



# **Migdal for Vehicles**

## **Policy for the Insurance of Cars Up to 3.5 Tons**

Policy for the Insurance of Private and Commercial Vehicles up to 3.5 Tons  
Damages to vehicles and damages to a third party and complementary coverages  
(July 2016 edition)

### TRANSLATION

In the case of any discrepancy between the text of this document and the original in Hebrew, the original in Hebrew will prevail.

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## Introduction

This policy is a contract between Migdal Insurance Company Ltd. (hereinafter – "the Insurer") and the insured whose name is set forth in the schedule attached to the policy (hereinafter – "the insured" and "the schedule", respectively), pursuant to which the insurer agrees to indemnify, during the insurance period, in return of insurance fees, the insured insurance benefits due to a loss or damage incurred to the insured vehicle due to insured event, and due to damage to a third party property, all pursuant to the conditions of this policy (hereinafter – "the scope of coverage"): the insurance fees, the insurance period, the deductible, Levi Itzhak vehicle pricelist and liability limits pursuant to the third party property damage liability insurance (Chapter 2 to the policy) set forth in the schedule, which constitutes an integral part of this policy.

The above is subject to the conditions and provisions in the policy chapters and schedule, and subject to the general restrictions and conditions of the policy and schedule.

The insurance proposal and the declaration included thereof, signed by the insurer (referred to hereinafter as "the proposal") is the basis and foundation for this policy and constitutes an integral part thereof. The policy was issued by the insurer based on the proposal and the insured's declaration included thereof.

## Chapter 1 – Vehicle insurance

### 1. Insured event

The insured event is the loss or damage incurred to the vehicle set forth in the schedule, including the accessories and parts in the basic package of the vehicle model set forth in the importer's specifications, and without which it is impossible to buy a vehicle, to the vehicle A/C, to the means of protection installed in the vehicle pursuant to the insurer's request, to the accessories found in the car pursuant to the Law, or to accessories attached to the vehicle, set forth in the schedule (hereinafter – "the vehicle"), **as a result of one of the risks detailed below, as long as the insured did waive these coverages, all or part thereof, at the stage of the insurance proposal, by an explicit notification mentioned in the schedule.**

- a. Fire, lighting, explosion or inflammation.
- b. Accidental collision, overturning and any type of accident.
- c. Theft.
- d. Any damage caused due to theft, during the course of a theft or an attempted theft.
- e. Flood, storm and tempest, snow and hail, volcanic eruption.
- f. Malicious act.

**However, if the insured event was caused by the insureds or by anyone on their behalf intentionally, the insurer is exempt from its liability.**

### 2. Items that are not covered

**Notwithstanding that stated in Clause 1 above, the insurer will not indemnify the insured for: loss or damage to tires, unless if other parts of the vehicle are lost or damaged due to the insured event**

### 3. Mechanical, electrical and electronic breakdown

Mechanical, electrical and electronic breakdown caused to the vehicle are not covered unless if they occurred during or due to an insured event

### 4. Not driving on Saturdays and holidays – only if set forth explicitly in the schedule

If it is set forth explicitly in the schedule, Clause a not driving on Saturdays and holidays, the content of the policy notwithstanding, the policy will not be effective upon driving on Saturday and Jewish Holidays, in which it is forbidden to drive pursuant to the Jewish Halacha, from the moment they start until they finish, as published by the Chief Rabbinate in Israel (except in cases of emergency and in orders to save lives).

### 5. Manners of paying compensation

The insurer may, at its discretion, choose between the following methods of compensation: payment of the value of the loss or damage in cash, repair of the vehicle, replacement of the vehicle with a vehicle of similar type and quality, or replacement of part thereof.

## 6. Calculation of the compensation

The insurance benefits due to the insureds in accordance with this chapter:

- a. Will be calculated and paid in accordance with the value of the loss or damage to the vehicle on the date of the occurrence of the insured event, including due to depreciation.
- b. VAT will be added to them, other than if the insureds are entitled to offset input tax, for the purpose of this policy "VAT" is as defined in the VAT Law – 1976.

## 7. Total loss to vehicle

- a. If the vehicle is rendered a total loss, the insurer will pay the insured the full value of the vehicle on the occurrence date of the insured event or will replace it with a vehicle of a similar type and quality - in this policy "total loss vehicle" means:
  - 1) If the vehicle is stolen and not found within 30 days.
  - 2) A vehicle in respect of which a qualified vehicle loss adjuster has determined that one of the following has been fulfilled:
    - a) It has become unusable and the direct damage caused to it, other than direct loss caused by depreciation, is at least 60% of the value of the vehicle on the occurrence date of the insured event including taxes.
    - b) The vehicle is irreparable and is suitable only for spare parts.
- b. If a qualified vehicle loss adjuster determines that the damage to the vehicle other than direct damage caused by depreciation of the vehicle, is at least 50% of the value of the vehicle on the occurrence date of the insured event, the insurer may compensate the insureds as though it was a total loss (hereinafter - "constructive total loss"). **If a different damage rate is set forth explicitly in the schedule, as entitling in the definition of total loss, the insurer shall compensate the insureds as if any damage that equals or exceeds the rate set forth in the schedule is considered as total loss.**
- c. If the insurer pays the total value of the vehicle to the insured or replaces it with a vehicle of a similar type and quality due to a total loss or a constructive total loss, ownership of the vehicle will be transferred to the insurer.
- d. The validity of this policy will expire as soon as the insureds are indemnified for a total loss or a constructive total loss, and insureds will not be entitled for a reimbursement of insurance fees.

## 8. Calculation of the vehicle value in case of total loss

- a. The indemnification in respect of total loss vehicle shall be calculated in accordance with the "market value" of the vehicle insured by the policy. The vehicles' "market value" will be calculated based on Levi Itzhak pricelist, and if there is no reference in the said pricelist – in accordance with an assessment attached to the report prepared by an agreed loss adjuster at the inception of the insurance period, including the reductions and additions set forth in the pricelist, effective on the date of the occurrence of total loss ("the pricelist").

- b. It is clarified that in order to determine the value of your vehicle in the event of total loss (as defined in the policy), the parameters that are relevant to your vehicle will be taken into account (those who exist now and those that will be added in the future, such as previous ownerships, accident history, distance travelled by the vehicle, abnormal and special wear, previous uses of the vehicle, etc.) the parameters that will be taken into account are all the parameters set forth in the pricelist as parameters that may affect the value of vehicles, depending on the rate of reductions/additions set forth in the pricelist. All the parameters are taken into account in an aggregate manner in accordance with the pricelist. For a reduction in respect of previous depreciations due to an accident in respect of which there is no fixed reduction in the pricelist, and it is set in ranges of reduction rates, the reduction rate will be in accordance with the depreciation rate set forth in the previous accident as set forth above, however, not more than the upper threshold of the range set forth in the pricelist. In any other case in which the pricelist sets a reduction in the range of depreciation rates, the reduction will be in the lower threshold of the reduction range.

Presented below are two examples for the calculation of the vehicle value\*:

**1. A vehicle aged 4 years, ex-leasing, fourth hand, 5% in respect of depreciation in respect of a previous accident:**

Basic vehicle value in accordance with the type of vehicle and the year of manufacture pursuant to the pricelist	NIS 50,000
Ex-leasing in accordance with the pricelist 6%	(NIS 3,000)
Fourth hand pursuant to the pricelist 10%	(NIS 4,700)
An addition for a low distance travelled by the vehicle pursuant to the pricelist, according to the number of kilometers 2%	846
5% in respect of depreciation as determined in a previous accident	(NIS 2,157)
<b>Total</b>	<b>NIS 40,989</b>

**2. A vehicle aged 7 years, ex-driving school, fourth hand, 65,000 kilometers, first hand:**

Basic vehicle value in accordance with the type of vehicle and the year of manufacture pursuant to the pricelist	NIS 100,000
Ex-driving school in accordance with the pricelist 20%	(NIS 20,000)
An addition for a low distance travelled by the vehicle pursuant to the pricelist, according to the number of kilometers 5%	4,000
First hand pursuant to the pricelist 2%	NIS 1,680
<b>Total</b>	<b>NIS 85,680</b>

[\*] For the removal of doubt, the examples presented above are for the sake of illustration only, and the parameters and rates set forth above do not bind the Company. As set forth in Clause 7a to the policy, the market value of vehicles will be calculated based on the pricelist, including the reductions and additions and their rates thereof, detailed in the policy.

**Please note! The amount of insurance fees you will be charged is based only on the type of vehicle and year of manufacture, and it was not affected in any way by the said parameters of your vehicle, even if such parameters may affect the value of vehicle in the event of total loss.**

## 9. Total loss for a vehicle in respect of which taxes have not been paid

- a. Notwithstanding that stated in Clause 6b above, if a total loss or a constructive total loss occurs to the vehicle as a consequence of an insured event covered by this policy, where all of the statutory taxes have not been paid for the vehicle, or if VAT in respect thereof has been offset, and the insurer decides not to repair the vehicle, the insurer will pay insurance benefits in accordance with the value of the vehicle without taxes or VAT, as applicable, or will replace it with another vehicle of a similar type and quality.
- b. Notwithstanding that stated in sub-clause a above, if the insureds provide the insurer with proof that they are not entitled to a re-exemption of taxes or to offset VAT, as applicable, on the replacement vehicle that they intend to purchase in place of the vehicle declared a total loss or constructive total loss, the insurer will pay insurance benefits in accordance with the value of the vehicle immediately prior to the occurrence of the insured event as though all of the taxes were paid in respect thereof, or will replace it with another vehicle of a similar type and quality.
- c. Following payment of i insurance benefits or replacement of the vehicle, the insurer is entitled to assume the rights to the vehicle from the insured, other than accessories and parts in respect of which the insured is not entitled to insurance benefits; if the transfer of rights is subject to the payment of any taxes, they will be paid by the insurer.

## 10. Partial loss

- a. If repair of the vehicle necessitates replacement of the chassis or parts thereof or a light, the lost or damaged part will be replaced with a part with a similar description or characteristic and the insurer will pay the full cost of this replacement.
- b. In the event of damage to a part of the vehicle which is not enumerated in Clause a above, the insurer's liability will apply as follows:
  - 1) If the insurer decides to replace the lost or damaged part, the lost or damaged part will be replaced with a part with a similar description or characteristic, plus the fitting costs.

The insurer will be entitled to full ownership of the damaged parts after they are replaced with new ones.
  - 2) If the insurer decides to pay the value of the loss or damage in cash – the amount payable will be calculated in such a manner that for a vehicle up to 9 years old, the damage will be paid in accordance with the value of a similar part to that lost or damaged without any deduction for wear and tear, whilst in respect of a vehicle over 9 years old the damage will be paid in accordance with the actual value of the lost or damaged part (i.e. after the deduction of wear and tear); the fitting costs will be added to the aforementioned payments.
- c. Without derogating from the provisions of the Restriction of Using and Trading Used Vehicle Parts (Prevention of Thefts) – 1998, if the insurer decides to replace the part which has been lost or damaged in a vehicle up to two years old on the occurrence date of the insured event, the lost or damaged part will be replaced with an original or

new part, provided that it matches the quality, characteristics and description of the replaced part plus fitting costs.

- d. If the insurer decides to replace the lost or damaged part in a vehicle whose manufacturer's warranty stipulates specific conditions regarding the manner of repairing the vehicle, it will act, as far as possible, in accordance with the provisions of the said warranty; if the lost or damaged part is replaced in breach of the specific conditions in the manufacturer's warranty and the manufacturer's warranty is removed due to a defect in this replacement, the insurer will be liable for the said defect.
- e. In this Clause, "the age of the vehicle" means – the time that has passed from the date on which the vehicle was first registered, as stated in the vehicle license.

## **11. Coverage for expenses**

In the event that the vehicle becomes unusable due to a risk covered in accordance with this policy, the insurer will also cover reasonable expenses for its safekeeping and transfer to the nearest place in which it is possible to repair the damage.

## Chapter 2

# Third party property damage liability insurance due to property damages

**In this chapter, the definition of "insureds" includes the driver of the vehicle, included in the persons allowed to drive it pursuant to the schedule, if they are allowed to drive the vehicle pursuant to all the policy conditions**

### 1. Insured event

The insureds' liability for damage caused to third party property as a result of the use of the insured vehicle during the period of insurance.

