

**GENERAL TERMS AND CONDITIONS OF MOTOR OWN DAMAGE INSURANCE  
FOR INDIVIDUAL CUSTOMER OR SMALL OR MEDIUM ENTREPRENEUR**

adopted with the Resolution of the Management Board

of Powszechny Zakład Ubezpieczeń SA no. UZ/43/2009

dated February 9, 2009

**Chapter I. General provisions**

- §1. The general terms and conditions (further referred to as the General Conditions) for the Motor Own Damage insurance (further referred to as "Own Damage Insurance") for the individual customers or small and medium-sized entrepreneurs are applied to insurance contracts concluded by the Powszechny Zakład Ubezpieczeń Spółka Akcyjna (hereinafter referred to as PZU SA), with individuals, legal persons or organizational entities with no legal personality, possessing less than 20 vehicles which can be the subject of insurance pursuant to these General Conditions.
- § 2.1 Additional provisions, or provisions different from those set forth in the General Conditions, may be introduced to the insurance contract, subject to agreement with the Policyholder.
2. PZU SA is obliged to present to the Policyholder the differences between the provisions of the insurance contract and the General Conditions in written form before concluding the insurance contract. In case where PZU SA does not comply with that obligation, it cannot quote the difference unfavorable for the Policyholder or the Insured. This provision does not apply to insurance contracts concluded by way of negotiations.
- § 3. For matters not regulated by these General Conditions, the relevant provisions of the Civil Code and other provisions of the Polish law shall apply.

**Definitions of terms**

- § 4. The terms used in the General Conditions shall have the meaning specified below:
- 1) **organizational unit of PZU SA handling the loss** – an organizational unit of PZU SA appropriate for the location of residence or registered seat of the Policyholder or the Insured, unless these persons designate other reasonably justified location for the handling of the claim;
  - 2) **individual customer** – a natural person not conducting business activity, or an individual conducting business activity and insuring vehicles which are not used for business activity;
  - 3) **theft** – taking for the purpose of appropriation of the vehicle, its parts or equipment by a person not authorized to use the vehicle;
  - 4) **small or medium-sized entrepreneur** – owner of less than 20 vehicles, who is:
    - a) a legal person,
    - b) an organizational unit that is not a legal person,
    - c) an individual conducting business activity and insuring vehicles which are not used for business activity;
  - 5) **indemnity** – a financial benefit which the Insured or another beneficiary is entitled to receive from PZU SA in the case of the insurance event, determined according to rules set forth in the General Conditions and the insurance contract;
  - 6) **vehicle's period of usage** – the time from the vehicle's first registration date in the year of its production to the first day of the insurance period, and if:
    - a) the date of the first registration occurred in a year other than the production year, the period of usage is calculated starting from 31st December of the vehicle's production year,
    - b) the date of the first registration is not known, the period of usage is calculated starting from 31st May of the vehicle's production year,

for the purpose of determining the amount of indemnity, the vehicle's period of usage is calculated until the date of the insurance accident;

- 7) **person authorized to use the vehicle:**
  - a) person using the vehicle pursuant to a leasing contract, as a lessee or borrower who uses the vehicle under condition of transfer of ownership to the bank, or
  - b) a person other than specified under sub-item a above, who actually holds the insured vehicle upon approval of its owner, specifically on the basis of contracts of lending for use, storage, consignment, or under employment relationship, or
  - c) a person who actually holds the insured vehicle upon approval of the person described in sub-item a or b, or
  - d) a person whom the person described in sub-items a, b or c allowed, as courtesy, for a single, short-term use of the insured vehicle;
- 8) **insurance policy** – a document confirming the conclusion of insurance contract;
- 9) **locked premises** – premises permanently locked with at least one certified multi-strike lock, or one certified multi-strike padlock; or locked premises equipped with a certified electric locking system, not designated for the storage of vehicles owned by various persons;
- 10) **misappropriation** – unlawful inclusion of the vehicle into one's assets, or execution of the owner's powers in another manner by a person authorized to use the vehicle;
- 11) **sum insured** – the amount constituting the upper limit of PZU SA's liability for all losses arising during the insurance period; subject to provisions of § 13 the sum insured should correspond to the vehicle's value as at the date of concluding the insurance contract;
- 12) **premium** – remuneration due to PZU SA for the provided insurance coverage;
- 13) **total loss** – damage to a vehicle of a such extent that the costs of repair determined according to the rules set forth in § 21 section 8 item 3, exceed 70% of the vehicle's value;
- 14) **maintenance loss** – loss arising as a result of wear and tear of the vehicle, its parts or equipment; as well as loss whose repair is the obligation of a specific entity under guarantee/warranty pertaining to the faults of the vehicle, its parts or equipment, or to faults in the repair of the vehicle, its part or equipment;
- 15) **Policyholder** – the person concluding the insurance contract with PZU SA (the vehicle's owner concluding the insurance contract for own benefit, or another person concluding the insurance contract for the owner's benefit);
- 16) **Insured** – owner of the vehicle;
- 17) **deductible** – an amount specified under the General Conditions or in the insurance contract, expressed as percentage of the sum insured or of the indemnity, reducing the indemnity which constitutes own risk of the Policyholder; in the case of deductible expressed as percentage of the indemnity, the basis to calculate the deductible is the amount of indemnity before being reduced by the deductible; in the case of converging deductibles under various titles, the indemnity is reduced by each deductible calculated according to the above rules;
- 18) **additional contract** – insurance contract which introduces provisions additional or different from those specified in the current insurance contract, concluded for a period ending on the last day of the insurance period set under the current insurance contract;
- 19) **anti-theft device** – a device or system of devices used to protect the vehicle against theft, required by PZU SA to conclude the insurance contract and listed in the insurance application;
- 20) **value of the vehicle** – value of the vehicle determined by PZU SA on the basis of market prices of the vehicle of the given brand and type, current at the date of establishing this value, taking into account its production year, usage period, equipment, mileage and technical condition; quotations which are the basis to determine the vehicle's value are contained in the price catalogue named in the

insurance application; if there are no market quotations for the given vehicle, its value is determined according to an individual appraisal method;  
in the case of a brand-new vehicle, whose purchase is confirmed with a purchase invoice, the value of the vehicle for the purpose of the given insurance contract shall not change within 6 months of the invoice's issue date, provided that the following conditions are fulfilled simultaneously:

- a) the vehicle's mileage did not exceed 10,000 kilometers,
- b) the vehicle was not damaged,
- c) the vehicle has not changed its owner,
- d) in sales points located in the territory of the Republic of Poland, authorized by the producer, the sales price was not reduced for brand new vehicles with the same technical parameters and equipment as the vehicle which is the subject of insurance;

the **gross vehicle value** is defined as its value including the VAT paid at its purchase, calculated according to the rate applied to this type of vehicles; the **net vehicle value** is the vehicle value not including the VAT calculated according to the rate applied to this type of vehicles;

- 21) **age of the insured or of the person authorized to use the vehicle** – the difference of years between the calendar year in which the first day of the insurance period falls, and the year of birth of the insured or the person authorized to use the vehicle;
- 22) **burglary** – overcoming a vehicle's security devices provided in its construction, or of the anti-theft device by a person unauthorized to use this vehicle, in order to enter the vehicle's interior, without willful taking of the vehicle for short-term use, theft of the vehicle, its parts or equipment;
- 23) **application** – application to conclude insurance contract – document setting the conditions for conclusion of the insurance contract, constituting integral part of the insurance contract;
- 24) **insurance accident** – an event covered by the scope of insurance defined in the General Conditions and the insurance contract;
- 25) **vehicle's equipment** – the equipment and devices for vehicle's maintenance, used according to their and the vehicle's destination, as well as for driving safety and protection against theft.

## **Chapter II. Subject of insurance**

§ 5.1 The subject of insurance shall be vehicles, including their equipment defined in the insurance application:

- 1) registered in the Republic of Poland pursuant to the regulations of Traffic Act;
  - 2) not registered, but subject to registration in the Republic of Poland pursuant to the regulations of Traffic Act, in case where the Policyholder has a permanent place of residence or business seat in the Republic of Poland;
  - 3) registered in another state, in which PZU SA conducts insurance business, under the condition that the law of this state allows to select the Polish law as the law appropriate for the insurance contract;
  - 4) registered in another member country of the European Union, in which PZU SA does not conduct insurance business, and purchased in that country if they are meant to be registered in the Republic of Poland, with the reservation that the insurance period in this case may not exceed 30 days from the date when its buyer assumed possession of the vehicle;
  - 5) other vehicles propelled with an engine installed in the vehicle, powered by its own energy source,
  - 6) trolley buses.
2. Subject to agreement with the Policyholder, the insurance may cover vehicles other than listed in section 1, with the exception of rail vehicles.

## Chapter III. Scope of insurance

### Basic scope

- § 6.1. Subject to provisions of § 8, insurance coverage may extend to losses to vehicle or its equipment, entailing:
- 1) damage of the vehicle under traffic and parking, due to:
    - a) abrupt action of a mechanical force when the vehicle collides with another vehicle, persons, animals or objects outside the vehicle,
    - b) action of third parties, including burglary;
  - 2) damage or loss of the vehicle due to the following fortuitous events:
    - a) flood, flooding, thunderbolt, fire, explosion, atmospheric precipitation, hurricane, landslide or subsidence of soil,
    - b) sudden action of a thermal or chemical agent, coming from outside of the vehicle;
  - 3) damage of the interior of the vehicle by persons whose transportation was due to the need of providing them medical help;
  - 4) theft of the vehicle, its parts or equipment;
  - 5) damage of the vehicle as the result of its willful taking for short-term use, theft of the vehicle, its parts or equipment.
2. Under the insurance contract, the following deductibles are applied:
- 1) in the amount of 25% of the indemnity – in case where, at the time of the event, the driver of the insured vehicle exceeded the legal speed limit by 30 km/h or more;
  - 2) 20% of the damage value in the case of second damage to the same vehicle within the 12 months preceding the date of the loss, and in the case of third and subsequent damage – 50% of the indemnity amount – in the case of losses entailing the theft of parts or equipment of the vehicle, described in section 1 items 4 and 5;
  - 3) 25% of the indemnity – in case where the insured or the person described in § 4 section 7 item a is not over 26 years old, unless the insurance contract specifies otherwise;
  - 4) in the case of losses entailing the theft of the vehicle, in an amount depending on the number of times the vehicle was stolen during a 3-year period preceding the insurance period, according to the following rules:
    - a) for the individual customer, and for small or medium-sized entrepreneur who, at the date of concluding the insurance contract is the owner of five or less than five vehicles used for business activity and for which Own Damage insurance was purchased:
      - after the 1<sup>st</sup> theft of the vehicle – the deductible equals 10% of the indemnity,
      - after the 2<sup>nd</sup> theft – the deductible equals 20% of the indemnity,
    - b) for the small or medium-sized entrepreneur who, at the date of concluding the insurance contract is the owner of more than five vehicles used for business activity and for which Own Damage insurance was purchased:
      - after the 2<sup>nd</sup> theft – the deductible equals 10% of the indemnity,
      - After the 3<sup>rd</sup> theft – the deductible equals 20% of the indemnity,unless the insurance contract provides otherwise.
3. If during the 12-month period preceding the insurance contract no theft of the vehicle occurred, the deductible described in section 2 item 4 shall be decreased by 10% for each loss-free 12-month period of insurance – up to zero deductible.
- § 7.1. Depending on the scope defined in the insurance contract, the insurance covers damages occurring in the territory of the Republic of Poland and other European countries, as well as Algeria, Iran, Iraq, Morocco, Israel and Tunisia, subject to provisions of section 2.

2. If not otherwise agreed, for the territories of Russia, Belarus, Ukraine and Moldavia the insurance does not cover losses described in § 6 section 1 items 4 and 5.

### **Exclusions of liability**

§ 8.1 The insurance does not cover losses:

- 1) whose value does not exceed 500 Polish zloty (deductible), unless other deductible limits were specified in the insurance contract, this limit does not apply to losses described in § 6 section 1 item 3;
- 2) caused on purpose or caused by gross negligence of the Insured, the person authorized to use the vehicle, or caused willfully by a person with whom the Insured manages a joint household;
- 3) caused during the driving of the vehicle by the Insured, the person authorized to use the vehicle, or by a person with whom the Insured manages a joint household:
  - a) drove the vehicle in a state of intoxication, or in a state after the use of drugs, intoxicants, psychotropic substances or other similar substances, according to the regulations on preventing drug addiction, or
  - b) not having the documents authorizing to drive the vehicle, required under the laws of the country where the insurance event occurred, or
  - c) if the driver escaped from the place of traffic accident in which another person suffered bodily injuries or died;
- 4) resulting from driving an unregistered vehicle, a vehicle without valid license or a vehicle without a valid technical inspection certificate – if it is required that such vehicle should be subject to registration and periodical technical inspections;
- 5) caused by war operations, and damages occurring while the vehicle was used in connection with rendering mandatory services for the benefit of army or other entities, as well as losses to vehicles which were actively used in protests, demonstrations, road blockades and other events of similar nature;
- 6) caused while the vehicle was used as a tool of crime by the Insured, the person authorized to use the vehicle, or by a person with whom the Insured manages a joint household;
- 7) maintenance damages;
- 8) caused by the use of vehicle inconsistently with its intended purpose, as well as caused by improper loading and transportation of cargo or luggage;
- 9) caused to a vehicle which does not belong to the person named as the owner in the application;
- 10) to a vehicle illegally introduced into the customs area of the European Community, i.e. if the vehicle was not delivered to or declared at the point of customs clearance, or if false information was given in the customs form or another document, provided that the reason for this illegality has not ceased;
- 11) arising as a result of theft of the vehicle, its parts or equipment, or willful taking of the vehicle for short-term use, in cases where:
  - a) the driver got out of the vehicle, leaving insured the key or controller used to open or start the vehicle, without securing them with due diligence against the possibility of starting the vehicle by an unauthorized person, or
  - b) after leaving the vehicle without direct supervision of the driver or passengers, the driver did not secure with due care outside the vehicle, or left inside the vehicle its documents (registration license or the vehicle's card), or the key or controller used to open or start the vehicle, or to deactivate the anti-theft device, or
  - c) After leaving the vehicle and leaving it unattended by the driver or the passengers, the vehicle was not secured in the manner provided for in its construction, and all the anti-theft devices specified in the application were not activated, unless the theft was made from locked premises;

- the exclusions of liability, described in items a, b and c do not apply if the fulfillment of the above listed conditions was impossible due to prior act of violence or a threat of such immediate act by the perpetrator of the theft or seizure of the vehicle;
- 12) caused as the result of appropriation of the vehicle;
  - 13) to the radio player, as a result of theft or burglary, in case where, after leaving the vehicle, the driver failed to properly secure outside the vehicle the take-away player or its control panel;
  - 14) caused to the vehicle's equipment which was not listed on the insurance application form;
  - 15) entailing the damage of the vehicle's interior and its equipment, if the vehicle was not secured in the manner provided for in its construction, and all the anti-theft devices specified in the application were not activated;
  - 16) arising to cars, vans with body adapted for carriage of passengers, and to other vehicles with load capacity up to 750 kilograms, used as taxis or for other fee-based transport of persons, unless these vehicles were specifically insured as vehicles used for such purpose;
  - 17) arising to vehicles rented for a fee, under business activity covering rental of vehicles, unless these vehicles were specifically insured as vehicles used for such purpose.
2. If not otherwise agreed, the insurance does not cover damages listed in § 10 section 1 items 1 and 2.

#### **Reductions of the scope of insurance**

- § 9.1. Subject to provisions of § 8, for an appropriately reduced premium, the insurance contract may be concluded:
- 1) with the application of deductible in the amount or 10% or 20% of the sum insured determined in the insurance policy;
  - 2) with the exclusion of PZU SA liability for losses not exceeding 10% or 20% of the sum insured specified in the insurance contract (deductible).
2. The insurance contract for a vehicle whose period of usage is longer than two years may be concluded with the application of settlement of costs of vehicle's repair against the vehicle's appraisal made by PZU SA on the basis of standards defined by vehicle's producer, i.e. in option "Appraisal" described in § 22 section 2.

#### **Extension of the scope of insurance**

- § 10.1. Subject to provisions of § 8 section 1, upon the payment of an additional premium, the insurance may cover losses that arise:
- 1) when driving a vehicle used for driving lessons;
  - 2) during motor races and competitive racing as well as during training for such races, provided that the organizers of the event confirmed the damage.
2. Upon the payment of additional premium, up to the amount of additional sum insured set forth in the application, the insurance may cover additional costs arising with relation to a loss covered by the insurance under the concluded insurance contract, where each disbursement of indemnity under these additional costs causes this sum to be decreased. The additional costs are defined as:
- 1) documented costs above the amount set forth in § 25, tied to the towing of the damaged vehicle to a repair workshop, at the farthest to the domicile or place of business of the Insured or the person authorized to use the vehicle;
  - 2) documented costs of using a substitute vehicle, of technical parameters similar to those of the insured vehicle, during a technologically justified period of vehicle's repair in the Republic of Poland, but not longer than 7 days.
3. Upon the payment of an additional premium, the insurance contract may be concluded:
- 1) with the application of the vehicle's value not changing for the purpose of the given insurance contract within the period of 12 months since the invoice's issue

date – in the case of a brand new vehicle, whose purchase is confirmed with a purchase invoice, provided that the following conditions are fulfilled simultaneously:

- a) the vehicle's mileage did not exceed 20.000 kilometers,
  - b) the vehicle was not damaged,
  - c) the vehicle has not changed its owner,
  - d) in sales points located in the territory of the Republic of Poland, authorized by the producer, the sales price was not reduced for brand new vehicles with the same technical parameters and equipment as the vehicle which is the subject of insurance;
- 2) without reducing the sum insured by each indemnity paid.
4. Subject to the fulfillment of additional conditions and upon the payment of an additional premium, the insurance may cover losses named in § 6 section 1 items 4 and 5, occurring within the territories of Russia, Belarus, Ukraine and Moldavia.

#### **Chapter IV. Insurance contract**

##### **Conclusion of insurance contract**

§ 11.1. The conclusion of insurance contract occurs upon the written application of the Policyholder, following prior identification of the vehicle together with its equipment, and an individual risk assessment performed by PZU SA.

2. The insurance contract is concluded in writing, on the basis of data provided by the Policyholder in the insurance application. PZU SA may condition the conclusion of the insurance contract upon the documentation of this data.

§ 12.1. The insurance contract is concluded:

- 1) in the case of vehicles during their 1<sup>st</sup> or 2<sup>nd</sup> year of usage – under the “Repair shop” option, which is described in § 22 section 3,
  - 2) in the case of vehicles after their 2<sup>nd</sup> year of usage – under the “Repair shop” option, which is described in § 22 section 3, or under the “Appraisal” option, which is described in § 22 section 2.
2. The insurance contract may be concluded with the application of reduced insurance scope, described in § 9, or with extension of insurance scope, which is discussed in § 10.
  3. PZU SA may condition the conclusion of insurance contract upon the fitting of the vehicle with a specific anti-theft device securing the whole vehicle or its equipment.
  4. If the number of the vehicle's thefts exceeds:
    - 1) two – in the case described in § 6 section 2 item 4 sub-item a, or
    - 2) three – in the case described in § 6 section 2 item 4, sub-item b,terms of the insurance are determined following an individual risk assessment.

