) extended to include the risk of theft shall be the total of premiums due for the motor hull coverage and the risk of theft. The premium due for the motor hull coverage and the risk of theft shall be calculated by employing the product method applying reductions and increases applicable to the Insured to the basic rates.

5. When fixing the premium the following issues shall be taken into account:

1) premium reductions in respect of the motor hull insurance of the vehicle for:

a) including a self-insured retention in the insurance contract in respect of losses occurring as a result of incidents referred to under § 5 item 1 in the amount of 15% of the sum insured fixed in the contract;

b) resigning from insurance coverage outside the territory of the Republic of Poland;

c) insuring another passenger vehicle by a natural person (spouse) with the Insurer;

d) insuring a greater number of vehicles;

e) loss-free history;

2) premium increases in respect of the motor hull insurance of the vehicle for:

a) the option without reduction of indemnity by the amount

corresponding to the wear and tear of the parts qualified for replacement (taking out depreciation – service variant);

b) holding a driving license for a period shorter than 3 years;

c) lack of a driving license;

d) the age of the vehicle owner (the Insured) not exceeding 28 years;

e) the age of the vehicle owner (the Insured) from 28 to 32 years (not exceeding 32 years);

f) taking out the sum insured consumption;

g) loss history;

h) participation in rallies, races, training sessions and competitions;

i) using the vehicle for driving-school purposes;

j) using the vehicle for transporting hazardous materials and cargoes;

3) premium reductions in respect of extending the coverage to include the risk of theft for installing a satellite alarm and vehicle location system in the vehicle;

4) premium reductions in respect of both the motor hull insurance of the vehicle and the risk of theft extension for:

a) taking out insurance under "Hestia 7" and "Hestia 77" packages offered by the Insurer;

b) loss-free continuation of the motor hull insurance with the Insurer;

c) taking out third party liability insurance of the insured vehicle with the Insurer;

5) premium increases in respect of both the motor hull insurance of the vehicle and the risk of theft extension for:

a) payment of insurance premium in instalments;

b) using the vehicle for test drives or as a prop;

c) rental of vehicles for payment.

6. The reductions and increases referred to under item 5.1)c), 5.2)b)-e) shall not apply to insurance of vehicles registered in the name of entrepreneurs or used for conducting business activity.

7. The reductions and increases referred to under item 5 shall not apply to short-term insurance contracts and when insuring vehicles registered abroad.

8. The reductions and increases referred to under 5.1)a)-e); 5.2).a)-g); 5.3), 5.4)a)-c) shall not be taken into account when fixing the premium due for insurance in case of the vehicles:

1) participating in rallies, races, training sessions and competitions;

2) used for test drives or as a prop;

3) used for driving-school purposes;

4) rented for payment;

5) used for transport of hazardous materials and cargoes.

9. When fixing the insurance premium due for jointly owned vehicles, the reductions and increases applicable only to one joint owner (joint possessor) shall be taken into account.

10. The premium increases referred to under 5.2)b)-e) shall also be applied when at least one of the joint owners (joint possessors) fulfils the age criteria or such increases shall be determined individually for each insured (vehicle owner) in accordance with the following table:

TABELA

Full loss-free years	Tariff Class	Rate in % of basic premium	1 loss in the last year results in the tariff class being changed	2 and more losses in the last year results in the tariff class being changed
-	+ 3	200	+ 3	+ 3
-	+ 2	150	+ 3	+ 3
-	+ 1	125	+ 3	+ 3
0	0	100	+ 2	+ 3
1	- 1	90	+ 1	+ 3
2	- 2	85	0	+ 2
3	- 3	80	- 1	+ 1
4	- 4	70	- 2	0
5	- 5	60	- 3	- 1
6	- 6	50	- 4	- 2
7	- 7	45	- 5	- 3
8 i więcej	- 8	40	- 6	- 4

11. The vehicle owner shall retain entitlement to premium reduction related to loss history unless the continuous period of insurance has been interrupted for more than 24 months.

12. The vehicle owner shall also retain entitlement to premium reduction related to loss history if the continuous period of insurance has been interrupted for more than 24 months but not more than 5 years, should he/she have a loss-free insurance history of at least 5 years with the Insurer named under § 1, or a 10-year loss-free history with another insurer.