### 2. Limits of compensation

- a. The insurer will pay, on behalf of the insureds, all amounts that the insureds are liable to pay due to an insured event, up to the limit of liability stated in the schedule in respect of third party property damage.
  - 1) Notwithstanding the provisions of Clause 2(a) to Chapter 5 General Exclusions to the Liability of the Insurer for all the policy chapters, the amounts in accordance with sub-clause a above will also include the following expenses of a third party whose vehicle is damaged due to an accident:
    - a) In the event that the vehicle is rendered unusable due to a risk covered under this policy – reasonable expenses for safekeeping and transporting the vehicle to the nearest place in which the damage can be repaired, and travel expenses for the third party to their destination following the accident.
    - b) Indemnification for proven losses of a third party due to payment of a deductible and loss of no claims bonus.
    - c) Compensation for loss of profits during the time in which the vehicle is laid-up for its repair, provided that the laid-up vehicle is a commercial vehicle owned by the third party and used for their business.
- b. The insurer will also bear reasonable legal expenses that the insureds incur due to .an insured event, in excess of the liability limit.

**Notwithstanding the aforementioned, if an insured event is caused maliciously the insurer is exempt from liability.**

### 3 Linkage of the insurance amount

The Insurer's liability limit for the purpose of this Chapter will vary in accordance with the changes to the Index between the Index published prior to the inception of the insurance period and the Index published prior to the occurrence of the insured event. If the liability limit was increased within the insurance period, the index published prior to the increase

of the liability limit will replace the Index published prior to the inception of the period of insurance and the Index published prior to the occurrence of the insured event. For the purpose of this policy "Index" means the Consumer Price Index published by the Central Bureau of Statistics.

#### 4. Handling third party claims

- a. The insurer is entitled, and at the demand of a third party – it is indebted to pay the insurance benefits to the third party, which the insurer owes the insureds, provided that a written notice of the same is sent to the insureds as stated in sub-clause 2(a)(1) and provided that the insureds did not express opposition as stated in the same Clause; however any allegation which the insurer can raise against the insureds can also be raised against the third party
  - 1) If the third party demands the insurance benefits as stated in sub-clause (a) above, the insurer will notify the insureds in writing of the demand within 7 business days of the date of the demand as aforementioned, and if the insureds do not express opposition to payment of the compensation within 30 days, the insurer will pay the insurance benefits to the third party which it is due to pay to the insureds, insofar as it is liable for payment.
  - 2) The insurer is entitled to take over or conduct the defense of any claim on behalf of the insureds and at the insurer's request the insureds will provide any assistance required to settle the third party claim.
- b. In the event of a claim or claims against the insureds arising from a single insured event or a series of events that can be attributed to a single origin or a single cause that is covered in accordance with this chapter, the insurer is entitled to pay the entire limit of liability in accordance with this Chapter to the insured, **and following such payment the insurer will be exempt from conduct of the claim or claims as aforementioned and the insurer will have no further liability of any type in connection therewith**, other than for legal expenses determined by a Court or reasonable expenses incurred in connection with the aforementioned claims.

#### 5. Exclusions to liability for third party due to property damages

**The insurer will not be liable to make any payment in respect of liability for damage to property which is owned by the insureds or the driver of the vehicle or for property under the supervision or safekeeping of the insureds or the driver of the vehicle or any of their immediate family members.**

## Chapter 3 – Additional insurances

Each of the coverages set forth in this Chapter will be effective only if set forth explicitly in the schedule

### 1. Insurance for electrical appliances

#### a. Insured event

Loss or damage to the insured property that will be caused by one of the following insured risks:

#### b. Insured risks

- 1) Theft, burglary or any attempt thereof.
- 2) Fire, lighting, explosion or inflammation.
- 3) Accidental collision, overturning and any type of accident.
- 4) Flood, storm and tempest, snow and hail, volcanic eruption.
- 5) Malicious act.

**However, if the insured event was caused by the insureds or by anyone on their behalf intentionally, the insurer is exempt from its liability.**

#### c. Insured property

The electrical appliance set forth in the schedule, while installed in the vehicle up to the insurance amount stated in the schedule.

#### d. Exclusions

- 1) **The insurer shall not be liable for loss or damage incurred to antennas, records, discs and tapes of any type.**
- 2) **The insurer shall not be liable for loss or damage that will be caused by or as a result of an electrical breakdown or mechanical breakage.**

#### e. Reinstatement value (new in return of old)

In case of loss or damage covered pursuant to this Clause, the basis for payment of compensation will be in accordance with the market value of a new electrical appliance of similar type and quality on the day the loss or damage occurred. The insurer may compensate the insureds by payment in cash or by replacing the electrical appliance plus fitting expenses.

#### f. Underinsurance

**If the amount set forth in the schedule next to the electrical appliance (hereinafter – "the insurance amount") is less than the value of the electrical appliance, the insurer's liability shall decrease pro-rata, at the rate between the insurance amount and the value of the electrical appliance when the insurance contract was signed.**

## 2. Replacement radio

If the schedule sets forth a replacement radio insurance, the insureds entitled to this service are entitled to a replacement radio for the vehicle by the service provider, as detailed in the rider for replacement radio, attached to this policy and that constitutes an integral part thereof, pursuant to the conditions set forth in the rider.

## 3. Windshield breakage

If the schedule sets forth a windshield breakage insurance, the insureds entitled to this service are entitled to windshield breakage service for the vehicle set forth in the schedule. The service will be extended as detailed in the rider, by the service provider set forth in the schedule, attached to this policy, and that constitutes an integral part thereof.

## 4. a. Windshield breakage b. Replacement vehicle "at home"

If the schedule includes an additional insurance of vehicle and roadside services and/or replacement vehicle – the insureds are entitled to vehicle and roadside services and/or replacement vehicle by the service provider set forth in the schedule, as detailed in the rider to vehicle and roadside services and "at home" replacement vehicle rider, attached to this policy and that constitutes an integral part thereof, pursuant to the conditions set forth in the rider.

## 5. Additional compensation up to 10% addition to the value of the insured vehicle – for vehicles whose age does not exceed 12 months on the date insurance is signed The coverage pursuant to this extension is effective only if set forth explicitly in the schedule.

## 6. Definitions

"Vehicle's age" -

- a. If total loss or constructive total loss, as set forth in Clause 7a & b to Chapter 1 to the vehicle insurance, the insurer will make compensation payments to the insureds, equivalent to the full value of a new vehicle, or will replace it with a new vehicle of the same manufacturer and of the same model and type, including special additions to the vehicle if included in the insurance in accordance with this policy, **which in any case shall not exceed 105 of the value of the insured vehicle on the day the insured event occurred, as per its value as set forth in Clauses 7 & 8 to Chapter 1 above**, unless it is specified otherwise in the schedule.
- b. If upon the date of compensation a new vehicle of the same manufacturer and of the same model and type may not be purchased in Israel, the additional compensation pursuant to this extension will be paid in accordance with the purchase price of a new vehicle, or will replace with a new vehicle, whose manufacturer, model and type are the closest to the insured vehicle, according to the vehicle loss adjuster's assessment, **and subject to the compensation cap set forth in sub-clause a above.**

## Chapter 3a – Additional insurance – for side view mirrors and lights in the vehicle

This coverage is effective only if set forth explicitly in the schedule

### 1. Definitions

a. In this Chapter, the following terms will have the interpretation next to them:

**"Mirrors"** The vehicle's external side view mirrors (including the mount and mirror), **provided these components are an integral part of the vehicle pursuant to the vehicle manufacturer's booklet.**

**"Lights"** Front and rear lights of the vehicle (including blinker and brake lights), **provided these components are an integral part of the vehicle pursuant to the vehicle manufacturer's booklet.**

**"Damage"** Breakage or crack **that goes throughout the mirrors' or lights' thickness**, as well as breakage to the mirrors' or lights' internal mechanism.  
**It is hereby clarified that scratches and/or cracks that do not go throughout the light/mirror thickness and/or fading and/or wear of the light/mirror are not covered by this rider.**

**"Accident"** A sudden, random and unexpected event that caused a breakage to a light/mirror.

**"The vehicle"** The vehicle insured by the policy, as detailed in the schedule, **provided that the company that manufactures it has a certified agency in Israel, the vehicle was imported by ordinary import (or personal parallel import) and/or the abovementioned vehicle has replacement lights/mirrors in Israel.**

**"The coverage"** Replacement and/or repair of the mirror or light part that was damaged due to an accident.

### 2. Scope of coverage

- a. The insurer shall provide the coverage to the insureds and/or anyone holding the vehicle and/or using it with the insureds' consent or on their behalf (hereinafter – "**service recipient**") starting from the moment this coverage is purchased, and as long as the insurance policy is in effect and was not cancelled.
- b. Coverage pursuant to this Chapter shall be given and/or executed by a service provider on behalf of the insurer, whose details shall be given in the schedule (hereinafter – "**the service provider**"). The service provider shall extend the service by professionals who are appropriate and relevant to the type of coverage.

- c. Coverage pursuant to this Chapter is stipulated by the fact that in the inception of the coverage period, the mirrors and lights are in order, and without any flaw and/or crack.
- d. The mirrors and/or lights that will be replaced will be replacement products, of the same standard, of the same type, quality, characteristics and description of the damaged product.
- e. If the amount of damage to lights/mirrors exceeds this coverage's liability limit, and the service recipient chose only to repair the mirror/light with this coverage, the insurer shall repair the light/mirror and the insurer will pay the difference to the service provider. The repair will be executed subject to the insureds' consent in advance and in writing to the repair and to paying the remaining difference at their expense.
- f. If the service provider is unable to find a matching light/mirror within the repair times defined in this coverage, the service provider shall compensate the service recipient with the acceptable market price of a new mirror/light, including fitting expenses and VAT, less deductible, as detailed in Clause 4 below.
- g. Receiving the indemnification is stipulated by the insureds signing a proof that they received the indemnification pursuant to this coverage in front of the insurer, and declaring that they would not make any claim towards the insurer in the future in respect of this damage to the light/mirror. This Clause does not deny the insureds' right to appeal regarding their right for compensation and/or regarding the scope of compensation.
- h. The service recipients will not be entitled to any payment from the service provider and/or anyone on its behalf, if they chose to receive the service deliberated in this Chapter not through the service provider. This Clause shall apply even if the service recipients acted in good faith.**
- i. It should be clarified that damage incurred to lights/mirrors only, covered pursuant to this Chapter, shall not be considered as a claim pursuant to Chapter 1 to the policy.

### 3. Receiving service

- a. Whenever damage is incurred to the light and/or mirror (except in the cases excluded in this rider), the service recipient should call the service provider's call center, whose details are provided in the schedule (hereinafter – "**the call center**"), in order to receive the coverage through the service workshops of the service provider, deployed nationwide.
- b. The service will be extended and performed pursuant to the conditions of this Chapter, within the following deadlines:
  - 1) If the service recipient provides the name of the vehicle make and model, the chassis number and the vehicle registration number and the type of light/mirror that was damaged in advance to the call center – after the replacement light and/or mirror are received by the service provider, a time for the repair/replacement at the service provider is coordinated, and the repair will be performed on the same day as much as possible.

- 2) In any other event – the service recipient will be entitled to receiving the coverage within two working days after the vehicle is brought to the service provider. In this Clause, "working days" are: Sunday-Thursday (inclusive) from 8:00 to 16:00, except official holidays in Israel.

#### 4. Deductible fees

- a. Whenever this coverage is activated, the service recipient shall pay deductible fees of NIS 250 per event to the service provider.
- b. If the service provider is requested to perform a recurring repair of the same light/mirror within 6 months after the previous repair, and the origin of the recurring repair is an act or omission by the service provider – the service provider will bear the entire cost of repair, and the service recipient will not be charged with a deductible in respect of such recurring repair.

