

Own Damage Conditions HU 1114-ENG

Terms in these Own Damage Conditions shall have the meaning as defined in the General Contractual Conditions of the Insurer, if not explicitly stated otherwise herein.

14. COVER

The insurance covers the insured (contracting party) in the event of accidental damage to the insured vehicle, its parts or accessories attached to the vehicle at the time of manufacture as a consequence of events defined in these Insurance Terms and Conditions and the General Contractual Terms and Conditions of the Insurer in the currency constituting the official means of payment of the Republic of Hungary.

The Insurer will indemnify the insured (contracting party), if during the Period of Insurance, while located within the Territorial Limits, the Insured Vehicle its parts or accessories suffers damage or loss as a result of:

14.1 Fire

Fire, explosion, self-ignition, short circuit and lightning strike;

14.2 Windscreen breakage

Accidental damage to the windscreen or windows of the Insured Vehicle;

14.3 Theft

Theft of the Insured Vehicle or the attempt thereof, including damage caused by the perpetrator in the event of the theft or attempted theft to the Insured Vehicle, other than in respect of theft or attempted theft perpetrated by the Lessee or the Lessee's driver(s) of the Insured Vehicle, and subject to the following:

- 14.3.1 the vehicle is considered appropriately locked when it complies with the following requirements at the time of the theft loss; 14.3.2 the locks and lock cylinders were in properly serviceable state, their technical condition did not enable operation by a false key or an occasional tool;
- 14.3.3 the additional property protection equipment (i.e. immobilizer) built in by the manufacturer or installed subsequently and subject to insurance cover by the Insurer was operational at the time of the theft loss and was put in ready state for the protection of the vehicle;
- 14.3.4 the key for the vehicle and/or the registration certificate was in the vehicle at the time of the theft. The indemnity amount payable by the Insurer will be decreased by 30% if the registration book of the vehicle was in the vehicle at the time of theft.

14.4 Storm damage

Falling objects on, or the blowing over of, the Insured Vehicle as a result of a storm (which is understood to mean a wind speed of at least 14 meters per second);

14.5 Natural disaster

Hail, flooding (which is understood to mean also the collapse or overflowing of dykes, quays, locks or other water damming measures), tsunami, inundation, volcanic eruption, earthquake, mud slide, collapse, avalanche, falling rocks;

14.6 Riots

Riots (which is understood to mean incidental manifestations of violence aimed at the public authorities);

14.7 Animals

Collisions with birds, untethered animals or deer crossing, to the extent only of damage caused directly by the collision;

14.8 Aeroplanes

The falling of aeroplanes or parts thereof, as well as the falling of objects from an aeroplane;

14.9 Collision

Collision, rolling over, skidding, leaving the road or landing in water;

14.10 Other occurrences

Any other sudden, unforeseen, unintended and unexpected external occurrences affecting the Insured Vehicle;
the Insurer will, at its option:

- a) repair the Insured Vehicle, or;
- b) pay the Policyholder or the Insured the reasonable cost to repair the Insured Vehicle to its condition before it was damaged, or;
- c) if the Insured Vehicle is a Total Loss, pay the market Value of the Insured Vehicle;
- d) pay for the reasonable cost of protection and removal of the Insured Vehicle to the nearest suitable LeasePlan approved body repair shop.

15. EXCLUSIONS

The insurance provided under Section 14 does not cover any loss or damage arising from, caused by or involving:

15.1 Unlicensed Driver

Being driven by any person who was not licensed to drive the Insured Vehicle;

15.2 Declined Driver

Being driven by a person recorded in the current Insurance Contract as a Declined Driver;

15.3 Driver under the Influence

Being driven by any person:

- a. under the influence of any drug, alcohol or any other intoxicating substance; or
- b. who, as a result of the accident, is convicted of driving under the influence of any drug, alcohol or any other intoxicating substance; or
- c. who refused to submit to any test to determine the level of alcohol or drugs in the blood when reasonably requested by the police.

15.4 Overloaded Vehicle

Being used to:

- a. carry a number of passengers; or
- b. carry or tow a load,

greater than that for which the Insured Vehicle was constructed;

15.5 Unsafe / Unroadworthy Vehicle

Being used in an unsafe or unroadworthy condition.