13. The Insurer shall recognize the entitlement related to (loss-free/loss) history of insurance with other insurers (including foreign insurers) provided that it is substantiated by a relevant certificate issued by previous insurers.

§ 25

1. The premium amount for additional equipment shall be fixed as a percentage of the sum insured depending on the value of such equipment.

2. When fixing the premium an increase in premium for payment of the premium in instalments shall be taken into account.

§ 26

Should the value of the insured property increase in the period covered by the insurance contract, the Policyholder may notify the Insurer thereof and increase the sum insured with the Insurer's consent against the payment of an additional premium.

PERIOD OF INSURANCE AND PERIOD OF INSURER'S LIABILITY

§ 27

1. The period of insurance shall be specified in the contract.
2. The insurance period inception shall be the date and hour agreed by the parties to the contract.
3. The period of insurance shall last for one year unless the contract has been written for a different period.

§ 28

1. The Insurer's liability shall commence from the date and hour stated in the contract as the insurance period inception provided that the premium or the first instalment of the premium is paid on the date of writing the contract, subject to the provisions of items 2-10.

2. Should the payment of the premium or the first instalment of the premium be postponed beyond the insurance period inception date and should the Insurer be liable before payment of the premium or the first instalment of the premium is made, failure to make payment of the premium or the first instalment of the premium by the date fixed by the Insurer shall be deemed as cancellation of the insurance contract by the Insurer taking effect after the expiry of the date fixed in the contract as the date of payment of the premium or the first instalment of the premium (at 00:00 hours on the day following such date) without it being necessary for a separate declaration of will to be made in that respect. The stipulation of the foregoing clause shall be deemed a notice of contract cancellation given to the Policyholder.

3. The relevant provisions of item 2 shall apply in respect of the legal effects of the failure to make payment of a subsequent premium instalment by the date fixed by the Insurer.

4. In the cases referred to under items 2 & 3 the Insurer may, upon the Policyholder's request, give consent to resuming the insurance coverage provided that the vehicle is submitted for inspection and the outstanding premium instalments have been paid.

5. The insurance contract cancellation shall be without prejudice to the Insurer's right to demand premium payment in the amount proportionate to the insurance period in which the Insurer provided insurance coverage.

6. Should the payment of the premium or the first instalment of the premium be scheduled prior to the insurance period inception the relevant provisions of items 1-5 shall apply to the effects of delay in payment.

7. Should payment be made in the form of a bank transfer or a postal order, the date of payment shall be deemed the day on which the appropriate amount has been credited to the Insurer's account.

8. Payment of any amount lower than specified in the insurance contract shall not be deemed as payment of the premium or a subsequent instalment of the premium.

9. The Insurer's liability shall terminate in the event of a total loss in respect of the insured vehicle at 00:00 hours on the day following the day of the occurrence of loss, subject to the provisions of items 2-6 & 10.

10. The Insurer's liability shall terminate upon the insurance period expiry unless the insurance contract expired prior to such date, subject to the provisions of item 9.

POLICYHOLDERS 'S OBLIGATIONS BEFORE INSURANCE CONTRACT UNDERWRITING

§ 29

1. The Policyholder shall be obliged to provide answers to the Insurer's questions included in the proposal for insurance or otherwise addressed to the Policyholder in writing and advise the Insurer of all circumstances known to the Policyholder which may be important for assessing the risk and fixing the premium.

2. Should the Insurer underwrite the insurance contract notwithstanding the lack of the Policyholder's answers to specific questions, the missing circumstances shall be deemed insignificant.

OBLIGATIONS OF POLICYHOLDER AND INSURED DURING TERM OF INSURANCE CONTRACT

§ 30

1. During the term of the insurance contract the Policyholder and the Insured shall be obliged to immediately notify the Insurer of any changes in the circumstances which may have impact on increasing the probability of an incident and about which the Insurer inquired in the proposal for insurance or in other letters prior to underwriting the contract.
2. The Policyholder and the Insured shall be obliged to notify the Insured of any change in the address of their domicile.