#### 5. Exclusion

**Notwithstanding the above, coverage pursuant to this Chapter shall not apply to the following cases:**

- a. **Damage to a product that was not completely intact before it broke and/or that was not fitted properly.**
- b. **Special products and/or products that deviate from the technical specifications of the vehicle's manufacturer or official importer.**
- c. **Repair of electrical short circuits, electrical and/or mechanical mechanisms and engines, which do not originate directly from the incurred damage.**
- d. **Discrepancy in the product fitting, due to a flaw in other parts of the vehicle.**
- e. **Damage due to a natural disaster (including earthquakes), unless the damage is covered by the policy as set forth in Clause 1 to Chapter 1 Vehicle insurance.**
- f. **Breakage that occurred while the vehicle is used for purposes not covered by this policy, as detailed in the schedule.**
- g. **Coverage will not be extended to vehicles that did not pass an annual licensing test, or if a vehicle was taken off the road by a qualified authority.**

## Chapter 4 – Legal protection

**This Chapter is effective only if set forth explicitly in the schedule**

### 1. Legal protection

#### a. Definitions

**In this coverage, each of the following terms will have the interpretation next to them:**

<b>"The insureds"</b>	The policyholders and/or any other person who may drive the vehicle pursuant to the policy.
<b>"Legal proceedings"</b>	Criminal proceedings related to the accident, in which an information was led against the insureds by the State of Israel or on its behalf, including administrative requests regarding the suspension and returning of a driving license, except convictions with optional fines.
<b>"Accident"</b>	A car accident that occurred due to the use of the vehicle, in which a person was injured and/or property was damaged, whose expenses are covered by this policy and/or by a CMBI insurance policy.
<b>"Legal fees"</b>	Lawyer's fees for the conduct of criminal legal proceedings in accordance with the Israel Bar Association Regulations - Minimum Tariff, or any other Law effective at the time of payment.
<b>"Defense or appeal expenses"</b>	Court levies, court fees, stamp duty, copies of protocols, witness fees, expert fees as determined by a Court or in accordance with the provisions of any Law – incurred by the insureds in respect of legal proceedings or appeals, excluding any fine, compensation or punitive damages imposed in a sentencing.

#### b. The coverage

- 1) The insurer, at its expense, will appoint a lawyer to act for the insureds for the purpose of providing legal protection in criminal proceedings which are brought against them in relation with the accident, and will also bear the defense expenses in regards with these proceedings.
- 2) The insurer, at its expense, will appoint a lawyer to act for the insureds for the purpose of filing an appeal and representing them in it, up to the final possible instance, in respect of a sentencing and/or sentence imposed on insureds in legal proceedings, and will also bear appeal expenses.

**A precondition to the insurer's liability pursuant to this Clause is that the insurer receives a reasoned opinion from a lawyer who represented the insureds in the instance whose decision is being appealed, stating that are reasonable grounds and good chances for the abovementioned appeal to succeed.**

- 3) The insurer may not appoint a lawyer in accordance with Clauses (1 and/or 2) set forth above, and if it decided so, the insureds are entitled to approach a lawyer of their choice, with prior coordination with the insurer regarding the terms of engagement with a lawyer, and in such a case the insurer will compensate the insureds for fees and defense expenses, as well as with fees and legal expenses paid by the insureds, **provided the total amount of compensation for legal fees and defense expenses for all the accidents during the insurance period does not exceed the amount set forth for this coverage in the schedule.**
- 4) The insurer will be entitled to request that the insureds supply protocols, expert opinions, testimonies, judgements, rulings and any other material in the possession of the insured or the lawyer due to or in connection with the conduct of the legal proceedings. The insureds must instruct the lawyer to provide all such material to the insurer on request.
- 5) The insurer will pay the fees and the defense expenses or the appeal expenses at the end of the legal proceedings or the appeal, as the case may be. If the insureds have been requested to make these payments before the completion of proceedings, the insurer will refund the amount paid within 30 days after the actual payment was made.
- 6) At the time of making payment in accordance with this Clause, the deductible amount stated in the schedule will be deducted from the insureds.

**c. Restrictions**

- 1) **The insurer will not be liable for any payment pursuant to this Chapter, if when the accident occurred the insureds drove under the influence of dangerous drugs as defined in the dangerous Drugs Ordinance [New Version] – 1973.**
- 2) **The insurer will not be liable for any payment pursuant to this Chapter, if the insured event was caused by the insureds or anyone on their behalf intentionally or with gross negligence, accompanied by a mental basis of recklessness or carelessness.**

## Chapter 5

### General exclusions to the insurer's liability for all the policy chapters

1. **This policy does not cover loss, damage or liability that occurred outside the boundaries of the State of Israel, the areas of Judea, Samaria and the Gaza Strip.**
2. **This policy does not cover:**
  - a. Consequential damage.
  - b. Loss or damage caused whilst the vehicle is being used by the IDF.
  - c. Loss or damage which is caused due to acts of strikes or lockouts, other than if stated otherwise in the schedule.
    - 1) Loss or damage which is caused due to riots, other than if stated otherwise in the schedule.
  - d. A claim arising from contractual liability.
  - e. Loss or damage caused due to the driver being under the influence of dangerous drugs as defined in the Dangerous Drugs Ordinance [New Version] – 1973.
  - f. Loss or damage which is a consequence of war, hostile acts, acts of terrorism, military or popular uprising, revolution.
  - g. Loss or damage which is a consequence of ionizing radiation, radioactive pollution, nuclear processes and any loss or damage due to nuclear materials or nuclear waste.
  - h. Loss or damage which is a consequence of earthquake - other than if otherwise stated in the schedule.

## Chapter 6 - General conditions for all the policy chapters

### 1. Individuals permitted to drive the vehicle

The individuals permitted to drive the vehicle are any one of the individuals stated hereunder as detailed in the schedule, **on condition that they hold a valid driving license in Israel to drive the type of vehicle, or who held any driving license as aforementioned of any type at any time during the 24 months that preceded driving the vehicle and have not been banned from obtaining or holding such a license in accordance with the directives of any legislation, legal verdict, court decision or other competent authority:**

- a. The insured.
- b. An individual whose name is stated in the schedule.
- c. An individual who drives in accordance with the insureds' directives or with their permission.
- d. An individual at the service of insureds who drives in accordance with the insureds' directives or with their permission.
- e. An individual who drives with the permission of the insureds, accompanied by an individual enumerated in clauses a-d above.
- f. An individual who does not hold a driving license as stated in the heading of the Clause, **on condition that he/she is accompanied by a qualified driving instructor holding a license for driving instruction or during an official Ministry of Transport test, on condition that the individual is accompanied by a tester acting on behalf of the Ministry of Transport.**

**The insurer is not liable as per this policy, unless the insured event occurred while one of the individuals permitted to drive the vehicle as set forth in the schedule and in this Clause, was driving it, or if the insured event occurred regardless of driving the vehicle.**

### 2. The use of the vehicle

The use of the vehicle is for one or more of the purposes enumerated hereunder, as stated in the schedule:

- a. For social and private use.
- b. In connection with the business of the insured.

If it was set forth explicitly in the schedule, the use will be for one of the following additional purposes:

- a. Driving instruction.
- b. The commercial carriage of fee-paying passengers.
- c. Hire.
- d. Agricultural works.

- e. Motor trade.
- f. Commercial vehicle towing.
- g. Rallies, competitions and vehicle competence tests.
- h. The paid carriage of commercial goods.

### 3. Linkage

Insurance amounts and liability limits set forth in this schedule or in the policy shall vary depending on the changes between the Index published for the last time before the inception of the insurance period, and the Index that was published for the last time before the occurrence of the insured event. Regarding additional coverages or increases of the insurance amounts within the insurance period, the Index published prior to the addition's or the increase's coming into effect, as the case may be, will apply.

For the purpose of this policy, "Index" means the Consumer Price Index published by the Central Bureau of Statistics.

### 4. Assessment

**Regarding the assessment process after the occurrence of the insured event – please see "the explanations to insureds – the process for appointing a loss adjuster and the preparation of a damage assessment upon the occurrence of a vehicle insured event", which is an integral part of the policy.**

### 5. Disclosure and alteration to material facts

- a. This policy was issued based on the replies provided by the insureds to the insurer in a notification which will be documented by the insurer, to all of the questions posed in the proposal form that serves as the basis for the policy, or in any other manner as requested, and relying on the assumption of the insurer that the insureds provided complete and honest replies to the questions posed as aforementioned, did not withhold any matter with fraudulent intent which they knew to be material to the insurer for the purpose of assessing the insured risks and implemented loss-prevention measures that the insurer requested be implemented in order to mitigate the risks covered in accordance with this policy.
- b. A material fact is a matter in respect of which a question was posed in the proposal form or in any other manner which will be documented by the insurer and without derogating from the generality of the aforementioned, includes also the following matters:
  - 1) The type of vehicle, the year of its manufacture, its registration number, its make and model, the type of transmission.
  - 2) An exemption from taxes in respect of the vehicles if applicable.
  - 3) The description of the use of the vehicle and the place in which it is usually kept.
  - 4) The protection measures of the vehicle.
  - 5) The identity of the owners or the permanent keepers of the vehicle and their

occupations, accidents in which they were involved and driving offences which they were convicted of in the three years preceding the date on which this insurance was arranged pursuant to this policy, other than driving convictions which can be settled by paying a fine.

- 6) Damages that occurred to the vehicle or to a third party in the last three years as a consequence of the risks covered by this insurance, other than in the period in which the vehicle was not owned by the insureds.
  - 7) Details of previous insurers that insured the vehicle.
- c. If the insureds fail to provide complete and honest replies to the questions in respect of material facts or if they withhold a material fact from the insurer with fraudulent intent or do not implement the measures that the insurer requested be implemented to mitigate the risks insured in accordance with this policy, the insurer will be entitled to cancel the policy or to reduce the scope of its liability in accordance with the provisions of the Insurance Contract Law – 1981 .("hereinafter - "the law").**
- d. The insureds are obliged to notify the insurer during the period of insurance of any alteration to a material fact immediately upon becoming aware of the same. If the insureds do not disclose such an alteration to the insurer, the insurer will be entitled to cancel the policy or to reduce the scope of its liability in accordance .with the provisions of the law.**
- e. The insureds must provide the insurer on request with a claims report as defined in Clause 20 below.

## **6. Double insurance**

- a. If the vehicle was insured for the risks covered by this policy with more than one insurer for overlapping periods, the insureds are obliged to notify the insurer of the same in writing immediately upon the double insurance being arranged or immediately upon becoming aware of the same.
- b. In a case of double insurance, the insurers are liable jointly and severally towards the insureds for the total insured amount and will between themselves bear the insurance benefits according to the ratio between the insured amounts.

## **7. Extension of the insurance**

Any extension of the period of insurance in accordance with this policy is subject to the consent of the insurer and of the insureds.

## **8. Payment of insurance fees and other amounts**

- a. The insurance fees all other amounts due from the insureds to the insurer in connection with this policy will be paid in full within 30 days of the inception date of the period of insurance, or from the date on which the invoice for the insurance fees is submitted to the insureds, the latest of the two, or within other deadlines stated in the schedule. In this policy, "insurance fees" means the total payments that the insurer is entitled to

charge the insureds on the inception date in connection with this policy.

- b. If any amount due from the insureds to the insurer is not paid on time, the entire amount in arrears will bear annual interest as stated in the schedule and/or linkage differences in accordance with the changes to the Consumer Price Index, between the Index published prior to the due date and the Index published prior to the actual payment date.
- c. If any amount in arrears is not paid, as aforementioned, within 15 days after the insurer has requested the insureds to make payment, the insurer is entitled to notify the insureds in writing that the insurance will be cancelled following another 21 days if the amount in arrears is not settled beforehand; If a beneficiary other than the insured was designated on an irrevocable basis, the insurer is permitted to cancel the insurance provided that the beneficiary is notified in writing of the aforementioned arrears and the beneficiary does not settle the amount in arrears within 15 days of the aforementioned notification being sent.
- d. Nothing contained in this Clause derogates from the insured's obligation to settle the amount in arrears relating to the period up until the cancellation as aforementioned, as well as the insurer's expenses.

## 9. Deductible fees

- a. On the occurrence of an insured event covered in accordance with Chapter 1 to this policy, other than in the case of an insured event of third party liability insurance or an insured event which results in a total loss or constructive total loss of the vehicle, the deductible stated in the schedule will be deducted from the insurance benefits in respect of each and every claim, according to the type of loss occurring, provided that insofar as the deductible for depreciation is concerned, the rules stated in this Clause below will apply.

If the deductible is stated in the schedule as a ratio and not as an amount – a pro-rata amount from all insurance benefits will be deducted from the insurance benefits that will be paid by the insurer to the insureds.