§ 13.1. The sum insured, set forth in the insurance contract, corresponds to the gross value of the vehicle. Subject to agreement with the Policyholder, the sum insured may correspond to the net value of the vehicle, if the Insured is entitled to deduct, in whole or in part, the VAT calculated at the moment of purchase of the insured vehicle.

2. If not otherwise agreed, the sum insured is reduced, during the insurance period, by each amount of paid indemnity, with the exception of indemnity for losses which are described in § 6 section 1 item 3.
3. The increase or supplementing of the sum insured, or change of liability scope during the term of the insurance contract occurs by concluding an additional insurance contract. Change in the vehicle's equipment has to be reported for insurance, under pain that no indemnity would be paid for losses to this equipment.

§ 14.1. Conclusion of the insurance contract is confirmed by PZU SA with the insurance document (the insurance policy).

2. The insurance contract is concluded for a period of 12 months or for a shorter period (short-term insurance).

3. In the case where the subject of insurance is a vehicle purchased under a credit system, it is admissible to conclude multi-annual insurance contracts (long-term insurance), under rules defined in the agreement between PZU SA and the entity providing such credit for vehicle's purchase (e.g. banks, leasing companies). In the case of long-term insurance, it is possible to pay premium up-front for the whole multi-annual insurance period.
4. The Policyholder is obliged to inform PZU SA of all circumstances known to him/her about which PZU SA asked in the offer form (application form) or in other correspondence preceding the conclusion of the insurance contract. If the Policyholder concludes the insurance contract through a representative, this obligation bears also upon the representative and includes also circumstances known to him/her. If PZU SA concluded the insurance contract despite lack of answers to some of the questions, the omitted circumstances are treated as irrelevant.
5. During the term of the insurance contract, the Policyholder is obliged to notify PZU SA of all changes to circumstances which are described in section 4, immediately after obtaining information of them.
6. In the case of concluding the insurance contract for the benefit of a third party, the obligation described in sections 4 and 5 bear both upon the Policyholder and the Insured, unless the Insured was unaware of the contract concluded for his/her benefit.
7. PZU SA is not liable for the consequences of circumstances which under breach of sections 4-6 were not communicated to it. If the breach of provisions of sections 4-6 occurred due to willful action, in case of doubts it is deemed that the insurance event provided for under the contract and its consequences are the result of circumstances described in the preceding sentence.
8. In case of sale of the vehicle, the rights under the insurance contract may be assigned to its buyer.
9. Assignment of rights under the insurance contract to the current owner, who is a person described in § 4 section 7 item a does not require the approval of PZU SA. In such case the seller or the buyer of the vehicle is obliged to notify PZU SA, at the latest on the date of the sale, of the assignment of rights under the insurance contract, delivering to PZU SA a document which confirms the assignment of these rights. PZU SA confirms the assignment of rights under the insurance contract to the vehicle's buyer in written form.
10. Assignment of rights under the insurance contract to persons other than those specified in section 9 requires the approval of PZU SA.
11. In case of transfer of rights under the insurance contract, the obligations of the seller are also transferred to the buyer of the vehicle, unless the parties agreed otherwise subject to the approval of PZU SA. Despite the transfer of rights, the seller is jointly and severally responsible together with the buyer for the payment of premium for the period until the vehicle was effectively transferred to the buyer.
12. If the rights under the insurance contract were not transferred to the buyer of the vehicle, coverage expires at the time the ownership of the vehicle is transferred to the buyer.
13. Provisions of sections 8-12 do not apply to transfer of receivables that arose or could arise as a result of an accident, provided for under the contract.
14. In the case described in § 5 section 1 item 4, the insurance contract may be concluded for a period of 12 months, under the terminating condition of not registering the vehicle in the Republic of Poland at the latest within 30 days from the date of assuming ownership of the vehicle. If the vehicle is not registered in the Republic of Poland within the time specified above, the insurance contract is terminated upon expiry of this period.

#### **Start and end of liability of PZU SA**

- § 15. Unless otherwise agreed, the liability of PZU SA commences on the day following the conclusion of the insurance contract, but no earlier than the day following the payment of premium or its first installment.
- § 16. Insurance coverage expires:
- 1) upon the expiry of the insurance period, defined in the insurance policy;
  - 2) on the day of payment of indemnity entailing the total damage or loss of the vehicle;
  - 3) on the day of exhausting the sum insured defined in the insurance policy, as a result of payment of indemnity, or numerous indemnities;
  - 4) on the day of delivering to the Policyholder a statement of PZU SA on termination of the contract with immediate effect in case where PZU SA is liable before the payment of the premium or its first installment, and the premium or its first installment was not paid on time;
  - 5) after 7 days from the day the Policyholder receives from PZU SA the notice to pay subsequent premium installment, sent after the due date of payment with information that lack of payment within 7 days from the date of receipt of this notice would cause expiry of liability;
  - 6) on the day of delivering to the other party a statement on termination of insurance contract with immediate effect in the case described in § 18 section 9;
  - 7) at the time of transfer of vehicle ownership, if the rights under the insurance contract were not transferred to the buyer of the vehicle;
  - 8) after 30 days from assuming ownership of the vehicle and not registering it in the Republic of Poland within the time specified above, in the case of contract which is described in § 14 section 14;
  - 9) on the date of withdrawal from insurance contract;
  - 10) on the day of documenting permanent and complete loss of the vehicle under circumstances other than defined in item 2.
- § 17. If the insurance contract is concluded for a period longer than 6 months, the Policyholder may withdraw from the contract with 30 days' notice; and in the case where the Policyholder is an entrepreneur, within 7 days from the date of concluding the contract. Withdrawal from the contract does not relieve the Policyholder from the duty to pay the premium for the period during which PZU SA provided insurance coverage.