§ 31

1. The Insured shall be obliged to remove any special perils the removal of which – as reasonably justified by the circumstances – might be and was requested by the Insurer; a special peril shall in particular mean the cause of a loss which had occurred at an earlier time.
2. Should the Insured fail to fulfil the above obligation by the date specified by the Insurer, the Insurer shall not be liable for losses occurring after the specified date due to the failure to remove the indicated peril except on the condition that the non-fulfilment of such obligation did not have any impact on the occurrence or extent of loss.

PROCEDURE IN CASE OF LOSS

§ 32

1. In the event of incident the Insured shall be obliged to use all available measures in order to limit the loss and protect the directly exposed property against loss.
2. Furthermore, the Insured shall be obliged to:
 - 1) provide the Insurer with documents required to process the claim for indemnity payment, and in particular the original bills related to the costs covered by insurance;
 - 2) establish, if possible, the particulars of other participants and witnesses of the incident, and to establish whether the perpetrator of the incident is insured, with which insurance company and the number of his/her policy certifying that motor liability insurance was taken out and to make a written report concerning the circumstances of the occurrence of loss;
 - 3) immediately notify a local police station or other relevant authorities of the theft of the vehicle, vehicle keys (factory devices), vehicle documents or of any other loss which may have occurred as a result of crime and of any incident resulting in a significant loss to the insured property;
 - 4) immediately, not later however than within three days from the date of loss, having obtained information thereof or having crossed the border of the Republic of Poland, notify the Insurer of the loss;
 - 5) enable the Insurer to conduct activities aimed at finding out the circumstances of the occurrence of loss, the type and extent thereof, and provide all explanations in that respect and submit the necessary evidence;
 - 6) complete all documents required by the Insurer, in particular a claim form where the actual course and circumstances of the occurrence should be described;
 - 7) comply with the Insurer's instructions and provide the Insurer with information and the required powers of attorney.
3. The Insured shall also be obliged to provide other documents deemed necessary by the Insurer for examining the request for indemnity payment.
4. The Insurer reserves the right to verify bills, cost estimates

and other documents submitted by the Policyholder and seek the opinion of experts.

5. Should the Insured fail to fulfil the obligations specified under item 1 wilfully or through gross negligence indemnity shall not be paid.

§ 33

Notwithstanding the obligations defined under § 32 items 2 and 3 the Insured's obligations shall be:

- 1) not to make any changes in the vehicle or commence any repairs of the vehicle without a prior inspection conducted by the Insurer's representative and obtaining the Insurer's consent – the Insurer may not refer to this stipulation if the Insurer did not conduct the inspection within seven days from the date of having been notified of the loss;
- 2) in the event of theft of the vehicle – submit to the Insurer original documents substantiating the origin of the vehicle and allowing its identification (e.g. "brief", customs clearance documents, sale agreement, purchase invoice, vehicle card) and a complete set of original keys (factory devices) for unlocking the vehicle in a number not smaller than the number stated in the proposal for insurance, including a complete set of alarm system activating devices (remote control devices, immobilisers, etc.) unless the vehicle was lost as a result of robbery.

§ 34

1. In the event of an occurrence covered under the HESTIA CAR ASSISTANCE insurance of costs of immediate assistance, prior to undertaking any activities on his/her own, the Insured shall be obliged to contact the Alarm Centre at the following telephone numbers: 0 801 107 107 or 0 (prefix) (58) 555 5 555 and give:

- 1) name and surname;
- 2) the site of a covered occurrence;
- 3) the make, type and model of the insured vehicle and its number plates;
- 4) policy number and period of validity;
- 5) telephone number to contact the Insured or a person designated by the Insured;
- 6) a short description of the occurrence and the kind of required assistance;
- 7) any other information required by the Alarm Centre to render a benefit for the Insured.

2. Furthermore, the Insured's obligations shall include the following:

- 1) use all available means in order to limit the loss;
- 2) use all available mean to secure the site of incident;
- 3) immediately notify a local police station or other relevant authorities of the theft of the vehicle, vehicle keys (factory devices), vehicle documents or of any other loss which may have occurred as a result of crime and of any incident resulting in a significant loss to the insured property.

3. Should the Insured fail to fulfil the above obligations defined under items 1 and 2 the Insurer shall refuse to pay the full indemnity or a relevant portion thereof depending on the degree in which the non-fulfilment of those obligations had impact on establishing the cause of the incident, circumstances of the occurrence or the indemnity amount.