The vehicle is deemed to be in an unsafe and / or unroadworthy condition if any of the following apply:

- a) Wear of the components impeding the normal use of the steering and / or breaking system
- b) Lack of maintenance resulting in the malfunctioning of these systems,
- c) The poor technical condition or wear of the tyres that is below legally permitted levels,
- d) The use of tyres that are inappropriate to the particular road conditions
- e) driving a vehicle without a valid traffic permit or technical inspection - if the vehicle is subject to periodic technical inspections.

This exclusion will not apply if the technical condition of the vehicle had no influence on the occurrence of the loss event.

15.6 Motor Sports Events

Being used in connection with any motor sport, race, time trial or was being tested in preparation for any motor sport, race or time trial;

15.7 Motor Vehicle Tests or Experiments

Being used in connection with the motor trade for experiments, tests, trials or demonstration purposes;

15.8 Deliberate, Intentional, Malicious or criminal Act:

A deliberate, intentional, malicious or criminal act including theft, conversion or misappropriation by the Insured or the Lessee or driver(s) of the Lessee or any person who is acting with the express or implied consent of the Insured or the Lessee or driver(s) of the Lessee;

15.9 War

Any war, hostilities or warlike operations whether war be declared or not, rebellion, civil war, revolution, insurrection, military or usurped power, invasion, acts of foreign enemy or popular or military rising;

15.10 Terrorism

In countries where a market solution or pool for terrorism risks exists, this insurance does not cover any loss which is able to be ceded to such a pool. For the purposes of this insurance, terrorism means an act or threat of violence or an act harmful to human life, tangible or intangible property or infrastructure with the intention of effect of influencing any government or of putting the public or any section of the public in fear;

15.11 Nuclear

Ionising radiation or radioactive contamination from nuclear fuel, nuclear waste, or any risk from nuclear combustion or equipment;

15.12 Wear & Tear (Depreciation)

Wear and tear, rust, corrosion or depreciation;

15.13 Breakdown

Mechanical, structural, electrical or computer failures, malfunctions or non-performance;

15.14 Tyres

Damage to tyres caused by application of the brakes or by road punctures, cuts or bursts;

15.15 Lawful Seizure

The lawful seizure of the Insured Vehicle;

15.16 Safeguarding Insured Vehicle

Loss of or damage to the Insured Vehicle after an accident, theft or breakdown unless the Insured has taken reasonable steps to protect or safeguard the Insured Vehicle;

15.17 Personal Effects

Loss of or damage to personal property belonging to or in the custody of the Insured or the Lessee or driver(s) of the Lessee;

15.18 Modifications

The cost of repairing or replacing vehicle modifications, provisions or accessories which are not within the definition of Insured Accessories and Other Provisions;

15.19 Chemical Substances

Loss of or damage to the interior and/or exterior of the Insured Vehicle as a consequence of exposure to chemical substances;

15.20 Old Damage

The costs of repairing pre-existing damage, or the costs of fixing faulty repairs, which were undertaken prior to the commencement of this insurance;

15.21 Obsolete Spare Parts

Any amount in excess of the price shown in the manufacturer's most recent spare parts price list at the date of the loss or damage where that part is unobtainable or obsolete in pattern;

15.22 Sound Reproducing Equipment and Communications Equipment

Loss of or damage to tapes, cassettes, compact discs, MP3 players and accessories, visual and sound reproducing equipment, DVD players, telephones, radar detection equipment, satellite navigation equipment or other communications equipment not coming within the definition of Insured Accessories and Other Provisions;

15.23 Wilful intent and/or gross negligence

The cover provided hereunder shall exclude the loss of a vehicle or damage to a vehicle caused intentionally, as a result of the Policyholder's and/or Authorised Driver's gross negligence, or where the driver fled from the scene of the accident.

Gross negligence includes, but is not limited to:

- a) exceeding the speed limit in force on the particular section of road
- b) the use of a hand held mobile phone by the driver, without the use of the vehicles speakers or a built in hands free device

- c) driving while doors and/or covers of the Insured Vehicle are open or not properly closed;
- d) driving through or under doors, gates, bridges, trees and any other obstacles of clearance smaller, than the outline of the vehicle, including all its' elements like mirrors, aerial, roof boxes and racks with any items carried on it.
- e) not adequately securing the Insured Vehicle from moving, while stopped and/or parked on a sloping surface

15.24 Embezzlement

The cover provided hereunder shall exclude the loss of a vehicle or damage caused, as a result of any act of embezzlement.