#### **Chapter V. Premium**

- § 18.1. The insurance premium is calculated for the period of liability of PZU SA.
2. The insurance premium is determined on the basis of the premium tariff applied on the day of concluding the insurance contract. The same tariff is applied in the case of concluding an additional insurance contract.
  3. The premium is payable at the time of concluding the contract, unless the insurance contract provides for another date for the payment of premium.
  4. The premium is paid in cash or, subject to agreement with PZU SA, in non-cash form.
  5. If the payment of premium or premium installment is made in the form of a bank transfer or postal money order, the date of payment is deemed to be the date when the full due amount defined in the policy is credited to the bank account of PZU SA.
  6. It is possible to pay the annual premium in installments. The dates for the payment of subsequent premium installments, and their amounts, are specified in the insurance policy.
  7. The premium is determined depending on the sum insured, type, make and model of the vehicle, designation of the vehicle, the region, scope and period of insurance, as well as the reductions and increases which are discussed in § 19.
  8. In the case of an insurance accident, if the indemnity or the sum of this indemnity and indemnities paid until then is more than twice the amount remaining to be paid, or causes the insurance sum to be exhausted, the premium installments whose

payment deadlines fall after the day of indemnity payment, become due immediately and payable on the day indemnity is paid.

9. In case of revealing circumstances which cause a significant change in the probability of insurance event, each of the parties may demand an appropriate change in premium amount, starting from the time when this circumstance occurred, but not earlier than from the start of the current insurance period. If such demand is submitted, the other party may terminate the insurance contract within 14 days, with immediate effect.
10. If the Policyholder or the Insured provided to PZU SA untrue data affecting the amount of the premium, the Policyholder is obliged to pay the premium resulting from the difference between the premium that would have been due to PZU SA if true data had been provided, and the premium specified in the insurance contract. In case of an insurance accident, the claim of PZU SA for the payment of difference in the premium becomes due immediately and payable at the latest on the day indemnity is paid.

### **Increases and decreases of premium**

- § 19.1. The system of premium increases and decreases defined in the bonus-malus table and in sections 2-11 (the bonus-malus system), depending on the insurance history of the Insured, is applied in insurance contracts concluded for the benefit of individual customers, or small and medium-sized entrepreneurs, described in § 4 item 4 sub-item c, subject to provisions of sections 12-15, unless the insurance contract provides otherwise for vehicles during their first or second year of usage.
2. The amount of premium increase or decrease, resulting from the application of the bonus-malus system, is determined for the first day of the insurance period.
  3. After 12 months of claim-free course of insurance, the tariff is moved one level downward in the bonus-malus table. After each loss for which indemnity was paid, with the exception of losses described in § 6 section 1 items 3, 4 and 5, the tariff is moved two bonus-malus classes upwards, up to class 1B.

The bonus-malus table

class of bonus-malus	% of premium	Premium/ claim-free course of insurance	Move in the bonus-malus classes after each claim for which indemnity was paid
1B	200	4 <sup>th</sup> increased rate	1B
1A	150	3 <sup>rd</sup> increased rate	1B
1	130	2 <sup>nd</sup> increased rate	1B
2	115	1 <sup>st</sup> increased rate	1A
3	100	base rate	1
4	90	1 <sup>st</sup> year	2
5	80	2 years	3
6	80	3 years	4
7	70	4 years	5
8	60	5 years	6
9	50	6 years	7
10	50	7 years	8
11	40	8 years	9

4. In case where the insurance contract for the benefit of an Insured who is not an individual is concluded by a Policyholder who is a person described in § 4 item 7 sub-item a, at the request of the Policyholder PZU SA applies accordingly provisions of this paragraph, depending on the Policyholder's course of insurance.
5. An Insured with bonus-malus class from 4 to 10 retains the right to a reduction of premium if the period of insurance interruption is not longer than 5 years, with the reservation that a period of interruption longer than 12 months causes reduction of the rights described in section 1 by moving upwards by one bonus-malus class for each full 12 months of insurance interruption – up to the base rate.
6. An Insured with bonus-malus class 11 retains the right to a reduction of premium if the period of vehicle insurance interruption is not longer than 5 years. After insurance interruption lasting longer than 5 years, the Insured retains the right to 20% of reduction (6<sup>th</sup> bonus-malus class). Another insurance interruption period of more than 12 months causes reduction of the Insured's rights, by reduction of one tariff class for each full 12 months of insurance interruption, up to the base rate (3<sup>rd</sup> bonus-malus class).
7. When determining the premium, PZU SA may take into consideration the actual present insurance history with another insurance company, or insurance history for the period when the Policyholder was using the vehicle pursuant to a leasing contract, as a lessee or borrower under condition of transfer of ownership to the bank, and the insurance contract was concluded by vehicle owner who was not an individual, provided that the conditions defined by PZU SA are met, or that a relevant declaration is made in the insurance application.
8. The system of reductions and increases discussed in section 1 is applied to insurance contracts concluded for periods not shorter than 12 months, and to additional contracts concluded with relation to them.
9. The entitlement to reduction or increase of premium, described in section 1, is tied to insurance of all vehicles with PZU SA. This rule is applied accordingly in the case of loss of entitlement to reduction of premium and to the obligation to apply increase of premium, in such sense that the loss of entitlement to reduction, or increase of premium with respect to one vehicle, causes loss of entitlement to reduction or the application of premium increase with respect to insurance of all other vehicles.
10. For the vesting of entitlements to reductions, described in section 1, when insuring the vehicle described in § 5 section 1, the course of insurance of the vehicle, discussed in § 5 section 2 is not taken into consideration.
11. For the vesting of entitlements to reductions, described in sections 1 or 16, the course of insurance under the Mini-Casco (MC) insurance offered by PZU SA is taken into consideration. The payment of indemnity for losses under MC insurance has no influence on the course of insurance under Own Damage (casco) insurance.
12. In insurance contracts concluded with small and medium-sized entrepreneurs, the rules for reductions and increases of premium are applied, depending on the course of insurance, defined in sections 13 – 16.
13. If the number of vehicles owned by the small or medium-sized entrepreneur, described in § 4 item 4 sub-item c, insured under the Own Damage insurance, is:
  - 1) not larger than 2 – the bonus-malus system is applied, described in section 1;
  - 2) from 3 to 5 – it is possible to choose between:
    - a) using the bonus-malus system, described in sections 1-11, or
    - b) using the reductions or increases of premium, described in section 16 (the LIR system);
  - 3) more than 5 and less than 20 – reductions or increases are applied, described in section 16 (the LIR system).
14. If the Insured, who is a small or medium-sized entrepreneur, described in § 4 item 4 sub-item c insures vehicles that are not used for business activity, the bonus-malus

class for these vehicles is determined separately from the bonus-malus class described in section 15.

15. In cases described in section 13 item 1 and item 2 sub-item a, one bonus-malus class is determined for all vehicles insured with PZU SA, used for business activity.
16. With respect to insured described in § 4 item 4 sub-items a and b, and in section 13 item 2 sub-item b and in item 3, the table with increases or reductions of premium, presented below (the LIR system) is applied, unless the insurance contract provides otherwise for vehicles during their first or second year of usage.