§ 35

Should the Insured fail to fulfil the obligations defined under § 32 items 2 & 3, § 33 and § 34 the Insurer shall refuse to pay the full indemnity or a relevant portion thereof depending on the degree in which the non-fulfilment of those obligations had

impact on establishing the cause of the incident, circumstances of the occurrence or the indemnity amount.

§ 36

1. Should a loss occur outside the borders of the Republic of Poland the Insured shall be obliged not to make any changes in the damaged vehicle and not have it repaired without the consent of the Insurer or the Insurer's representative except for repairs necessary to continue safe driving the cost of which does not exceed the equivalent of USD 1,000. The reimbursement for such costs shall be made in Poland on the basis of original bills issued to a person specified by name after conversion into Polish zlotys at the average rate published by the President of NBP [National Bank of Poland] as applicable on the date of establishing the indemnity.

2. Should the repair made abroad without the Insurer's consent exceed the scope necessary to continue safe driving and its costs be higher than the costs of similar repair in Poland, the Insurer may refuse to admit the claim relating to such repair. Should the claim be admitted, the indemnity shall be established and paid after return to Poland on the basis of the prices applicable in Poland.

DETERMINING INSURER'S LIABILITY AND AMOUNT OF LOSS

§ 37

The Insurer shall be liable for losses directly related to the perils defined in the insurance contract.

§ 38

1. In the event of a total loss in respect of the vehicle the Insurer shall determine the amount of loss in the amount equal to the market value of the vehicle at the date of the occurrence of loss, subject to the provisions of §§ 42-46 & 49.

2. In the event of a partial loss in respect of the vehicle the Insurer shall establish the extent of loss in the amount corresponding to the costs of repair on the basis of the prices of services and spare parts applicable in Poland at the date of establishing the indemnity, subject to the provisions of §§ 39-45 & 49.

3. The amount of partial loss referred to under item 2 shall include repair costs consistent with the scope of damage described in the vehicle inspection report (technical assessment) made by the Insurer (or upon the Insurer's order).

§ 39

1. The vehicle repair, the manner of conducting the repair and the repair costs shall each time require prior agreement with the Insurer.

2. Depending on the system adopted in the insurance contract the amount of a partial loss may be determined on a cost estimate basis or on a service basis, subject to the provisions of § 41 item 2.

§ 40

1. If the cost estimate option is adopted in the insurance contract, the amount of loss shall be determined on the basis of the valuation conducted by the Insurer applying the rules stipulated in the Audatex system, excluding VAT, i.e. on the basis of:

- 1) the labour time standards for repairs set by the vehicle manufacturer;
- 2) the man-hour rate established by the Insurer on the basis of average prices of services in the area where a given organisation unit of the Insurer operates;

3) a price list of replacement parts and materials included in the aforementioned system applicable in the territory of the Republic of Poland.

2. The prices of replacement parts (units) qualified for replacement shall be reduced by the wear and tear specified in the following table depending on the vehicle operation period, subject to the provisions of item 3:

Vehicle operation period	Wear and tear in % of the value of parts qualified for replacement
Up to 2 years (inclusive)	-
Over 2 to 3 years (inclusive)	10%
Over 3 to 4 years (inclusive)	20%
Over 4 to 5 years (inclusive)	30%
Over 5 to 6 years (inclusive)	40%
Over 6 to 7 years (inclusive)	45%
Over 7 to 8 years (inclusive)	50%
Over 8 to 10 years (inclusive)	55%
Over 10 years	60%

3. If during the vehicle operation period any parts were replaced the value of which was substantiated by original bills, the wear and tear shall be established on an individual basis with the period of their use being taken into account.

§ 41

1. If the service option is adopted in the insurance contract (without reduction of indemnity by the amount corresponding to the value of the wear and tear of parts qualified for replacement (depreciation taken out)), the amount of loss shall be determined on the basis of the costs and manner of vehicle repair agreed upon with the Insurer in advance by a repair garage conducting such repair on the basis of:

- 1) the labour time standards for repairs set by the vehicle manufacturer included in the Audatex system;
- 2) the average rate for 1 man-hour adequate for the repair garage;
- 3) prices of the vehicle manufacturer's parts and materials included in the Audatex system, not higher than average prices recommended by vehicle manufacturers or official importers to be applied by their service chains, subject to the provisions of item 2.