- 1) The deductible in respect of depreciation loss will not exceed 1.5% of the insurance amount (hereinafter – "basic deductible"), other than if the insureds have agreed to a different deductible which the insurer offered them and have signed a separate appendix to the proposal form (hereinafter – "depreciation appendix") and provided that it is stated in the policy schedule, subject to the following rules:
  - a) The deductible in respect of depreciation loss shall not exceed the highest deductible approved for the insurer in this respect, pursuant to the Order of Supervision on Insurance Businesses (New insurance Plans and Alterations of Plans) – 1981 (hereinafter – "the Order").
  - b) Against the deductible in respect of depreciation loss, the insureds will receive an appropriate discount in the common insurance benefits at the insurer, in addition to other accepted discounts, in accordance with the various levels of

deductible offered by the insurer to insureds, as approved by the Commissioner within the approval of tariffs pursuant to the Order.

- 2) If the insureds have not signed a depreciation appendix in which they selected a deductible which the insurer offered them, the basic deductible will apply to depreciation losses in the case of any insured event, however the insureds will be entitled to alter the basic deductible percentage retroactively from the inception date of the period of insurance if they notify the insurer of the same within 30 days of receiving the schedule in which the basic deductible is stated; if the insureds notified the insured of the amendment as aforementioned, the insurance fees will apply accordingly from the inception of the period of insurance.
- b. On the occurrence of an insured event covered by third party liability insurance, the insurer will pay to the third party all the amounts that the insureds will have to pay, up to the insurer's liability limit stated in the schedule as detailed in Clause 2 to Chapter 2. The insurer will charge the insureds with the deductible amount stated in the schedule due to the insurance amount, and will not deduct the deductible amount from the amounts paid to the third party.
- c. However, if the amount that insureds have to pay to the third party equals the amount that the insurer may charge the insureds as aforementioned, or lower, the insureds themselves will bear the payment to the third party and the insurer will not have to pay any amount to the third party.
- d. **Sub-clauses (a) and (b) notwithstanding, upon the occurrence of an insured event covered pursuant to Chapters 1-2 to this policy, the insureds will be charged with one deductible amount, that shall not exceed the highest of the amounts stated in the schedule.**

## 10. Reinstatement of the coverage

- a. After the insurer has paid insurance benefits to the insureds or to a third party due to an insured event during the period of insurance, the insurer will reinstate the scope of its liability in accordance with this policy to the status that applied immediately prior to the occurrence of the insured event. The insurer is entitled to charge additional insurance fees for reinstating the scope of insurance, which will be calculated as follows:
  - 1) Where insurance benefits have been made in accordance with Chapter 1 to the policy – the amount of insurance benefits that were paid multiplied with the ratio of the division of annual insurance fees (basic premium) by the vehicle value, pro-rata for the unexpired period of insurance from the date of the occurrence of the insured event up until the expiry of the period of insurance in accordance with the policy.
  - 2) Where insurance benefits have been made to a third party in accordance with Chapter 2 to the policy – equal to the insurance fees charged in respect of insurance benefits, in the amount paid as insurance benefits paid to a third party, at its value on the date of the occurrence of the insured event, pro-rata for the unexpired period of insurance from the date of the occurrence of the insured event up until the expiry of the .period of insurance in accordance with the policy.

- b. The insurer will deduct the insurance fees that the insureds should pay it in order to reinstate the scope of coverage from the insurance benefits that will be paid to insureds as stated above in respect of the insured event.

**This clause will not apply in the event of payment by the insurer in respect of a total loss, or if the insurer replaced the vehicle.**

## **11. Changing the vehicle**

- a. If the insureds change the vehicle during the period of insurance and purchase another vehicle, the insureds may, by notification to the insurer and with the agreement of the insurer, transfer the coverage under this policy to the other vehicle.
- b. If on the date of the change, the insurance fees for the old vehicle are lower than the insurance fees for the new vehicle, the insureds will pay the difference to the insurer, pro-rata for the unexpired period of insurance, within 30 days of the change.
- c. If on the date of the change, the insurance fees for the old vehicle are higher than the insurance fees for the new vehicle, the insurer will pay the difference to the insured pro-rata for the unexpired period of insurance, within 30 days of the change.
- d. The provisions of sub-clauses 11 (a), 11 (b) and 11 (c) do not preclude the insurer from requesting payment to cover its costs for transferring the insurance coverage according to its authorized tariffs.

## **12. Suspension**

- a. During the period of insurance, the insureds are entitled to notify the insurer in advance that the vehicle will be laid-up and not used for a period of not less than 30 days and not more than the number of days remaining until the expiry of the period of insurance (hereinafter – “the suspension period”).
- b. If the insureds notify the insurer as stated in sub-regulation 4 (a), the insureds nor their representative may drive the vehicle during the suspension period and if the insureds or their representative do drive the vehicle – the coverage in accordance with clause 1 b to Chapter 1 to this policy will not apply.
- c. The suspension period will end on the date stated in the insureds' notice. If no date is stated in the said notice, the suspension period will end at the expiry of the period of insurance or on receipt of notice from the insureds of termination of the suspension period, the earlier of the two.
- d. At the end of the suspension period, the insurer will refund the insureds with the pro-rata insurance fees for the coverage in accordance with Clause 1 b to Chapter 1 to this policy, paid by the insureds in respect of the suspension period.

## **13. Cancellation of the insurance**

- a. The insureds may cancel the insurance at any time prior to the expiry of the period of insurance - at their discretion. The insurance will be cancelled on the date on which notice of the same is sent to the insurer; in such a case the insurer will refund the insurance fees paid for the period after the date on which the cancellation takes effect

to the insureds as soon as possible, and not more than 14 days from the date on which the cancellation takes effect, net of the following amounts:

- 1) For a period of up to seven days in which the policy was effective, including if it did not incept – 5% of the annual insurance fees.
  - 2) If the policy was effective for a period exceeding seven days – 5% of the annual insurance fees plus 0.3% of the annual insurance fees for each day, starting from the eighth day.
- b. Notwithstanding the provisions of sub-clause (a), if the insureds cancel the policy due to transfer of ownership of the insured vehicle, due to returning the vehicle license to the Ministry of Transport or due to the death of the driver whose name is specified as the only driver in the policy schedule, the insurer will refund a pro-rata share of the paid insurance fees to the insureds. The pro-rata share as aforementioned will be calculated by multiplying the insurance fees that the insurer charged by the ratio between the number of unexpired days on the cancellation date until the original expiry date of the period of insurance, with the number of days included in the original period of insurance (hereinafter – "pro-rata share").
  - c. Without derogating from the statutory rights of the insurer, the insurer may cancel the insurance prior to the expiry of the period of insurance provided that notification of the same is sent to the insureds, stating the reason for the cancellation, by registered post at least 45 days prior to the date on which the insurance is to be cancelled.
  - d. If the insurer cancels the insurance, the insureds will refund to the insured the pro-rata share of the insurance fees paid as soon as possible and not exceeding 14 days from the date on which the cancellation takes effect.
  - e. All amounts which are refunded in accordance with this Clause will vary in accordance with the changes to the index between the index last published prior to the date on which the insurance fees was paid and the Index last published before the date on which the insurance fees are returned; if the insurance fees were paid in instalments, each amount will vary in accordance with the changes in the Index between the index last published prior to the payment date and the Index last published prior to the date on which the return payment is made.
  - f. Notwithstanding the provisions of this Clause, a policy containing a charge to another party will be cancelled 30 days after warning of the cancellation has been sent to the interested party.

#### **14. Claims for insurance benefits**

- a. **If an insured event occurs, the insureds or the beneficiaries are obliged to notify the insurer immediately upon becoming aware of the same.**
- b. **Any claim for insurance benefits in accordance with the policy must be submitted to the insurer and will be documented by it. The aforementioned does not preclude the insured from requesting that the claim be made in writing.**

- c. The insureds or the beneficiaries, as applicable, must provide the information and documents required for the clarification of liability to the insurer within a reasonable time of being requested to do so, and if they are not in his possession, they must assist the insurer insofar as possible to obtain them.
- d. Immediately upon receipt of the notification from the insureds or the beneficiaries of the occurrence of an insured event, the insurer will take the necessary steps to clarify its liability.
- e. Insurance benefits will be paid within 30 days from the date on which the insurer is in possession of the information and the documents required for the clarification of its liability, and in respect of theft as a consequence of which the vehicle is not found within 28 days - within 7 days from the aforementioned date.
- f. **Insurance benefits payable to a third party or paid to the insureds will vary in accordance with the ratio between the Index published prior to the occurrence of the insured event and the Index published prior to the actual payment date, in addition to which linked interest at the rate determined in accordance with the “interest differences and indexation” definition in Clause 1 of the Interest and Indexation Ruling Law – 1961, after 30 days have elapsed from the date of submitting the claim. This provision does not derogate from the authority of the Court in accordance with the said law.**
- g. **The insurer is entitled to offset from the insurance benefits in accordance with Chapter 1 to the policy any fixed amount which the insureds owe it due to this policy or due to another policy, and if there is a genuine concern that the debt will not be paid, the insurer is entitled to offset the balance of the insurance benefits whose payment date has not yet arrived or other debit whose payment .date has not yet arrived.**
- h. **Insurance benefits will not include VAT for anyone who is entitled to offset input tax.**

#### 15. Admission without the insurer's consent

If the insureds or their representative pay compensation in connection with an insured event covered under this policy, admit liability, offer, promise or undertake to pay compensation as aforementioned, **without the prior consent of the insurer**, this will not bind the insurer.

#### 16. Advance payments undisputed benefits

- a. On the occurrence of an insured event, the insureds or the third party, as applicable, will be entitled to receive an advance payment from the insurer or a financial undertaking which will enable them to receive service for the repair of the damage on account of the money due to the insureds in accordance with the conditions of this policy.
- b. Undisputed insurance benefits will be paid within 30 day of a written claim for insurance benefits being lodged with the insurer, provided that they are claimable separately from the other insurance benefits.
- c. Amounts paid to the insureds or to the third party by virtue of sub-clauses a and b will be

deducted from the final insurance benefits payable. In the calculation of the deduction, the amounts deducted will vary in accordance with the changes to the Consumer Price Index between the Index published prior to their payment and the Index published prior to the date on which the final insurance benefits are paid.

- d. The full and final payment of insurance benefits in the event of damage in accordance with Chapter 1 will be made following the provision of reasonable evidence that the insureds repaired the damage to the vehicle.

## **17. Prescription**

The prescription period of a claim for insurance benefits in accordance with this policy is three years from the date of the occurrence of the insured event, other than if another period is stated in the law. A claim for insurance benefits in respect of an insured event in accordance with Chapter 2 does not prescribe as long as the third party claim against the insureds has not prescribed.

## **18. Subrogation**

- a. If, due to the occurrence of an insured event, the insureds were also entitled to receive compensation or indemnification from a third party other than by virtue of an insurance contract, this right is assigned to the insurer who paid insurance benefits to the insureds or to the beneficiaries, up to the full amount thereof.
- b. The insurer may not use the right transferred in accordance with this Clause in a manner which will prejudice the rights of the insureds to obtain compensation or indemnification from the third party in excess of the insurance fees received from the insurer.
- c. If the insureds received compensation or indemnification from a third party which was due to the insurer in accordance with this Clause, the insureds are obliged to transfer this to the insurer. If the insureds compromised, provided a waiver or performed any other act which prejudices the right transferred to the insurer, the insureds are obliged to compensate the insurer for the same.
- d. If the insurer received compensation or indemnification from a third party which it would be entitled to receive in accordance with this Clause, it must notify the insureds of the same within 15 days.
- e. The insurer will not invoke this Clause if the insured event was unintentionally caused by a third party from whom a reasonable insured would not claim compensation or indemnification, due to family or employer-employee relations between them.

## **19. Pledge clause**

Payment pursuant to Chapter 1 "Damage or loss to the vehicle" insurance, if it should be made, will be made to the bank or to the person entitled to it as set forth in the schedule (hereinafter – "the beneficiary"), in accordance with their share in the right of enjoyment in the insurance pursuant to the policy Chapter mentioned above, and subject to all its conditions.

Nothing stated in this Clause will be interpreted as expanding the insurer's liability pursuant to the policy or as derogating from any authority assigned to it.