LIR table

LIR class	Loss Intensity Ratio (LIR)	Reduction or increase of premium in %
1	0	- 50
2	from 0 to 7 inclusive	-45
3	from 7 to 12 inclusive	- 40
4	from 12 to 30 inclusive	- 30
5	from 30 to 50 inclusive	- 20
6	from 50 to 60 inclusive	0
7	from 60 to 70 inclusive	+ 20
8	from 70 to 100 inclusive	+ 50
9	above 100	+ 100

In the case of insured who are small and medium-sized entrepreneurs, who conclude the insurance contract under the LIR system and:

- 1) insure their vehicles for the first time – 6<sup>th</sup> class of the LIR is applied;
- 2) insure their vehicles for a period shorter than 24 months and have claim-free course of insurance – 6<sup>th</sup> class of the LIR is applied;
- 3) insure their vehicles for a period shorter than 24 months and have prior claims in their insurance history – 7<sup>th</sup> class of the LIR is applied, regardless of the number of losses;
- 4) whose course of insurance has not been determined – 7<sup>th</sup> class of the LIR is applied.

The loss intensity ratio LIR is calculated according to the following formula:

$$\text{Loss Intensity Ratio (LIR) \%} = \frac{\text{Number of losses paid under Own Damage insurance during the past 24 months, with the exception of losses described in § 6 section 1 items 3, 4 and 5}}{\text{Number of vehicles insured for Own Damage, used for business activity as at the date of contract conclusion}}$$

17. In the insurance contracts – irrespective of regulations set forth in sections 1-16, the following criteria for reductions and increases of premium are applied:

- 1) in the case of insuring the vehicle during its first or second year of usage:
  - a) reductions of premium depend upon the fitting of the vehicle with a specific anti-theft device, recognized by PZU SA as a special system,
  - b) increases of premium depend on the manner for premium payment, concluding a leasing contract for the vehicle, conducting business activity as

well as the type and number of vehicles, purchasing the Own Damage insurance not under a package deal, that is without combined contract with PZU SA for mandatory TPL insurance of vehicle owners, or the accident insurance for driver and passengers of a vehicle (NNW insurance), or the contract for insurance of accidents arising with relation to vehicle traffic for the vehicle owner (NNW Max);

2) in the case of insuring the vehicle after its second year of usage:

- a) reductions of premium depend upon the continuation of Own Damage insurance with PZU SA, vehicle's period of usage and upon fitting of the vehicle with a specific anti-theft device, recognized by PZU SA as a special system,
- b) increases of premium depend on the removal of deductible tied to the age of the insured or the person authorized to use of the vehicle, period of vehicle usage, manner of premium payment, conducting business activity as well as the type and number of vehicles, concluding a leasing contract for the vehicle.

### **Refund of premium**

- § 20.1. If the insurance coverage expires before the end of period for which the insurance contract was concluded, the Policyholder is entitled to refund of premium for the unused coverage period. There is no refund of premium if the expiry of coverage results from the exhaustion of sum insured and guarantee sum as a result of payment of indemnity, or numerous indemnities.
2. The unused coverage period is calculated from the next day following the expiry of coverage.
  3. The premium subject to refund is determined in proportion to the unused period of insurance and the unused sum insured.
  4. PZU SA refunds the premium upon obtaining information on circumstances constituting the basis for expiry of coverage.

## **Chapter VI. Determination and payment of indemnity**

### **General rules**

- § 21.1. In the event of a loss, PZU SA determines the indemnity in accordance with the concluded insurance contract.
2. The indemnity may not be higher than the sum insured.
  3. If the sum insured corresponds to the gross vehicle value, VAT is taken into consideration when determining the amount of indemnity, subject to provisions of § 22 section 2. If the sum insured corresponds to the net vehicle value, VAT is not taken into consideration when determining the amount of indemnity.
  4. When determining the indemnity, deductible is applied, as defined in § 6 section 2, unless the deductible described in § 6 section 2 item 3 or 4 has been waived in the insurance contract.
  5. If the insurance contract provides for a deductible, defined in § 9 section 1 item 1, the indemnity is reduced according to the terms of the insurance contract.
  6. In case of theft of the vehicle, PZU SA determines the compensation in an amount corresponding to the vehicle's value as at the day of determining the indemnity, taking into account the terms of insurance contract.
  7. In the case of damage to the vehicle, the indemnity covers the costs of repair only within the scope specified in repair cost estimate / damage protocol prepared or commissioned by PZU SA.
  8. In the event of a total loss:
    - 1) indemnity is determined in an amount corresponding to the vehicle's value at the day of determining the indemnity, less the value of remainder;

- 2) value of remainder should correspond to the market value – it is determined on a case-by-case basis, depending on the scope of damage and degree of wear and tear of the vehicle or its parts (assemblies), with respect to the same vehicle value as was used to calculate total loss;
  - 3) the cost of vehicle's repair which is the basis to determine total loss, not being the basis to pay indemnity, is determined on the basis of appraisal made by PZU SA according to the rules contained in the Audatex or Eurotax systems including the VAT, that is, on the basis of:
    - a) maximum prices of spare parts and materials, contained in the above named systems,
    - b) time standards for repairs, defined by the vehicle's producer,
    - c) the rate for 1 man-hour, determined by PZU SA on the basis of maximum prices of services which are applied within the area of operations of the organizational unit of PZU SA which handles the claim;
  - 4) to establish whether the case is a total loss, determined according to rules set forth in item 3, the cost of repair is compared to the gross vehicle value.
9. At the request of the Insured, PZU SA may assist in disposing of the vehicle's remainder, under conditions separately defined in a written form, and approved by both parties to the agreement. In such case, PZU SA determines the indemnity in an amount corresponding to the vehicle's value as at the day of determining indemnity, taking into account the individual terms of the agreement on disposing of the remainder.
- § 22.1. Appraisal of the repair costs is made on the basis of prices of services and spare parts, applied in the Republic of Poland on the day of determining the indemnity.
2. If the insurance contract specifies the "Appraisal" option, the indemnity is determined on the basis of appraisal made by PZU SA under rules contained in the Audatex or Eurotax systems, less the VAT, with the application of:
    - 1) time standards for repairs, defined by the vehicle's producer;
    - 2) the rate for 1 man-hour, determined by PZU SA on the basis of maximum prices of services which are applied within the area of operations of the organizational unit of PZU SA which handles the claim;
    - 3) the prices of spare parts and materials, contained in the above named systems;
    - 4) prices of spare parts (assemblies) qualified for repair, obtained from databases of producers and official vehicle importers, are decreased on the basis of the usage period of the vehicle, on the basis of the following percentage ratios:

Vehicle's usage period	Percentage of decrease
up to 3 years	15%
from 3 to 5 years	25%
from 5 to 8 years	35%
more than 8 years	50%

3. If the insurance contract provides for the "Repair shop" option:
  - 1) the indemnity is established on the basis of costs and manner of repair performed by the repair shop, agreed earlier with PZU SA, on the basis of time standards of the vehicle's producer and prices of parts and materials contained in the Audatex or Eurotax systems;
  - 2) at the request of the Insured, indemnity may be determined according to rules set forth in section 2 („Appraisal”);
  - 3) in case where the total repair costs exceed the value established according to the rules defined in section 2 (“Appraisal”), indemnity can be determined on the basis

- of full set of original bills or VAT invoices for labor, spare parts and materials (including paints) are submitted to the loss files of PZU SA;
- 4) in the case of documenting the vehicle's repair with invoices without prior agreement with PZU SA, as described in item 1, the indemnity is determined on the basis of these invoices, but verified by PZU SA to the level of average prices of repair services applied within the given area, and the costs of spare parts and materials (including paints) – as a maximum, to the values contained in the Audatex or Eurotax systems.
4. When establishing compensation for damages to tires, the individual degree of their wear and tear is taken into account.

#### **Losses occurring abroad**

- § 23.1. If a vehicle damaged abroad needs to be repaired to guarantee safe continuation of travel (temporary repair), the repair at the expense of PZU SA shall be done upon the order of a representative appointed by PZU SA.
2. The order, described in section 1 is not required if the cost of vehicle's repair as at the date of its performance does not exceed the equivalent of EUR 1200 or its equivalent in other foreign currencies.
  3. If the costs of temporary repair were covered directly by the injured party, the refund of these costs is done in Poland, on the basis of original invoices issued in the injured party's name, regardless of the option under which the insurance contract had been concluded.
  4. If the repair performed abroad exceeds the scope necessary to continue safe travel, or exceeds the limits of authorization granted by PZU SA or its representative, indemnity related to that portion of repair is determined and paid according to prices applied in the territory of the Republic of Poland, unless the actual costs are lower. The indemnity is determined according to rules set forth in § 22, according to the option under which the insurance contract was concluded.
  5. In case of need for towing a vehicle damaged outside the territory of the Republic of Poland, the costs of towing or transport are refunded by PZU SA according to rules set forth in § 25. The towing of the vehicle needs to be agreed with PZU SA or with its representative.
- § 24.1. The indemnity is paid in Polish zloty.
2. If the expenses tied to the loss which occurred outside the borders of the Republic of Poland were incurred in foreign currency, the indemnity is established in Polish zloty, on the basis of the average foreign exchange rate published by the National Bank of Poland on the day of determining the indemnity.

#### **Additional costs**

- § 25.1. PZU SA refunds, within the limits of the sum insured, the following costs justified by the circumstances of the given event:
- 1) of securing the damaged vehicle, for a period not longer than up to 3 days following the inspection and preparation of repair costs estimate;
  - 2) of towing or transporting the damaged vehicle to a repair workshop, at the farthest to the place of residence of the Insured or the person authorized to use the vehicle, provided that these costs cannot be covered from another insurance in full or in part; if these costs were covered in part, PZU SA refunds the remaining costs, subject to provision of section 2;
  - 3) of additional technical inspection, which is described in § 30 section 6.
2. The sum of refunded costs, described in section 1 items 1 and 2 may not exceed 10% of the sum insured defined in the policy, unless the insurance contract provides for higher towing costs.
  3. PZU SA is obliged to refund, within the limits of the sum insured, the costs resulting from the application – in the case of an accident – measures undertaken to rescue

the insured vehicle and to prevent the loss or reduce its scope, if these measures were justified even if they turned out to be ineffective.

### **Payment of indemnity and information obligations of PZU SA**

§ 26. The indemnity is paid to the Insured. For loss caused to vehicle constituting part of an inheritance, indemnity is paid to the heirs of the insured (or legal successors, as the case may be).

§ 27.1. In the case of theft of the vehicle:

1) the Insured, the Policyholder or the person authorized to use the vehicle is obliged to:

a) to provide to PZU SA the vehicle's registration and vehicle's card (if such was issued for that vehicle), as well as all the keys and controllers used to open and start the vehicle, as well as keys/controllers needed to activate the devices which secure the vehicle against theft, which were defined in the application form, in order to determine the liability of PZU SA under circumstances described in § 8 section 1 item 11,

b) to present original contract for vehicle's monitoring service and the proof of subscription payment for the period covering the day when the vehicle was stolen, if the vehicle was fitted with a monitoring device;

2) PZU SA may condition the payment of compensation upon the transfer of the vehicle's ownership to PZU SA after that vehicle's removal from registry.

2. If the stolen vehicle is recovered after PZU SA paid the compensation, PZU SA may again transfer the ownership of the vehicle to the Insured, under mutually agreed conditions.

If the ownership of the vehicle was not transferred to PZU SA, the paid indemnity is subject to refund in full if the vehicle was not damaged, or in an appropriate part if the vehicle was damaged, and PZU SA is obliged to pay indemnity for such damage.

3. In the case of theft of a radio player with a removable front panel, the payment of compensation is conditioned upon the delivery of that panel to PZU SA.

§ 28.1. PZU SA pays indemnity within 30 days from receiving notification of the insurance accident.

2. If, within the period defined in section 1, it is not possible to explain all circumstances needed to establish the liability of PZU SA or to set the amount of indemnity, the indemnity is paid within 14 days from the date when explanation of such circumstances became possible with due diligence. However, the unquestioned portion of indemnity is paid by PZU SA within the timeframe defined in section 1.