2. Upon the Policyholder's request, notwithstanding that fact that the service option has been adopted in the insurance contract, the Insurer may establish the amount of loss on a cost-estimate basis, subject to the provisions of item 3.

3. Should the total vehicle repair cost exceed the amount established on a cost-estimate basis, in order that such cost should be taken into account when establishing the amount of loss (including VAT) the Policyholder shall be required to submit all original invoices relating to the labour, replacement parts and materials (including paints).

4. Should invoices be submitted to substantiate a vehicle repair made without prior agreement with the Insurer, the costs of such repair shall be subject to verification to meet the average price level of repair services applied in a given area, and the prices of replacement parts and materials (including paints) shall be verified to meet, without exceeding, the rates included in the Audatex system less the wear and tear referred to under § 40 item 2.

§ 42

1. Should the entire body or cab of the vehicle be replaced, the amount of loss shall be established on the basis of the price of a new vehicle unit or part mentioned above less the depreciation calculated according to the 10% rate per each year based on the vehicle wear and tear degree, 80 % at a maximum.
2. Each month shall correspond to 1/12 of the annual rate; any started month shall be deemed a full month.
3. The vehicle body shall also mean the driver's cab including the vehicle cargo or passenger section, and also the body of a caravan.
4. Should tyres, battery and exhaust system elements be replaced the amount of loss shall be established on the basis of the price of a new element less the wear and tear as described in the inspection report.
5. Should earlier defects or repairs diminishing the value be detected in the elements qualified for replacement the Insurer shall apply a reduction due to the technical wear and tear irrespective of the market reduction in the value of parts.

§ 43

1. The amount of loss in the vehicle additional equipment shall be established on the basis of retail prices of articles of the same or similar kind and quality less the wear and tear by the date of loss or on the basis of repair costs; the amount of such costs should be substantiated by a bill issued by the repairer or a calculation made by the injured party who repaired the damage on his/her own.
2. In respect of "audio" equipment installed on a permanent basis and equipped with removable elements – removable front panels, indemnity shall be paid provided that the removable part is returned.

§ 44

Prior to establishing the amount of loss the Insurer reserves the right to verify the consistency of the repair with the scope and classification stated in the inspection report.

§ 45

1. The amount of total loss shall be reduced by the salvage value, i.e. undamaged or slightly damaged vehicle parts or units representing utility and marketable value, and the value of the entire damaged vehicle which can be subject of further use or sale.
2. Should the Insurer consent that the ownership title be transferred to the Insurer, the indemnity amount shall not be reduced.
3. The salvage value shall be established on the basis of current prices (market quotations) subject to the degree of wear and tear.

§ 46

1. The indemnity shall be fixed in an amount corresponding to the amount of loss within the limits of the sum insured, subject to the provisions of items 2-3 and § 49.
2. Should the contract provide for a self-insured retention, the indemnity paid shall be reduced by the amount of such self-insured retention specified in the insurance contract.
3. Should the sum insured be fixed in the amount corresponding to the vehicle value less VAT, the indemnity shall be fixed exclusive of VAT, subject to the provisions of § 20.

§ 47

1. Notwithstanding the indemnity established according to the rules defined under §§ 38-46, the Insured shall be entitled to reimbursement for the costs incurred in respect of:

- 1) parking after the occurrence of loss until inspection is made by the Insurer;
 - 2) transport (towing) of the vehicle from the accident site to the place of domicile (business) or repair, however up to a sum not exceeding PLN 2,000 in respect of vehicles other than those mentioned under § 3 item 15) (not covered under the "HESTIA CAR ASSISTANCE" insurance of costs of providing immediate assistance);
 - 3) activities undertaken to prevent escalation of loss;
2. The total amount of costs mentioned under item 1 may not exceed 10% of the sum insured stated in the contract.

