

MOTOR THIRD PARTY LIABILITY FRONTIER INSURANCE CONDITIONS

These Motor Third Party Liability Frontier Insurance Conditions were adopted by the Managing Board of the Croatian Insurance Bureau at the 201st Managing Board meeting held on 29th May 2013. The Croatian Insurance Bureau has published these Conditions to be common and binding for all.

Preamble

For the purpose of these Conditions:

- 1) **"insurer"** - means the insurance company which has been authorised by the Croatian Insurance Bureau to conclude the insurance contract with the policyholder;
- 2) **"policyholder"** - means the person who concluded the insurance contract with the insurer;
- 3) **"insured"** - means the person whose liability is covered by insurance;
- 4) **"insured event"** - means an event that may give the injured party entitlement to compensation;
- 5) **"user"** - means a natural or legal person who actually disposes of the vehicle by consent of the vehicle owner;
- 6) **"limit of liability"** - means the amount for which the liability is covered, specified separately for personal injury and damage to property;
- 7) **"insurance premium"** - means the amount the policyholder pays under the insurance contract;
- 8) **"policy"** - means the Certificate of Frontier Insurance;
- 9) **"vehicle"** - means any motor vehicle intended for travel on land and propelled by its own mechanical power, but not running on rails, and any trailer, whether or not coupled, which underlies the registration obligation and pursuant to the Vehicle Registration Provisions must be supplied with a registration document;
- 10) **"Law"** - means the Compulsory Traffic Insurance Law.
- 11) **"European Economic Area Member States"** - Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Republic of Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

Scope of Cover

Article 1

- (1) The Insurer is liable to compensate damage in accordance with legal provisions in respect of liability for loss or injury, if during the use of the vehicle, and based on the certificate of insurance of the said vehicle, the following occurred:
 1. bodily injury, damage to health or death of a person;
 2. destruction or damage to property, excluding damage to goods which the owner accepted for transport.
- (2) Beside the owner of the vehicle, the insurance covers all persons who have been engaged by the owner to work while the vehicle is in operation (driver, conductor, etc.), as well as persons transported by that vehicle.
- (3) The insurance against liability in respect of the use of a motor vehicle for pulling a trailer or towing an inoperative vehicle covers also the liability in respect of damage caused by the trailer or the inoperative vehicle while it is attached to the towing vehicle, and after it is uncoupled from it, and functionally depends on the towing vehicle. In case of damage to third parties both vehicle users are held jointly liable.
- (4) The limit of liability under the contract represents the upper limit of the insurer's liability per insured event, which is the minimum amount specified separately for personal injury and for damage to property as laid down by the competent authority at the time of conclusion of the contract, unless otherwise agreed, regardless of the number of injured parties. The insurer is obliged, under the insurance policy and the liability law, to pay compensation for damage caused by the use of a vehicle in the territory of EEA Member States and Switzerland up to the sum established by the provisions on compulsory insurance of the State in which territory the damage occurred. A number of successive damages represent one insured event if the cause is the same. If at the time the insured event occurs the limits of liability stipulated by the competent authority are higher than the limit under the contract, the higher amount shall apply.

Exclusions

Article 2

- (1) The insurance does not cover claims that according to contract or by special consent are beyond the scope of liability laid down in legal provisions relating to liability for loss or injury caused.
- (2) Claims for damages under the Motor Third Party Liability Frontier Insurance are excluded and no right to compensation refers to:
 1. the driver of the damaging vehicle as well as to his kin and other natural and legal persons in respect to death or bodily injury of the driver,
 2. the owner, the co-owner i.e. the joint owner and any other user of the damaging vehicle in respect to compensation for damage to property,
 3. a passenger who voluntarily drove in the damaging vehicle that was driven by an unauthorized driver, if the insurer proves that this particular circumstance was known to the passenger,
 4. a damaged party who suffered loss related to:
 - the use of vehicle during high speed sports events which took place in the streets or part of the street which had been closed for traffic to other drivers, which purpose is to achieve the fastest speed or the fastest average speed, or during the training for these events,
 - an activity of nuclear energy during the conveyance of radioactive substances
 - war operations, rebellion or acts of terrorism, in this case the insurance company must prove that loss was caused by these incidents.
- (3) The insurance does not cover claims relating to objects in custody of the insured or any other insured person, especially if the person is transporting, using or safeguarding them.
- (4) Unless otherwise agreed, the insurance shall not cover claims arising from events occurring while the vehicle was mobilised or requisitioned by the authorities, from the moment of arrival at its first assigned destination to the moment that it is released.

Loss of Insurance Rights

Article 3

- (1) The insured shall lose his rights under the insurance contract if at the time the accident occurred the driver of the insured vehicle, was under the influence of alcohol, drugs or narcotics or psychoactive medicaments or of any other psychoactive substances set out in the positive legal regulations of the State in which the damage occurred.
- (2) The insured shall lose his rights under the insurance rights if he allows the vehicle to be driven by a driver under circumstances referred to in paragraph (1) of this Article.