3. PZU SA is obliged to:

1) upon receiving notification of a random event included under insurance coverage, within 7 days from receiving such notification, to inform the Policyholder and the Insured of that event, if they are not the persons making that notification, and to undertake actions meant to establish the actual conditions of the event, the justification for the reported claims and amount of compensation; and also to inform the person putting forth the claim in writing or in another form that this person had approved, on what documents are necessary to establish the liability of PZU SA or the amount of compensation, if this is necessary for the further course of the proceedings;

2) if, within the timeframe defined in sections 1 and 2 it does not pay compensation, PZU SA is obliged to notify in writing the person reporting the claim on the reasons why his/her claims cannot be satisfied, in whole or in part, and also to pay the unquestioned portion of compensation;

3) if the indemnity is not due, or is due in an amount different from the one set forth in the claim, PZU SA is obliged to inform in writing the person reporting the claim, within timeframe defined in sections 1 and 2, citing the circumstances and the legal basis justifying the refusal to pay the indemnity, in whole or in part. This

information should also contain the instruction on the possibility to pursue the claims in court;

- 4) to make available to persons, defined in section 1, information and documents collected in order to determine the liability of PZU SA or the amount of indemnity. These persons may demand a written confirmation of the information provided by PZU SA and make photocopies of the documentation, together with confirmation of their compliance with the original by PZU SA;
- 5) upon demand of the Policyholder or the Insured, to make available any information it possesses, tied to the accident or event, and used as the basis to determine the liability of PZU SA and the circumstances of the accidents and random events, as well as the amount of indemnity.

#### **Recourse claims**

- § 29.1. On the day of payment of indemnity by PZU SA, the claims of the Insured against the third party responsible for the loss are assigned, by force of law, to PZU SA up to the amount of paid indemnity. If PZU SA covered only part of the loss, the Insured has priority right to pursue his/her claims regarding the remaining part of the loss before the claims of PZU SA.
2. The claims of the Insured against persons with whom the Insured maintains a joint household are not assigned to PZU SA.
  3. If the Insured waived his/her claims against the third party responsible for the damage, or limited the claims, PZU SA may refuse to pay indemnity or reduce it. If the waiver of claims or their limitation is revealed after the indemnity is paid, PZU SA may request the return the whole indemnity, or part of it.

#### **Chapter VII. Procedure in the event of loss**

§ 30. In case of loss entailing damage of the vehicle, the Insured, the Policyholder or the person authorized to use the vehicle are obliged to:

- 1) apply all means available in order to rescue the insured vehicle, prevent the loss or reduce its scope;
- 2) not to make any alterations to the damaged vehicle, unless they are justified with the need to continue safe driving, and not to undertake repair without prior inspection of the vehicle by PZU SA or its representative, unless PZU SA or the representative fails to perform such inspection within 7 days of receiving notification of the loss, or 14 days if it was necessary to summon experts/adjusters;
- 3) notify PZU SA of a loss occurring within the territory of the Republic of Poland immediately, but in any case not later than within 7 days from the date of the insurance accident;
- 4) notify PZU SA of a loss occurring outside the territory of the Republic of Poland, not later than within 7 days from returning to Poland, and if it was necessary to employ the assistance of PZU SA's representative, the representative should be notified no later than within 3 days from the date of the loss;
- 5) record, in the case of collision with another vehicle, data on the vehicle, the person driving that vehicle, the number of insurance policy, and the name and address of the insurance company which provided the mandatory TPL insurance for motor vehicle owners;
- 6) perform additional technical inspection of the vehicle if the value of repair exceeds the amount of 2000 Polish zloty, and to inform PZU SA of this inspection.

§ 31.1. In case of theft of the vehicle, or loss whose circumstances suggest that a crime was committed, the Insured, the Policyholder or the person authorized to use the vehicle are obliged to:

- 1) apply all means available in order to rescue the insured vehicle, prevent the loss or reduce its scope;

- 2) immediately notify the police, but not later than within 12 hours from obtaining information of these events;
  - 3) notify PZU SA immediately, but not later than within the next working day, and in case of theft occurring outside the territory of the Republic of Poland, notify the representative designated by PZU SA, within the same time limits.
2. In case of loss of the vehicle's documents (registration or vehicle's card), as well as the loss of keys (controllers) used to open and start the vehicle, as well as keys/controllers needed to activate the devices which secure the vehicle against theft (defined in the application form), the Insured, the Policyholder or the person authorized to use or to dispose of the vehicle are notified to notify PZU SA of such event within the time limit defined in section 1 item 2, and to secure the vehicle against theft with due care; and in the case of theft and under circumstances which suggest a crime, to notify the police within time defined in section 1 item 2.
- § 32. In case of an insurance accident the Insured, the Policyholder or the person authorized to use the vehicle are obliged to:
- 1) notify PZU SA of the loss;
  - 2) present all evidence regarding the loss and the incurred costs;
  - 3) facilitate PZU SA or entities acting under commission from it to assess the circumstances and size of the loss;
  - 4) enable PZU SA to obtain the necessary information and statements from the person who used the vehicle at the time when damage occurred;
  - 5) secure the possibility of pursuing recourse claims towards persons responsible for that loss.
- § 33.1. If the obligations described in § 30 item 1 or 2, or § 31 section 1 item 1 and 2, or § 31 section 2 are breached due to willful action or gross negligence, 1 item 1 or item 2, or § 31 section 2, PZU SA is free from liability for losses arising for that reason.
2. In case of breaching due to willful action or gross negligence the obligations described in d 30 item 3 or 4, or § 31 section 1 item 3, PZU SA may reduce the indemnity accordingly, if the breach contributed to increase the loss or made it impossible for PZU SA to establish the circumstances and consequences of the accident.

#### **Chapter VIII. Notices and statements**

- § 34.1. Notices and statements made with relation to the insurance contract by the Policyholder, the Insured or PZU SA should be made in written form.
2. The Policyholder or the Insured is obliged to inform PZU SA of all changes to the address of residence and office. Otherwise, a letter from PZU SA sent to the last known address of residence or office of the Policyholder or the Insured is deemed effectively delivered.

#### **Chapter IX. Closing provisions**

- § 35.1. The Policyholder or the Insured are entitled to file a written complaint or grievance on the performance of the insurance contract by PZU SA. Subject to the provisions of section 2, the complaint or grievance should be addressed to the organizational unit supervising the unit to whose operations this complaint or grievance applies, or another entity designated by PZU SA. The complaint or grievance should be filed in written form, through the entity to whose operations the complaint applies.
2. In the case of complaint or grievance regarding claims handling, the unit appropriate to consider them is the Claims Handling Center of PZU SA, appropriate for the location for claims handling.
3. PZU SA replies to the written complaint or grievance within 30 days of the date of receiving such complaint or grievance.
4. The Policyholder or the Insured are entitled to file a written complaint to the Spokesman of the Insured.

- § 36. Any action for claims resulting from the insurance contract may be instituted on the basis of general provisions, or at the court appropriate for the place of residence or business of the Policyholder or the Insured.
- § 37. These general terms and conditions for insurance apply to all insurance contracts where the period of insurance commences after May 31, 2009.