PAYMENT OF INDEMNITY (BENEFIT)

§ 48

1. Indemnity shall be paid to the vehicle owner or a person authorised by the vehicle owner.
2. Indemnity for loss in respect of a vehicle which is a part of the estate shall be paid to the heirs.
3. Payment of indemnity for a lost vehicle shall be made subject to the ownership title to the vehicle being transferred to the Insurer.
4. Should the vehicle or a part thereof be recovered, the Insurer, upon the Insured's request, may transfer the ownership title to the vehicle to the Insured provided that the full amount of the received indemnity or a portion thereof is returned.

§ 49

1. Should the sum insured declared by the Policyholder in the proposal for insurance and stated in the insurance contract be lower than the vehicle market value at the date of loss, the indemnity established according to the rules specified under §§ 38-46 shall be paid in such proportion as the sum insured bears to the vehicle market value.
2. The provisions of item 1 shall not apply in the event of total losses resulting from vehicle theft, in case of total losses where there is no salvage after loss and if the sum insured is fixed in accordance with the provisions of § 19 items 1 & 2.

§ 50

1. The Insurer shall pay indemnity following acknowledgement of the claim as a result of the Insurer's findings in the proceedings aimed at establishing the facts of the case related to the occurrence of loss, the validity of claims and the amount of indemnity, within 30 days from the date of having been notified of the incident.
2. Should it be impossible to find out all the circumstances or determine the indemnity amount within the time period defined under item 1, the indemnity should be paid within 14 days from the date when it was possible, with due diligence shown, to find out such circumstances.
3. Should the Insurer not pay indemnity within the time periods defined in the insurance contract, the Insurer shall notify the claimant in writing of the reasons why it is impossible to satisfy the claims fully or partially, nevertheless the unquestionable indemnity portion shall be paid within the time periods defined under items 1 or 2.
4. Should indemnity be not due or due in an amount different than the amount specified in the filed claim, the Insurer shall notify the claimant thereof in writing showing the circumstances and the legal basis for the refusal to pay the full indemnity or a portion thereof including instructions of the possibility of pursuing claims in court.
5. Premium instalments shall become due upon payment of indemnity and the Insurer shall deduct the amount of instalments due from the indemnity.

6. Unless agreed otherwise the sum paid by the Insurer may not be higher than the loss incurred.

§ 51

Should the same vehicle be insured against the same risk with several insurers for sums insured the total of which exceeds its insurance value, each of the insurers shall be liable up to the loss amount in such proportion as the accepted sum insured bears to the total sums insured under double or multiple insurance.

§ 52

Should the person entitled to file a claim not agree with the Insurer's decision as to the refusal to satisfy the claim or the amount of indemnity he/she may, within 30 days from the date of having been notified thereof, submit a request in writing that the case be reviewed by the Insurer's Management Board.

§ 53

Under the HESTIA CAR ASSISTANCE insurance of costs of providing immediate assistance the Insurer shall arrange assistance defined under these General Terms and Conditions of Insurance only and the Insured shall not be paid any indemnity in cash, subject to the provisions of § 54.

§ 54

Should the Insured incur the costs of towing referred to under § 15 item 2) on his/her own the Insurer shall reimburse him/her for such costs on the basis of original bills or invoices related to the costs incurred by the Insured up to the amount of:

- 1) PLN 120 (net) – if the towing takes place within 25 km from the site of occurrence;
- 2) PLN 2.30 (net) per 1 km and PLN 40 (net) for loading and unloading of the vehicle – if the towing takes place more than 25 km from the site of occurrence.

SUBROGATION

§ 55

1. As of the date of indemnity (benefit) payment the Insured's claim against the third party responsible for the loss shall be transferred to the Insurer up to the amount of the indemnity paid.
2. The claim referred to under item 1 shall not be transferred to the Insurer if the loss was caused by a person with whom the Insured shares a household or for whom the Insured is responsible unless such person caused the loss wilfully.
3. The Insured shall be obliged to provide the Insurer with all information and documents required for effective assertion of the Insurer's rights defined under item 1.
4. Should the Insured waive his/her rights against third parties on account of losses without the Insurer's consent the Insurer may refuse to pay the full indemnity or a portion thereof, and if the indemnity has already been paid the Insurer may demand that it should be returned.