16. DAMAGE PREVENTION

The insured contracting party will take all necessary measures in order to prevent and reduce damages to the insured vehicle. The insured (contracting party) will ensure the following:

- 16.1** The insured or contracting party shall have the locks (ignition/door/storage) immediately changed or repaired due to theft, ravishment or attempted theft thereof or if any of the locks become inoperable for any other reason;
- 16.2** The insured (contracting party) will ensure the vehicle is appropriately protected until its repair;
- 16.3** The insured (contracting party) will ensure the alarm or anti theft device fitted during or post manufacturing is operable at all times;
- 16.4** The insured (contracting party) shall have damage to the windscreen or window that will result in the vehicle becoming unprotected against illegal entrance immediately repaired;
- 16.5** If to the knowledge of the insured's (contracting party) driver(s), the keys or other device which unlocks the Insured Vehicle have been lost and/or stolen and/or damaged and/or become inoperable for any other reason (e.g. wear & tear), the Insured shall procure that all locks for the ignition lock and the lock used for storing the vehicle are immediately replaced.
- 16.6** The Insurer shall bear 50% of the costs of repair justified and confirmed by invoice if the exchanged elements are submitted and the repaired motor vehicle is presented;
- 16.7** If the damage of the lock is qualified as an insurance occurrence pursuant to the basic comprehensive physical damage contract, the Insurer will reimburse 50% of the costs of damage prevention in addition to the costs of restoration pursuant to the contract – that emerged in connection with such damage.

17. INSURANCE SERVICES

A) Services

In the event of an insured loss, the basis of settlement at the time of loss is determined as follows:

- A1.** The basis of stating the Market Value at the time of loss is the list price in the domestic Eurotax catalogue, valid on the day of the occurrence. In failure to obtain domestic comparison data, the value shall be defined based on the German Eurotax catalogue. The settlement amount payable shall not be higher than 115% of the catalogue list price;
- A2.** The settlement based on the market value of the insured motor vehicle shall only be valid in the event;
 - A.2.1** the insured vehicle was stolen and not traced;
 - A.2.2** the expected cost of restoration of the damaged (motor) vehicle that shall be reimbursed pursuant to the insurance contract exceeds 80% of the market value at the time of loss. If the expected cost remains under the limit of 80%, then the Insurer will reimburse the value or restore the damaged vehicle;
 - A.2.2** The Insurer will reimburse the repair labour costs at the average level in Hungary.
- B.** For a period of 3 years calculated from the first registration of the vehicle at new (if the date is not available, from the last day of the year of production, as indicated in the traffic license) the Insurer will not deduct value increase from the price of new parts and accessories installed during restoration;
- C.** After reaching the vehicle age defined in the previous clause B, until the expiry of the manufacturer's rust through warranty, but for a period of 6 years from the last day of the year of production at most, as indicated in the traffic license of the vehicle, value increase will only be deducted from the costs of restoration in the following cases;
 - C1** Of the price of parts normally exposed to wear or to be replaced by necessity for the operation of the vehicle (for example tyres, elements of exhaust pipe system, battery);
 - C2** Of the price of parts and accessories of electronic sound systems and navigation systems;
- D.** After the expiry of the term indicated in clause C and regardless of the age of the vehicle. When parts or accessories, damaged before the occurrence of an insured damage or loss and left unrepaired or repaired improperly have to be replaced, the Insurer will be entitled to deduct value increase from the price of every new part or accessory;
- E.** If the damaged but repairable part or accessory was replaced by a new one during restoration, the Insurer will not be liable for the additional costs;

- F.** If the reimbursement provided by the Insurer is deducted by the selling value of the parts remaining with the insured (wreckage, used component, etc.), the Insurer shall not be liable to salvage the remaining parts;
- G.** The Insurer will reimburse the delivery costs that are associated with recovering the insured motor vehicle;
- H.** The service provided by the Insurer shall not cover:
- Depreciation to the insured vehicle;
 - The costs of registration for traffic;
 - The costs of examination of the damaged vehicle before deemed roadworthy;
 - Supplementary damages due to the down time of the insured vehicle;
 - Delivery or other supplementary costs associated with obtaining the part or accessory;
 - The costs of a replacement vehicle or any costs associated with purchasing a new vehicle;
 - Fuel, lubricants, additives aimed at increasing performance and decreasing wear;
 - VAT included in the price for parts or accessories if the insured is entitled to deduct or reclaim the VAT;
 - Other tax liabilities levied on the insured (contracting party) concerning the insured loss;
 - that part of public dues included in the value, as of the date of loss, of the vehicle – owned by a foreign party – which was stolen or cannot be restored, owing to lapse of interest caused by an insured loss, if the dues did not have to be paid owing to a release granted to the insured person.