## 20. Claims report

- a. After 11 months from the inception of the period of insurance – for one-year insurance, or at the end of the period of insurance – for an insurance for less than one year, the insurer must send a claims report to the policyholder containing details of all of the claim/s that have been made up until then for every insurance year. In the claims report, the insurer must provide details of all of the insured events in respect of which claims have been made, including the insured vehicle's registration number, the date of the insured event, the amounts that were paid, the type of coverage, the type of claim (own damage or third party), whether the insurer received compensation or indemnification from a third party due to the claim, the rate or amount of depreciation that was determined, in the period in which the policyholder was covered by the insurer, according to the short period.
- b. If a claim was lodged for the first time after the end of 11 months since the inception of the period of insurance, the insurer must send an amending report immediately after the claim is lodged.
- c. In this Clause, "Claim" – a claim for insurance benefits, pursuant to Clause 14, at a rate exceeding 35% of the scope of insurance fees for the entire insurance period.

## 21. Notifications

- a. Notifications from the insureds or the beneficiaries to the insurer will be submitted to the insurer to one of the following addresses:
  - 1) The address of the insurer's offices, as stated in the letterhead of the policy or any other address in Israel that the insurer periodically notifies the insureds or the beneficiaries of from time to time.
  - 2) The insurance agent's office stated in the policy with his/her address as detailed therein, or any other address in Israel that the designated insurance agent or insurer notifies the insureds or the beneficiaries of from time to time.
  - 3) Any other manner that the insurer informs the insureds of from time to time.
- b. Notifications from the insurer to insureds will be sent in writing to the address stated in the schedule, or to any other address in Israel notified by the insureds, in writing to the insurer, from time to time.

## 22. Jurisdiction

All disputes or claims in accordance with this policy or related to it will be deliberated only before a competent Court in Israel, and pursuant to Israeli laws.

# Riders

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## Rider – replacement radio

**This coverage is effective only if it is set forth explicitly in the schedule**

### 1. Definitions

"The policy"	An insurance policy for private and commercial vehicles up to 3.5 tons, that includes coverage for a replacement radio, pursuant to which the vehicle is insured, and to which this rider is attached.
"The schedule"	The schedule attached to the policy and constitutes an integral part thereof, as updated from time to time.
"Electrical appliance"	Radio, tape recorder or radio-disc.
"Loss"	The loss of the electrical appliance (as defined above) as a result of theft, but not when the entire vehicle is stolen.
"Service recipient"	The insureds pursuant to the policy, as well as whoever would hold or use the vehicle on behalf of the insureds.
"Service provider"	The supplier stated in the schedule.

### 2. Scope of service

In the case of loss, a replacement electrical appliance will be fitted in the insured vehicle. The replacement appliance will have a panel that may be pulled out, digital display, 18 stations, amplification of 60 watts, auto-reverse, automatic station scanner and separate electronic control for bass, treble and balance.

And pursuant to the following conditions:

- a. The replacement electrical appliance will be fitted in one of the fitting stations that work with the service provider throughout Israel.
- b. The electrical appliance will be of the type and quality stated in the schedule.
- c. The fitted electrical appliance will receive a warranty for 12 months, by the service provider.
- d. The insureds will bear a deductible whenever damage occurred, as stated in the schedule.

### 3. Exclusions

- a. **The service does not include antennas, audio-visual appliances, records, tapes, discs.**
- b. **The service is stipulated by the fact that the electrical appliance that was fitted in the car upon the occurrence of damage was in working order.**

#### **4. Notifications and handling of claims**

- a. In any case of a theft, the insureds must address the service provider's call center by phone.
- b. Insureds must provide a certification from the police regarding the claimed damage event, and the deductible as stated above, which will be paid with a credit card or in cash.
- c. The service provider will refer the insureds to a fitting station, in which the electrical appliance will be fitted.  
The fitting station will be coordinated between the insureds and the service provider, as per the insureds' convenience, and within the list of fitting stations related to the service provider in order to provide this service. The service will be provided with an appropriate geographical spread.
- d. The insureds will provide to the fitting station a certificate from the police as set forth above, and will sign a claim form.
- e. Upon completion of the service, the insureds will pay the deductible to the fitting station, and will confirm the execution of fitting with their signature.
- f. After the completion of fitting, the insureds will receive a warranty for 12 months.
- g. The service provided pursuant to this rider will be provided by appropriate professionals.
- h. The insurer will be responsible for the services extended under this rider.
- i. There will be efficient and available communication with insureds.

#### **5. Period of service**

- a. Service pursuant to this rider is for the period of insurance stated in the schedule, and as long as the policy is effective and has not been cancelled.
- b. The rider's cancellation is pursuant to the relevant directives in the policy, and pursuant to the provisions of the Law.
- c. Notwithstanding the above, it is clarified that the insurer may cancel the rider to all service recipients if the engagement between the insurer and the service provider is discontinued, if the insurer has not achieved a settlement with an alternative service provider, and subject to the approval of the Commissioner of Insurance.
- d. The cancellation of the rider as detailed in sub-clause c above, shall come into effect immediately after the announcement of cancellation, and the service recipient will be entitled to a reimbursement pro-rata of the rider paid by him/her.

# Rider for the coverage of substitute windshield breakage "at home"

This coverage is effective only if it is set forth explicitly in the schedule

## 1. Definitions

In this rider, the following terms will have the interpretation next to them:

"The policy"	An insurance policy for private and commercial vehicles up to 3.5 tons, that includes coverage for a replacement radio, pursuant to which the vehicle is insured, and to which this rider is attached.
"The schedule"	The schedule attached to the policy, and which constitutes an integral part thereof, as updated from time to time.
"Windshields"	The vehicle's front, rear and side windshields. <b>For the removal of doubt, panoramic windshields, cases and sunroof windshields shall not be included in the coverage as per this rider.</b>
"Breakage"	Breakage or crack that goes throughout the thickness of the windshield.
"The service"	The replacement of broken windshields with new substitute windshields, of the same standard, of the same type and quality of the damaged windshields.
"The vehicle"	Private and commercial vehicles of up to 3.5 tons, which were manufactured no more than 20 years ago, and the manufacturing company has a certified agency in Israel through which the vehicle was imported, <b>except vehicles imported by personal import.</b>
"Service recipient"	The insureds pursuant to the policy, as well as whoever would hold or use the vehicle on behalf of the insureds.
"Service provider"	The supplier stated in the schedule.
"Pricelist"	<b>The service provider's pricelist for the repair of windshield breakage, as updated from time to time.</b>

## 2. Nature and scope of service

- This rider (hereinafter – "**the extension**") shall be extended or performed by the service provider in the service stations in case of windshield breakage in the vehicle.
- The insureds declare that in the beginning of the service period, the vehicle's windshields are in order without any flaw and/or crack.
- If the extension was purchased 30 days or more after the policy came into effect, receiving the service is stipulated with receiving a written certification from the service provider, stating that the windshields were intact when the service period began.

- d. In any event of breakage of the windshield (except in the cases that are excluded as follows), the service recipient will contact one of the service stations nearby in order to receive the service.
- e. The service will be extended and performed pursuant to the conditions of the extension, within the following deadlines:
  - 1) For vehicles whose windshields are glued – within 12 working hours after the vehicle is brought to the service station, and anyway until the end of the working day that follows the day upon which the vehicle was brought to the service station.
  - 2) For vehicles whose windshields are not glued - within 8 working hours after the vehicle is brought to the service station.
  - 3) In this Clause, "working days" mean Sunday-Friday (inclusive), except official holidays in Israel.
  - 4) In this Clause, "working hours" mean: Sundays-Thursdays (inclusive) from 7:30 to 16:30, and in Tel Aviv and the center of Israel until 17:30, Fridays and holiday eves – from 7:30 until 14:00.
- f. **Windshields at home service** – the insureds may receive this service pursuant to this exclusion from the service provider only, wherever the vehicle is situated, as per the service recipient discretion, **provided the insureds contacted the service provider's call center and requested to receive "windshields at home service"**.  
**Providing the service:**
  - 1) The service will be provided, as much as possible, during the working day as defined in Clause d above, and no more than within 10 working hours, which will be counted from the moment "windshields at home service" was requested. The number of hours for this Clause will be counted only as per working hours on Sundays-Thursdays between 8:00 and 16:00.
  - 2) In areas in which there are no vehicle glass stations in a radius of 10 kilometers, anyway the service will be provided until the following day, and in remote areas with no vehicle glass stations in a radius of 30 kilometers, service will be provided within 48 hours.
  - 3) If the service provider does not have the windshield in its warehouse, and it must be ordered from another supplier in Israel or from the importer (if there is no substitute windshield), the service will provided no later than the following day, beyond the time set forth in the rider for windshield at home service.
  - 4) Providing the service is stipulated with receiving the damage report from the customer.
  - 5) The service will be provided only if there is an available electricity plug within a distance of 10 meters from the fitting place, and in winter – only in a roofed area.
- g. If, in the insured event in which windshields are damaged, there is damage covered by the policy, or damage caused by a third party to the vehicle's body as well, the service

provider will not start the service unless it receives a written undertaking by the service recipient, not to lodge a claim against the insurance company or the third party in respect of the same insured event.

- h. Whenever the service provider is unable to supply a proper substitute windshield, the service provider may manufacture such a windshield within a reasonable time, or may give a financial compensation to the service recipient, based on the service provider's cost, plus dismantling and fitting fees.
- i. A warranty for 12 months will be given for the service, free of charge. The warranty will refer to an act and/or omission by the service provider, and it will include the windshield, the replaced parts in the repair and the dismantling work.

### 3. Exclusions

- a. Notwithstanding the above, the extension will not cover damage caused to the vehicle's windshields as a result of one of the following events and/or damage to the following types of windshields and/or damage of the following type:
- 1) The cases set forth in the general exclusions for all the policy chapters, as detailed in Chapter 5 to the policy, related to general exclusions to the insurer's liability and any other insured event that is not covered by the policy.
  - 2) Damage caused maliciously by the insureds or anyone on their behalf.
  - 3) Electrical breakdowns to windshields and/or mechanisms, including as a consequence of use, wear and tear or a manufacturing defect or rubber parts, nickel and accessories.
  - 4) Special windshields and windscreens which deviate from the vehicle manufacturer's standards, including damage caused because accessories were glued to the windscreens, cellular antennas etc.
  - 5) Protected windshields, including windshields that are protected against stones and windshields protected against shooting.
  - 6) Damage incurred as a result and/or during a rally and/or a test and/or driving competence tests.
  - 7) All kinds of scratches on the windshield.
- b. In addition to Clause a above, "windshield at home service" will also not be extended in the following cases:
- 1) When extreme weather conditions prevail in the area where the service is requested, including during rain, hail or snow storms, which do not allow providing on-site service.
  - 2) The service was requested in an area where there are riots or uprisings.
  - 3) The performance of service necessitates the use of special equipment or tools, which may not be taken out of the service station, or if extending the service requires a connection to the manufacturer's computers.
  - 4) In areas south of Ha'arava junction, in areas east of Ma'ale Adumim.

### 4. Additional repairs

- a. For damage and/or damages whose repair is explicitly excluded in the policy and/or in this extension and/or which are not included in the policy and/or in this extension (hereinafter - "excluded repairs") in respect of which the service recipients contact the service provider for repairs to be performed, the service provider will be entitled to charge the service recipient in accordance with the following conditions and at the following amounts:
- 1) Provided that the service recipients give their prior written consent to the service provider to perform the excluded repairs in accordance with a written

quotation from the service provider, after the fact that there is no insurance cover has been expressly explained to them.

- 2) **The price that the service provider states in the quotation will be in accordance with the pricelist, net of a special discount to insureds of Migdal Insurance Company Ltd.**
- 3) **On completion of the excluded repairs the service provider will provide the insureds with an invoice and receipt in accordance with the quotation, containing a detailed accounting and a breakdown of the cost of the parts which have been repaired and/or replaced, and the cost of labor.**

## 5. Period of service

- a. Service pursuant to this rider is for the period of insurance stated in the schedule, and as long as the policy is effective and has not been cancelled.
- b. The rider's cancellation is pursuant to the relevant directives in the policy, and pursuant to the provisions of the Law.
- c. Notwithstanding the above, it is clarified that the insurer may cancel the rider to all service recipients if the engagement between the insurer and the service provider is discontinued, if the insurer has not achieved a settlement with an alternative service provider, and subject to the approval of the Commissioner of Insurance.
- d. The cancellation of the rider as detailed in sub-clause c above, shall come into effect immediately after the announcement of cancellation, and the service recipient will be entitled to a reimbursement pro-rata of the rider paid by him/her.