- (3) The insured shall lose his insurance rights if he allows a person to be conveyed in a place that is not designed for passenger transport, for claims made by these persons, except for claims made by persons conveyed in accordance with the regulations;
- (4) The insured shall not lose his rights according to the aforementioned provisions of this Article:
 1. if he can prove that he is not responsible for the existence of circumstances that exclude the insurance cover;
 2. if he can prove that the accident is not causally related to the fact that the driver was under the influence of alcohol, drugs or narcotics, psychoactive medicaments or of any other psychoactive substances when the accident occurred;
- (5) The insured who loses his rights referred to in the aforementioned provisions of this Article must indemnify the insurer for the total amount of compensation;
- (6) If no additional premium has been paid for higher risk, the insured shall lose his insurance rights for each insured event involving higher risk according to the proportion of the paid premium to the premium that should have been paid.

Obligations of the Insured

Article 4

- (1) The insured shall take possible measures necessary to assist the insurer in establishing liability. For this reason he is required to notify the insurer within the shortest period from the day of accident and to provide factual and exhaustive details about the accident and its circumstances.
- (2) If a claim was made, an action for damages brought, a motion to take evidence proposed or civil proceedings initiated against the insured or the person he is responsible for, he shall give immediate notice to the insurer and submit the whole documentation regarding the claim in question within the period from the aforementioned paragraph which starts from the moment of the receipt of the mentioned documents.
- (3) The insured is obliged to notify the insurer about the institution of legal proceedings so that the insurer may intervene in the dispute on his behalf. The insured may leave the handling of the legal proceedings to the insurer.
- (4) The insured shall leave the handling of claims to the insurer and shall neither reject nor acknowledge them, unless by doing so he does an obvious injustice.
- (5) The policyholder, i.e. the insured, shall confirm in writing any information given to the insurer, especially the change of name and address.
- (6) A violation of the obligations referred to in this Article shall have as a consequence a decrease in the insurer's liability in proportion to the loss incurred by the insurer because of these violations.

Obligations of the Insurer

Article 5

- (1) The insurer shall settle every justified claim and protect the insured against unfounded or excessive claims. If the insurer violates this obligation, he shall provide compensation to the insured for the loss incurred.
- (2) The insurer is authorised to make on behalf of the insured all statements the insurer considers to be necessary for the handling of the claim or for the protection against unfounded or excessive claims.
- (3) The insurer meets the expenses of the insured's defence in criminal proceedings only if the insurer has given his explicit consent to the defence attorney and has committed himself to meeting the expenses.
- (4) The expenses of the legal proceedings shall be met by the insurer provided that the legal action is taken with the consent of the insurer or if the insurer appointed the person who represents the insured. These expenses are paid in full, regardless of the limit of cover.
- (5) The insurer shall exceptionally meet the expenses of the legal proceedings and in case if the conditions from the aforementioned paragraph have not been fulfilled if after the conclusion of the legal proceedings it has been established that the insured's decision was justified.

Territorial Validity of Insurance

Article 6

- (1) The insurance cover shall extend to the territory of the Republic of Croatia and to the territory of European Economic Area Member States and Switzerland.

Commencement and Expiry of Insurance Cover

Article 7

- (1) Motor Third Party Liability Frontier Insurance can be contracted for a maximum period of ninety days.
- (2) The liability of the insurer under the insurance contract shall commence at the time and date specified in the certificate of insurance as the beginning of the insurance, unless otherwise agreed, and shall expire at the end of the 24th hour of the day specified in the certificate of insurance as the expiry date of the insurance.

Premium Rating

Article 8

The Motor Third Party Liability Frontier Insurance premium is determined according to these Motor Third Party Liability Frontier Insurance Conditions and the Tariff Rates set by the Croatian Insurance Bureau.

Premium Payment

Article 9

The premium shall be paid in accordance with the decision of the Managing Board of the Croatian Insurance Bureau.

Return of Premium

Article 10

- (1) The frontier insurance premium shall not be returned except in case that the vehicle shall be imported and registered and supplied with Croatian registration plates provided that no insured event occurred prior to that day.
- (2) In case of the circumstance referred to in paragraph (1) the unearned portion of the premium shall be calculated according to the pro rata temporis principle, and the tariff rates valid on the day when insurance was contracted shall apply.

Written Form

Article 11

- (1) Agreements on the contents of the insurance contract are considered valid only if they are made in writing and if the policyholder has been supplied with these Conditions, the European Accident Statement and the insurance policy.
- (2) All reports and statements given under the insurance contract shall be submitted in writing.

Out-of-Court Settlement of Disputes

Article 12

- (1) Every party that look for their legal interest in the contracts of insurance concluded under these Conditions, will strive to resolve all of their disputes with the insurer by agreement, which arise from or are connected with the contract concerned, according to the rules of procedure of an insurer regarding out-of-court resolution of disputes.
- (2) If the dispute has not been resolved in an out-of-court procedure at the insurer, each of the party may propose to the counter-party the initiation of the mediation procedure at the Mediation Centre at the Croatian Insurance Bureau or at any other mediation institution.
- (3) The proposal for mediation must be submitted in written to the Mediation Centre at the Croatian Insurance Bureau or any other mediation institution.

Jurisdiction in Case of Dispute

Article 13

- (1) In the event of a dispute between the policyholder, i.e. the insured, and the insurer, the court of real competence according to the place of conclusion of the contract has jurisdiction over the dispute.

Article 14

- (1) These Conditions shall enter into force on the day of their adoption and apply as from the 1st July 2013.