18. DEDUCTIBLE

When the Insurer provides a service in the event of an occurrence, the insured person (contracting party) will be liable for the part of the loss defined in the contract per loss, under the title of deductible.

19. REQUIREMENT OF THE INSURED AND THE INSURERS CONTROL RIGHT IN THE EVENT OF AN OCCURANCE

A) The insured's liabilities

The insured contracting party will notify the Insurer upon the occurrence of damage to the insured motor vehicle within two working days. In the case of fire, explosion, theft or attempted theft thereof, the insured (contracting party) shall inform the relevant fire authority or police immediately.

A resolution made in a penal procedure does not certify the occurrence of the insured loss in itself, therefore at the demand of the Insurer the insured person shall give all further necessary information and enable a possible control of the contents of the report and the information.

b) When the loss claim is insured, the following items must be presented or submitted to the Insurer:

- the legally binding resolution or sentence in the case of misdemeanour or penal procedures;
- the certificate of the acting fire department or the resolution of the competent local government notary in the case of fire or explosion losses;
- a copy of the theft claim submitted to the police and the resolution suspending investigation in the case of theft loss;
- the traffic license – and the ownership certificate at the separate request of the Insurer – even if the competent agency has invalidated these concerning the insured loss. If the ownership certificate is in the possession of a third party legitimately (for example, owing to credit or leasing), a copy of the ownership certificate certified by the third party may be also be submitted for loss settlement;
- if there is a service claim aimed at supplementary property protection equipment installed in the vehicle subsequently – and covered by the insurance -, the documents certifying the make, type and installation of the equipment, unless copies of these documents were delivered to the Insurer when cover was provided to the vehicle. In the case of continuously operated remote surveillance, the validity of the contract concluded with the remote surveillance service provider shall also be certified;
- all other documents, notes and certificates that are necessary to determine all circumstances related to the occurrence of the insured loss and the definition of the measure of the payment obligation of the Insurer;

c) If the vehicle was stolen, in addition to the above, the deregistration of the vehicle shall also be certified. If the traffic license and the ownership certificate are withdrawn, the certified copies of these issued by the competent administrative agency shall be presented, furthermore, upon reporting the loss the accessories necessary for opening and starting the vehicle shall be delivered to the Insurer (keys, ignition cards, tools necessary for the operation of the alarm or anti-theft equipment, etc.).

d) Until the time of the loss adjustment, but until the end of the fifth days following the report at the latest, the insured person shall keep the damaged vehicle in an unchanged state, he may only modify the state of the vehicle if it is necessary for loss mitigation, furthermore, he shall mitigate the loss in the way expected from him and implement the instructions of the Insurer to mitigate the loss. The obligation of the Insurer to fulfil shall not apply if the insured person does not fulfil his obligations specified in the above paragraph, if he withholds or misrepresents significant facts, data and circumstances, and material circumstances become undetectable as a result.

20. PROVIDING THE INSURANCE SERVICE

- 20.1** In the event of an insured loss the Insurer shall provide the service within 15 days on first notification of the claim;
- 20.2** If documentation relating to the insured loss is required from the insured (contracting party), the 15-day fulfilment deadline shall commence on the day of receipt of the requested documentation;
- 20.3** In the event of a total loss in which the vehicle is not traced – the indemnity shall be payable on the 60th day from the date of loss, provided that confirmation terminating the investigation is received by the Insurer from the police. In such a case, the 15-day fulfilment deadline shall be calculated from this 60th day. If the investigation is ongoing, the insured (contracting party) shall be entitled to claim 80% of the expected loss from the Insurer.
- 20.4** If the stolen (motor) vehicle, component or accessories thereof are traced after the settlement of the claim or the Insurer had paid 80% of the initial claim, the insured (contracting party) must inform the Insurer immediately;
- 20.5** If the insured requests the traced (motor) vehicle, components and accessories thereof, the insured shall return to the Insurer the amount paid in settlement of the claim within 15 days from informing the Insurer.

21. THE SUBROGATION RIGHT OF THE INSURER

If the Insurer provided services pursuant to the contract, the Insurer will be entitled to those rights that the insured person (contracting party) had against the person responsible for the loss;