## 6. Changing the vehicle

If the policyholders change their vehicle, they would continue to benefit from the service in this rider, for the new vehicle, subject to the conditions of this extension.

## 7. General conditions

- a. **The coverage in accordance with this extension is conditional upon the service recipient contacting one of the service provider's stations in order to obtain service from it. For the sake of avoidance of doubt, in any case in which the repair is conducted at a service station which does not appear in the list of approved service stations, the insureds will not be entitled to receive any financial compensation for the repair and/or the windshield.**
- b. The service recipients agree to empower the service provider to charge and receive on his behalf damage to a windshield caused by a third party.
- c. The service extended by the service provider will be by professionals.
- d. There will be efficient and available communication with insureds.
- e. Service will be extended with an appropriate geographical spread.
- f. The insurer will be liable for the services extended within the rider.

# Rider for the coverage of original windshield breakage for private and commercial vehicles up to 3.5 tons

This coverage is effective only if it is set forth explicitly in the schedule

## 1. Definitions

In this rider, the following terms will have the interpretation next to them:

"The policy"	An insurance policy for the vehicle, pursuant to which the vehicle is insured by the insurance company, and to which this rider is attached.
"The schedule"	The schedule attached to the policy, and which constitutes an integral part thereof, as updated from time to time.
"Windshields"	The vehicle's front, rear and side windshields. <b>For the removal of doubt, panoramic windshields, cases and sunroof windshields shall not be included in the coverage as per this rider.</b>
"Breakage"	Breakage or crack that goes throughout the thickness of the windshield.
"The service"	The replacement of broken windshields with new original windshields.
"The vehicle"	Private and commercial vehicles of up to 3.5 tons, which were manufactured no more than 5 years ago, and the manufacturing company has a certified agency in Israel through which the vehicle was imported, <b>except vehicles imported by personal import.</b>
"Service recipient"	The insureds pursuant to the policy, as well as whoever would hold or use the vehicle on behalf of the insureds.
"Service provider"	The supplier stated in the schedule.
"Pricelist"	<b>The service provider's pricelist for the repair of windshield breakage and replacement of windshields, as updated from time to time.</b>

## 2. Scope of service

- This rider (hereinafter – "**the extension**") shall be performed by the service provider in the service stations in case of windshield breakage in the vehicle.
- The insureds declare that in the beginning of the service period, the vehicle's windshields are in order without any flaw and/or crack.
- If the extension was purchased 30 days or more after the policy came into effect, receiving the service is stipulated with receiving a written certification from the service provider, stating that the windshields were intact when the service period began.
- In any event of breakage of the windshield (except in the cases that are excluded as follows), the service recipient will contact one of the service stations nearby in order to receive the service.

- e. The service will be extended and performed pursuant to the conditions of the extension, within the following deadlines:
  - 1) Within 12 working hours after the vehicle is brought to the service station, and anyway until the end of the working day that follows the day upon which the vehicle was brought to the service station.
  - 2) In this Clause, "working days" mean Sunday-Friday (inclusive), except official holidays in Israel.
  - 3) In this Clause, "working hours" mean: Sundays-Thursdays (inclusive) from 7:30 to 16:30, and in Tel Aviv and the center of Israel until 17:30, Fridays and holiday eves – from 7:30 until 14:00.

### **3. Exclusions**

- a. **Notwithstanding the above, the extension will not cover damage caused to the vehicle's windshields as a result of one of the following events and/or damage to the following types of windshields and/or damage of the following type:**
  - 1) **Damage caused maliciously by the insureds or anyone on their behalf.**
  - 2) **Special windshields and windscreens which deviate from the vehicle manufacturer's standards, including damage caused because accessories were glued to the windscreens, cellular antennas etc.**
  - 3) **Electrical breakdowns to windshields and/or mechanisms, including as a consequence of use, wear and tear or a manufacturing defect or rubber parts, nickel and accessories.**
  - 4) **All kinds of scratches on the windshield.**
  - 5) **Damage incurred as a result and/or during a rally and/or a test and/or driving competence tests.**
  - 6) **Windshield breakage incurred as a result of or during gluing a cellular antenna or a mirror.**
  - 7) **Theft of a windshield (with no signs of glass breakage).**
  - 8) **Windshield breakage as a result of carrying a bicycle on the vehicle.**
  - 9) **The cases set forth in the general exclusions for all the policy chapters, as detailed in Chapter 5 to the policy, related to general exclusions to the insurer's liability and any other insured event that is not covered by the policy.**

### **4. Additional repairs**

- a. For damage and/or damages whose repair is explicitly excluded in the policy and/or in this extension and/or which are not included in the policy and/or in this extension (hereinafter - "excluded repairs") in respect of which the service recipients contact the service provider for repairs to be performed, the service provider will be entitled to charge the service recipient in accordance with the following conditions and at the following amounts:

- 1) Provided that the service recipients give their prior written consent to the service provider to perform the excluded repairs in accordance with a written quotation from the service provider, after the fact that there is no insurance cover has been expressly explained to them.
- 2) The price that the service provider states in the quotation will be in accordance with the pricelist, net of a special discount to insureds of Migdal Insurance Company Ltd.
- 3) On completion of the excluded repairs the service provider will provide the insureds with an invoice and receipt in accordance with the quotation, containing a detailed accounting and a breakdown of the cost of the parts which have been repaired and/or replaced, and the cost of labor.

## 5. Period of service

- a. Service pursuant to this rider is for the period of insurance stated in the schedule, and as long as the policy is effective and has not been cancelled.
- b. The rider's cancellation is pursuant to the relevant directives in the policy, and pursuant to the provisions of the Law.
- c. Notwithstanding the above, it is clarified that the insurer may cancel the rider to all service recipients if the engagement between the insurer and the service provider is discontinued, if the insurer has not achieved a settlement with an alternative service provider, and subject to the approval of the Commissioner of Insurance.
- d. The cancellation of the rider as detailed in sub-clause c above, shall come into effect immediately after the announcement of cancellation, and the service recipient will be entitled to a reimbursement pro-rata of the rider paid by him/her.

## 6. General conditions

- a. **The coverage in accordance with this extension is conditional upon the service recipient contacting one of the service provider's stations in order to obtain service from it. For the sake of avoidance of doubt, in any case in which the repair is conducted at a service station which does not appear in the list of approved service stations, the insureds will not be entitled to receive any financial compensation for the repair and/or the windshield.**
- b. If, in the insured event in which windshields are damaged, there is damage covered by the policy, or damage caused by a third party to the vehicle's body as well, the service provider will not start the service unless it receives a written undertaking by the service recipient, not to lodge a claim against the insurance company or the third party in respect of the same insured event.
- c. The service recipients agree to empower the service provider to charge and receive on his behalf damage to a windshield caused by a third party.
- d. The service extended by the service provider will be by professionals.
- e. There will be efficient and available communication with insureds.

- f. Service will be extended with an appropriate geographical spread.
- g. The insurer will be liable for the services extended within the rider.

## Rider - Roadside and towing services

This coverage is effective only if it is set forth explicitly in the schedule

This document constitutes a rider between you and the supplier set forth in the schedule (hereinafter – "the service provider"). This rider details the services to which you are entitled, and the mutual rights and obligations of the service provider and the members.

### 1. Definitions

In this rider, the following terms will have the interpretation next to them:

"The policy"	An insurance policy for the insurance of vehicles as defined herewith, pursuant to which the vehicle is insured by Migdal Insurance Company Ltd., and to which this rider is attached.
"The schedule"	The schedule attached to the policy, and which constitutes an integral part thereof, as updated from time to time.
"The vehicle"	Private and commercial vehicles of up to 3.5 tons.
"Service recipient"	The insureds pursuant to the policy, as well as whoever would hold or use the vehicle on behalf of the insureds.
"Service provider"	The supplier, as stated in the schedule.
"Roadside"	An asphalt road or a road that was paved for the passage of private or commercial vehicles, or an arranged parking space.

### 2. The nature of services

- a. Roadside services as detailed in Clause 2 to this Rider (hereinafter – "vehicle services") 24 hours a day, **every day except on Yom Kippur**.
- b. The service recipients are entitled to receive the following services, with no limit on the number of calls during the membership period, subject to the following:
  - 1) **Vehicle towing** – in accordance with the following conditions:
    - a) Towing from any place in the State of Israel, to any other place in the State of Israel, including in the areas of Judea, Samaria and Gaza strip controlled by the IDF forces.
    - b) If there is a need to tow the vehicle as a result of the vehicle being rendered inoperable due to a mechanical breakdown, an accident, or due to theft.
    - c) In the event that the service provider is unable to restart the vehicle or conduct an on-site minor repairs as set forth in Clause 3) hereinafter.
    - d) If the vehicle is situated on a road and may be towed.

- e) The service provider will not tow the vehicle from a garage or from around a garage.
- f) The service provider will not provide service if the need for the service arises from the vehicle being serviced by a party who is unauthorized to service the vehicle.
- g) If it is impossible to bring the vehicle to a garage during working hours, or if it is impossible to leave the vehicle in the garage, storage services will be provided. The service will not be extended if the broken down vehicle is near the customer's house.

## 2) Vehicle start-up.

- 3) **Minor roadside repairs** – repairs where the broken down vehicle is situated, which are necessary in order to drive to the nearest garage, and which may be extended on-site by the service provider. It should be clarified that the cost of (spare parts, if there is need to replace them, shall be imposed on the service recipients only, and is not included within this rider.
  - 4) **Vehicle rescue** – minor rescues from locations in the vicinity of a road as a consequence of an accident, theft or mechanical breakdown, provided that the time required for rescuing the vehicle does not exceed 20 minutes and provided the towing can be performed by a standard tow truck and without the assistance of other tow trucks or auxiliary tools.
- c. Vehicle services will be extended to the service recipients as soon as possible.
  - d. Vehicle services will be extended to service recipients.
  - e. The membership of the service recipient with the service provider is individual and is not transferable.
  - f. In the event of the service recipient's vehicle being sold, the validity of rider for that vehicle will expire.
  - g. **The service recipient is entitled to only one towing without charge or one start-up without charge for each event or series of events which are causally connected to each other.**
  - h. **Vehicle services will not be extended to overloaded vehicles.**
  - i. There may be only one wheel replacement, provided the spare wheel is in order and the necessary tools are in the car, no service will be provided if the tire puncture was intentional or if the wheel screws (gudgeons) are not in order.
- The service will not be extended in the Arava and Golan Heights.**
- j. Towing services from parking lots will be provided on condition that there is direct access to the vehicle.
  - k. In case there is no fuel, fuel will be provided to the customer. **This service is subject to a deductible of NIS 60, the insureds shall pay the cost of fuel. The service will not be extended in the Arava and Golan Heights.**

- l. The service recipient will bear the entire cost incurred by the service vehicle for entry into a commercial parking lot and/or for the use of toll road for the purpose of providing the service.
- m. The service provider will decide solely as to the type of service required for the vehicle.

### 3. Ordering and receiving the service

- a. If the service recipients need one of the services detailed in this rider, they should call the call center, identify with his/her name, address and policy number, or any other information required in order to identify them as service recipients who are entitled to receive the services pursuant to this rider, as well as details regarding where exactly is the vehicle.
  - 1) **The service provider will not have to provide free services to the service recipients, if the vehicle does not appear on the service provider's list of members that it received from the insurance company, or as long as the membership is not approved by the insurance company.**
  - 2) The service provider will provide vehicle services to any individual who claims to be a member of the service provider and does not appear in the list aforementioned, against the payment of the service expenses on site by the service recipient, in accordance with the company's pricelist, as a security. The amount charged for the service as a security will be reimbursed to the service recipients within 30 days, subject to the insurance company's confirmation that they are entitled to receive the service.
  - 3) If the service recipients decide to split-up the service, the continuation of the service will be considered to be an additional payable service for payment in respect of the same fault and in respect of which the member will be entitled .to receive a 20% discount from the service provider tariff.
  - 4) In the event that service recipients order any service, and the company provides the service and the service is not provided due to reasons which are not dependent upon the company, the service recipients will be charged if they order an additional service in respect of the same circumstances.
  - 5) The service extended by the service provider will be extended by appropriate professionals who are relevant to the type of service.