INSURANCE CONTRACT TERMINATION

§ 56

1. Should the insurance contract be underwritten for a period exceeding 6 months, the Policyholder shall have the right to cancel the contract within 30 days, and if the Policyholder is an entrepreneur, within 7 days; the contract cancellation shall not exempt the Policyholder from the obligation to pay the premium for the period in which the Insurer provided insurance coverage.

2. The premium for the unused period of insurance shall be refunded subject to the deduction of administrative expenses of 20 % of the premium to be refunded.

3. Unless agreed otherwise, the premium shall be refunded upon the Policyholder's request and when the original policy has been provided. Should the vehicle be sold, the request for premium refund shall additionally require substantiation that ownership title to the vehicle has been transferred.

§ 57

1. Either party may terminate the insurance contract within one month from the date of indemnity payment or the date of serving the notice of refusal to pay indemnity by giving one month's notice of termination.
2. Should the contract be terminated by the Policyholder the provisions of § 56 item 2 & 3 shall apply accordingly.
3. Should the contract be terminated or cancelled, the premium for the unused period of insurance shall be refunded provided that no loss has occurred in the insurance period for which the Insurer has paid or is obliged to pay indemnity.

§ 58

1. Should the ownership title to the insured vehicle be transferred to another person or should the vehicle be deregistered, the insurance contract shall terminate; the provisions of § 56 items 2 & 3 shall apply accordingly.
2. The premium for the unused period of insurance shall not be refunded if a covered loss had occurred in the period preceding the vehicle deregistration or sale for which the Insurer has paid or shall be obliged to pay indemnity.
3. The unused period of insurance shall run from the day following the insurance termination date.
4. Should a newly-purchased vehicle be insured, the provisions of § 56 item 2 shall not apply to the previously insured vehicle that is being sold.
5. In the event of a total loss the insurance contract to the extent applying to such vehicle shall terminate as from the date of indemnity payment, provided that the collected premium shall not be refunded.

§ 59

1. Should any circumstance be revealed which entails increasing the probability of an incident, the Insurer may increase the premium accordingly, to commence from the time when such circumstance occurred, not earlier however than from the beginning of the current insurance period. In such event the Insurer shall request the Policyholder to pay an increased premium and the Policyholder may cancel the contract within 14 days from the date of receiving such request. If the circumstance was revealed after the incident had taken place, the Insurer may reduce the indemnity accordingly.
2. Should the revealed circumstance entail increasing the probability of an incident to such an extent that the Insurer would not have underwritten the contract if he had known about such circumstance, the Insurer may cancel the contract within one month from the date of the said circumstance having been revealed. Should the contract be cancelled the Insurer shall be entitled to receive the premium only for the period when the insurance was in force. If the circumstance was revealed after an incident had taken place or during the last month before the incident, and the incident was caused entirely by the revealed circumstance, the Insurer may refuse to pay indemnity.

FINAL PROVISIONS

§ 60

1. All notices and statements addressed to the Insurer should be submitted in writing against receipt or sent by registered mail.
2. Should the Policyholder change the address without having notified the Insurer thereof the Insurer's letter addressed to the Policyholder's last known address shall be legally effective from the time it would have been served if the Policyholder had not changed the address.

§ 61

1. Any complaints filed by the Insured being a natural person shall be processed immediately by the Insurer's Management Board or an authorized employee after having been sent in writing to the address of the Insurer's office.
2. The complaints referred to under item 1 having been processed the Insurer's decision shall be immediately sent to the Insured to the address specified in the complaint.

§ 62

In matters not governed under these General Terms and Conditions of Insurance the provisions of the Polish Insurance Activity Act and the Polish Civil Code shall apply.

§ 63

1. Any disputes arising from this insurance contract may be settled before courts of general jurisdiction or before a court competent for the place of domicile or registered office of the Policyholder, the Insured or the beneficiary under the insurance contract.
2. The parties to the insurance contract may submit the disputes arising out of that contract to a court of arbitration.

§ 64

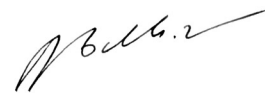
These General Terms and Conditions of Insurance shall become effective as from 1 October, 2004.

President of the Board

Member of the Board



Piotr Maria Śliwicki



Piotr Podleśny