### 4. Cancellation of the membership and replacement of the vehicle

- a.
  - 1) As the service recipient, you may replace your vehicle as long as your membership is in effect, free of charge.
  - 2) The change and replacement of the vehicle will be performed in accordance with your request, and by receiving a notification from the insurance company.
  - 3) The membership for the new vehicle will come into effect 72 hours after the replacement.
  - 4) The declarations and undertakings of the member in accordance with this rider, as

well as the rights of the service provider in respect of the vehicle will apply to the new vehicle.

- b. If you sell the vehicle and do not buy another one, you will be entitled to a refund pro-rata of the amounts paid to the service provider, in respect of the membership period that remains until the end of the membership period, provided you have not yet received any service from the service provider.

## 5. Safekeeping of the vehicle and completion of the service

- a. The member is responsible for the safekeeping of the vehicle until receipt of the vehicle services. Any loss, damage or shortage caused to the vehicle or to its contents until the service vehicle comes to the member's vehicle and commences providing the service is under the responsibility of the member and not the responsibility of the service provider.
- b. The service provider is responsible for safekeeping the vehicle from the commencement of the service up until its completion. Completion of towing services means the point at which the vehicle is brought to the place requested by the service recipient.
- c. The service provider is entitled to leave the service recipient's vehicle in the place requested by the service recipient, and the service recipient will be responsible for its receipt and safekeeping from the same time onwards.
- d. In the event that it is not possible to bring the vehicle during ordinary working hours to the garage that the service recipient requested it be towed to, by fault of the service provider, the service provider will ensure that the vehicle is kept safely and will bring it to the garage on the following day (other than if the following day is a Saturday or holiday). The storage expenses for the vehicle in such an event will be incurred by the service provider.

## 6. Damages

- a. The service provider will compensate the service recipient for any direct damage which is caused to the vehicle as a consequence of providing the vehicle services subject to the rules of the Civil Wrongs Ordinance (new version) - 1968.
- b. In the event of any loss or damage as a consequence of the provision of the vehicle services, the service recipient must notify the service provider of the same as soon as possible.
- c. A written breakdown of the losses, the items or details of the property must be submitted to the service recipient by the service provider as soon as possible.
- d. The service recipient is obliged to enable the service provider representatives to conduct an examination immediately or at any reasonable time of the loss or damage and to provide all reasonable assistance requested according to the subject matter.
- e. **The service recipient may not incur any expenses for the repair of damages without the written agreement of the service provider, and this is on condition that a reasonable period of time is provided, according to the subject matter.**

- f. The service provided pursuant to this rider will be provided by appropriate professionals.
- g. The insurer will be responsible for the services extended under this rider.

**7. The period of membership and the validity of the undertakings in accordance with the rider**

- a. The service in accordance with this rider is for the period of insurance set forth in the schedule, as long as the policy is in effect and was not cancelled, and subject to Clause 8 hereinafter.
- b. Cover by the service provider which arises from an extension to the insurance policy will become valid solely after 10 days have elapsed from the cover being issued, and this is provided that the cover has not been issued retroactively.
- c. The cancellation of the rider is pursuant to the relevant provisions in the policy, and pursuant to Law provisions.
- d. Notwithstanding the above, it is clarified that the insurer may cancel the rider to all service recipients if the engagement between the insurer and the service provider is discontinued, if the insurer has not achieved a settlement with an alternative service provider, and subject to the approval of the Commissioner of Insurance.
- e. The cancellation of the rider as detailed in sub-Clause c above, shall come into effect immediately after the announcement of cancellation, and the service recipient will be entitled to a reimbursement pro-rata of the rider paid by him/her.

**8. Declarations and obligations of the service recipient**

**a. The service recipient hereby declares that:**

- 1) The details of the vehicle stated are those which were provided directly by him/her or via an insurance agent, and that these details are accurate.
- 2) The service recipient is aware of the fact that this rider was issued with his/her consent and upon reliance of the aforementioned details and subject to them.
- 3) The rider and its conditions constitute a contract between him/her and the service provider.
- 4) The vehicle is operable on the date on which the contract with the service provider is signed.
- 5) The service recipient is aware of the fact that an approach to another party for the purpose of receiving service without the advance agreement of the service provider will not entitle the service recipient to a refund of expenses or part thereof or of any other payment even if the service recipient would have been entitled to the service from the service provider if the service recipient would have approached the service provider.

**b. The service recipient undertakes as follows:**

- 1) To take reasonable precautions to prevent anyone who is not entitled to receive vehicle services from the service provider from doing so for or on behalf of the service recipient.

- 2) To refund the expenses incurred by the service provider for vehicle towing on receipt of an invoice from the service provider in any situation in which the service recipient receives compensation or indemnification from any third party for the performance of such towing.
- 3) To notify the service provider upon receipt of funds as aforementioned.
- 4) To enable the service provider to collect in the name of the service recipient and on his/her behalf the aforementioned towing expenses due to them from any third party, and for this purpose the service recipient hereby agrees to empower the service provider to collect the same funds.
- 5) To fulfil the remainder of the undertakings stated in this rider.
- 6) To refrain from ordering vehicle services when the vehicle is mechanically operable. If a service recipient orders service and the service provider determines that the vehicle was mechanically operable prior to the provision of the service, the service recipient will be charged in accordance with the service provider tariff less a 20% discount for the unnecessary call-out.

## Rider - Replacement vehicle "at home"

### This coverage is effective only if it is set forth explicitly in the schedule

For this rider, cars or vehicles mean – the car stated in the schedule attached to the policy, to which this rider is attached, and the services in accordance with this rider refer to that car.

#### Nature of services

The supplier stated in the schedule (hereinafter – "the service provider") will provide the insureds with a replacement vehicle service as detailed in the rider (hereinafter – "replacement vehicle") every day of the year, except on Yom Kippur.

#### 1. In the event of an accident

- a. In the event of an accident a consequence of which the vehicle is laid-up in the garage for its repair, the service provider will provide the insureds with a replacement vehicle from a hire company to which the insureds will be referred by the service provider (hereinafter – "the hire company").
- b. The replacement vehicle will be provided after the damaged vehicle has been inspected by a qualified loss adjuster (hereinafter – "the loss adjuster").
- c. Determining the number of days for obtaining the replacement vehicle is dependent on the number of days required to repair the damaged vehicle, based on the loss adjuster's report that will rely on the labor cost for repairing the vehicle, divided by the number of working days (8 hours) in the garage, in accordance with the tariffs of the Israeli Garage Association in effect at the time of repair.
- d. The replacement vehicle will be given pursuant to the loss adjuster's estimate for the repair period; however, this period shall never exceed 7 days.
- e. In case of total loss, the replacement vehicle will be given for 14 days.

#### 2. In the event of a theft

- a. In the event of the theft of the insureds' vehicle, the service provider will provide the member with a replacement vehicle from a hire company, effective 24 hours after notification has been submitted to the police regarding theft of the vehicle and until such time as the vehicle is found, and for no more than a total of 29 days.
- b. The insureds undertake to return the replacement vehicle to the hire company immediately after the time at which the stolen vehicle is found.
- c. In the event that the stolen vehicle was also involved in an accident in the period until it is found, and as a result, the vehicle is laid-up in the garage for repair, the insureds will be entitled to a replacement vehicle as set forth in Clause 1 above.

#### 3. Limitations

- a. **In any case the replacement vehicle service will not be provided unless a request is made with the service provider within not more than 14 days of the occurrence of the accident or the theft.**

- b. **The insureds are not entitled to more than one replacement vehicle service free of charge per event or series of events with a causal connection between them.**
- c. **The total number of hire days which will be provided to insureds will not exceed 45 days in one insurance year.**
- d. **The "at home" services will be provided only within the green borderline.**
- e. **The entitlement days for replacement vehicle cannot be split up.**

#### **4. Receiving the replacement vehicle and returning it**

Insureds entitled to a replacement vehicle as described above, shall receive the replacement vehicle pursuant to the following provisions:

- a. Insureds will receive a referral form to a hire company from the service provider. The form will state the number of days for which the insureds are entitled to receive the vehicle from the hire company, after presenting a confirmation of notification to the insurance company, a confirmation of notification to the Israel Police or a loss adjuster's report (in the event of an accident).
- b. In the event of a theft, referral form will be limited to 7 days. If the vehicle is not found until the end of the seventh day, the insureds will receive a referral form for another 7 days, and again and again, until the end of the entitlement period for a replacement vehicle, as explained above.
- c. The insureds will receive the replacement vehicle from the hire company within 24 hours of presenting the referral form to the hire company (excluding Saturdays and holidays). The insureds may receive the vehicle at the hire company offices or in another address within the boundaries of the State of Israel, at their discretion. The member will sign a hire agreement with the hire company in the standard wording of the hire company at the time.
- d. The liability for returning the vehicle to the branch will be imposed on the insureds, and they must inform they will to use the "at home service" pursuant to the Clauses set forth above, as well as upon receiving the vehicle.
- e. **All the rights, limitations and obligations that apply to people who rent a car from a hire company (other than the issue of the payment for the rent itself as detailed in this rider) will apply to insureds. The replacement vehicle will be given to drivers aged over 21 years, and who are not defined as new drivers. Furthermore, insureds will leave at the hire company a deposit or a signed voucher of a credit card company, as customary in hire companies. For the removal of doubt, if, while the insureds use the replacement vehicle, the vehicle and/or a third party incur loss or damage, the insureds will be charged with a deductible as required in the rental contract.**
- f. **The replacement vehicle which is provided by the hire company to the insureds will be a small automatic car (1300 cc) or a small commercial vehicle, in accordance with the coverage purchased by the insureds as stated in the schedule.**

**The vehicle will be handed over to the insureds at one of the branches of the hire**

**company, or at another address within the boundaries of the State of Israel, at the insureds' discretion, and during conventional working hours.**

- g. If the insureds choose to receive the vehicle with the "at home" service, they must inform they will upon transferring the request. When ordering the service, insureds must provide the exact address in which they would like to receive the vehicle, and two phone numbers for coordination.
  - 1) The service will be provided during conventional working hours (Clause h hereinafter), and should be coordinated in advance. In large cities and around them, the customers' request must be 24 hours in advance. In towns whose distance from hire station exceeds 50 kilometers, the vehicle will be provided within 48 hours. The insureds stated in the policy must be the ones who receive the vehicle, they must present a valid driving license and a credit card for deposit.
  - 2) The vehicle will be returned to the hire company in the same manner. The liability for returning the vehicle on time, as stated above, shall apply to insureds.
  - 3) The waiting time for the driver, for handing over or returning the vehicle, must not exceed 3 hours.
- h. Conventional working hours in hire companies: Sundays-Thursdays 8:00-17:00, and Fridays and holiday eves 8:00-13:00. Beyond these working hours, insureds may receive the vehicle at Ben Gurion Airport, the insureds will pay port fees in accordance with conventional tariffs.
- i. The insureds will pay all fuel costs for the rented vehicle.
- j. The insureds will return the replacement vehicle to the hire company at the end of the entitlement period at stated in the rental agreement, however, if entitlement arises from a theft, the rented car will be returned immediately after the stolen vehicle is found.
- k. The payments required by the hire company for a delay in returning the replacement vehicle will be paid for by the insureds in full.
- l. The insureds are entitled to a 15% discount on the individual price-list at the same time for additional hire days beyond the entitlement period, and upgrading the type of vehicle.

## **5. Entitlement to service**

- a. The entitlement to service is not transferrable.
- b. During the membership period, you may replace the vehicle, and in such a case you must inform the service provider in writing, and the inclusion of the new vehicle within the services will come into effect 72 hours after the notification is received at the service provider's offices.

## **The membership period and the validity of undertakings in accordance with this rider**

- a. The service in accordance with this rider is for the insurance period set forth in the schedule, and as long as the policy is effective and was not cancelled.
- b. The rider's cancellation is pursuant to the relevant directives in the policy, and pursuant to the provisions of the Law.
- c. Notwithstanding the above, it is clarified that the insurer may cancel the rider to all service recipients if the engagement between the insurer and the service provider is discontinued, if the insurer has not achieved a settlement with an alternative service provider, and subject to the approval of the Commissioner of Insurance.
- d. The cancellation of the rider as detailed in sub-clause c above, shall come into effect immediately after the announcement of cancellation, and the service recipient will be entitled to a reimbursement pro-rata of the rider paid by him/her.
- e. The insurer will be liable for the services extended within the rider.

## Rider – VIP service

**This coverage pursuant to this rider is effective only  
if it is set forth explicitly in the schedule**

### 1. Rider

This document constitutes the rider between you and the supplier set forth in the schedule (hereinafter – "the service operator"). This rider details the services to which you are entitled, and the mutual rights and obligations of service operators and members.

### 2. Nature of services

This services detailed herewith shall be extended to insureds by the service operator, and as detailed below:

- a. A representative on behalf of the service operator will come to where the insured vehicle that was involved in a road accident is located, and will take upon himself/herself the continuation of handling the repair of the insured vehicle from then on, and will release the insureds, within the deadlines set forth in Clause 2c below.
- b. A taxi will arrive to where the road accident occurred, and will take the insureds to their original destination, within the deadlines set forth in Clause 2c below.
- c. The deadlines for service:
  - 1) Within 45 minutes when the insureds are in a radius of up to 50 kilometers from a large city.
  - 2) Within 60 minutes when the insured vehicle is in a radius of over 50 kilometers from a large city. "Large cities" in Clause 2c – Jerusalem, Tel Aviv, Haifa, Be'er Sheva, Ashdod, Rishon Lezion, Kfar Saba, Hadera, Tiberias, Carmiel and Kiryat Shmona.
- d. Driving the insured vehicle involved in a road accident by the service operator's representative (if the insured vehicle may not be driven, the service operator's representative will coordinate its towing) to the garage chosen by the insureds.
- e. Making sure the insureds sign an approval for the repair of the insured vehicle (where the accident occurred and on the insurer's forms), and later on, coordinating a meeting with the insureds in the garage, in order to get back the insured vehicle, to the insureds' satisfaction.
- f. Replacement vehicle in the event of an accident or total loss, pursuant to the conditions set forth in the "replacement vehicle at home service rider", and subject to insureds having purchased the coverage pursuant to this Chapter and under the following conditions:
  - 1) Coordinating the handing over of a replacement vehicle by the hire company, to be used by the insureds (at the insureds' home or work address), and coordinating the collection of the replacement vehicle by the hire company from the garage, after

the insureds received their vehicle to their satisfaction, all subject to insureds' entitlement to a replacement vehicle and its conditions thereof. It is clarified that the above does not exempt insureds from any obligation imposed on them pursuant to any Law, including, but not limited to, waiting by the insured driver at the place of accident until the police comes, in the event of an accident with injured parties.

- 2) When the damage to the insured vehicle is defined as total loss by a loss adjuster, the replacement vehicle will be given for 7 days, from the first day.
- g. The services will be extended to the insured vehicle only, and insureds may not transfer the right for receiving them to another vehicle.
- h. The services are extended 24/7, except on the eve of Yom Kippur from 14:00 until two hours after the fast ends.
- i. Such services as set forth above will be extended throughout Israel, except in the territories of Judea, Samaria, Gaza strip, the Arava and Eilat.
- j. Extending the service is stipulated with the fact that the insureds have a valid credit card, and with the fact that the insureds give a valid CMBI certificate and the vehicle licenses to the service operator's representative in order to transfer the vehicle to a garage.

### **3. Receiving the service**

- a. If the insureds need one of the services, they should call the service operator's claims center, identify with their name, policy number or ID number, or any other information required in order to identify them as insureds that are entitled to receive the services pursuant to this rider, as well as details regarding where exactly is the vehicle.
- b. Alternately, insureds may address the service operator directly, identify and provide the information stated in Clause a above. If, for any reason, they do not appear in the call center's list of customers entitled to receiving the services or any service thereof, the insureds will be asked to sign a letter of undertaking, stating that they undertake to cover the full cost of the relevant service in accordance with the service operator's pricelist, if it is found out that they are not entitled to receiving the services.

### **4. Entitlement to service and membership period**

- a. Entitlement to service is not transferrable.
- b. Service pursuant to this rider is for the period of insurance stated in the schedule, and as long as the policy is effective and has not been cancelled.
- c. The rider's cancellation is pursuant to the relevant directives in the policy, and pursuant to the provisions of the Law.
- d. Notwithstanding the above, it is clarified that the insurer may cancel the rider to all service recipients if the engagement between the insurer and the service provider is discontinued, if the insurer has not achieved a settlement with an alternative service provider, and subject to the approval of the Commissioner of Insurance.
- e. The cancellation of the rider as detailed in sub-clause c above, shall come into effect

immediately after the announcement of cancellation, and the service recipient will be entitled to a reimbursement pro-rata of the rider paid by him/her.

**5. Service operator's undertaking**

- a. The service extended by the service provider will be extended by professionals who are appropriate and relevant to the type of coverage.
- b. There will be efficient and available communication with insureds.
- c. The insurer will liable for the services extended within the rider.

## Explanations to insureds

### The process for appointing a loss adjuster and the preparation of a damage assessment upon the occurrence of a vehicle insured event

Dear insured,

Upon the signing of an insurance contract between you and an insurance in Migdal Group (hereinafter – **"the Company"**), pursuant to which your vehicle is insured (hereinafter – **"the policy"**), presented below are explanations, in order to provide general information regarding the selection of a loss adjuster and the assessment procedure, regarding your rights pursuant to the policy, as well as regarding the measures you must take in order to exercise these rights, all pursuant to the provisions of sub-clauses 7a & b to the Commissioner of Insurance Circular No. 8-1-2007 dated April 29th, 2007, regarding: vehicle insurance assessment (property and third party)" (hereinafter – **"the Circular"**).

**We recommend reading these explanations upon receiving them, and whenever an insured event covered by this policy occurs, please review them.**

#### 1. Loss assessment following the occurrence of an insured event

If an insured event covered by the policy occurs, and your vehicle incurs damage, in addition to your obligation to notify the company immediately, in order to assess the damage to your vehicle, you must select a loss adjuster in accordance with the following options:

- a. Following the occurrence of an insured event **and prior to the vehicle being repaired**, you will select an external loss adjuster from the company's list of external loss adjusters as detailed in Clause 2 (list of external loss adjusters) presented below, in order to assess the damage incurred by the car.
- b. If you notified the company that you do not have any preference in receiving service from a specific loss adjuster, the company will select a loss adjuster randomly from the list of external loss adjusters from the same district, to ensure that it does not have any preference at any time in selecting a specific loss adjuster over another one. The company will provide you with the details of the external loss adjuster immediately, including details of how to contact him. The company will collect and keep information regarding the number of assessments which each loss adjuster in the list of external loss adjusters who are selected in the manner stated in this sub-clause performs.
- c. The loss adjuster will prepare the repair quotation and the assessment according to his/her professional judgement, and in accordance with all legal provisions, including the provisions of the Circular and the directives of the Ministry of Transport as applicable.
- d. On completion of preparing the repair quotation or the assessment, the loss adjuster will submit copies of the same to you, to the company and to the garage.
- e. The company and the loss adjuster will document and keep all of the material relating to

the assessment of loss, including all correspondence, repair quotations and assessments relating to the claim file and repair of the vehicle, and this for a period of at least three years. The company and the loss adjuster will submit to you on demand, any document and information requested for the purpose of assessing the loss.

- f. The repair quotation and the assessment of the external loss adjuster will be **the binding repair quotations and assessments**, other than if the company submits a written counter-repair quotation and assessment (of any loss adjuster) and advises the adjudicating loss adjuster as detailed hereunder of its desire to appeal the repair quotation or the assessment, no later than one working day from the date on which the repair quotation has been prepared by the external loss adjuster and submitted to the company, or one week from the date on which the assessment is submitted to the company, as applicable.
- g. You will be entitled to appeal the repair quotation or the assessment of the external loss adjuster, provided you inform the company of your desire to appeal and present a counter-repair quotation, **prior to the vehicle being repaired**, or present a counter assessment within not more than one week after you have been provided with the assessment of the external loss adjuster.
- h. In appealing the assessment of the external loss adjuster before the adjudicating loss adjuster, it is only possible to appeal those matters which are not stated in the repair quotation, matters which are included in the repair quotation but were altered in the assessment, or matters which may transpire during the course of repairing the vehicle only.
- i. The company will bear the entire cost of the fee of the external loss adjuster.

## 2. List of external loss adjusters

- a. **"External loss adjusters"** – a loss adjuster who is not an "in-house loss adjuster", who is included in the list of external loss adjusters prepared by the company.
- b. Our company has a list of external loss adjusters for every district. For vehicles that are not private or commercial up to 3.5 tons or motorcycles, the list of external loss adjusters is national. The list of loss adjusters is for every district, with an appropriate geographical spread, and it includes at least one loss adjuster for each 2,000 vehicles which are covered under motor property insurance with the company on the last day of the .previous calendar year. Loss adjusters may be added at any time. In any case, the number of loss adjusters in each district must not be less than seven. The company will be entitled to prepare a further list of external loss adjusters for vehicles other than any of the following: private vehicles or commercial vehicles up to 3.5 tons or motorcycles, even not in accordance with districts, provided that each list contains at least 5 loss adjusters.
- c. These lists are updated from time to time, and they may be found in the company's website at <http://www.migdal.co.il>. Furthermore, and as per your request, you may receive an updated list by e-mail or facsimile.

### 3. Mechanism of the adjudicating loss adjuster

- a. The Insurance Companies Association and the Loss Adjusters Association will compile a list of adjudicating loss adjusters, who will assess the damage in any case of a dispute between two repair quotations or two assessments. The list will contain a reasonable number of loss adjusters in an appropriate geographical spread, and will be accessible by the public, including via the internet.
- b. If you or the company inform of the desire to appeal the repair quotation or the assessment as stated in Clauses 1 (f) or (g) above, a random **adjudicating loss adjuster** from the list of adjudicating loss adjusters will be appointed.
- c. The adjudicating loss adjuster will not be an in-house loss adjuster or external loss adjuster of the company. The adjudicating loss adjuster will provide his/her opinion within one working day after receiving the repair quotation or seven days from receiving the assessments of the two loss adjusters.
- d. The fees of the adjudicating loss adjuster will be set in advance. The adjudicating loss adjuster will also determine the manner in which his/her fee and the cost of the counter-repair quotation or counter-assessment of the insured will be split between the company and you, taking into account the results of the appeal. The cost of the repair quotation or the counter assessment of the company will be at the expense of the company.
- e. The adjudicating loss adjuster will be selected randomly from the list set forth in Clause 3a above, by contacting the joint call center of the Insurance Companies Association and the Loss Adjusters Association ("the call center"). The call center's telephone number is: 1-700-700-888.

### 4. Selection of other loss adjusters

You may select "another loss adjuster" (any loss adjuster who is not an "in-house loss adjuster" or "external loss adjuster") **provided you allow a loss adjuster on behalf of the company to inspect the vehicle before its repair.** In this case, the company will send a loss adjuster on its behalf to inspect the vehicle within not more than one working day from the date on which the repair quotation of the other loss adjuster is received. This assessment will not be the binding assessment as detailed in sub-clause 1 (f). The provisions of this clause do not derogate from your right to obtain a refund for the cost of the fees of the other loss adjuster, provided you have this right.

### 5. Prohibition on influencing the loss adjusters, the assessment procedure and the vehicle repair

- a. There will be no restriction on you in approaching the loss adjuster directly. In this regard, a request by the company that your approach to the loss adjuster is made solely after you contact the company, will be considered as a restriction. It is clarified that this directive does not derogate from your duty to notify the company of the insured event immediately upon becoming aware of the occurrence of the event, and of your

right to receive insurance benefits in accordance with the provisions of section 22 of the Insurance Contract Law – 1981.

- b. Any involvement of any party other than the external loss adjuster in the process of assessing the loss is prohibited. The company may submit information to the loss adjuster prior to preparing the assessment, such as information regarding the insurance cover, details of the policy, the policy conditions, extensions and the like. The company may not instruct the external loss adjuster regarding the assessment of damage in the vehicle as total loss nor give him/her instructions that are not consistent with his/her function as a loss adjuster.
- c. After the repair quotation has been submitted, you (as well as the company) are entitled to raise comments before the external loss adjuster solely on technical matters related to the repair quotation that do not contain anything that might influence the professional judgement of the loss adjuster. In this regard, “comment on a technical matter” – means a comment regarding incorrect use of language, erroneous calculation, accidental omission, erroneous addition of anything and the like. If the loss adjuster finds out that the comment which has been raised is justified, he/she will detail the comment and update the repair quotation in writing. The loss adjuster will also submit the updated quotation to the garage, to the company and to you, attaching an explanation regarding the differences between this repair quotation and the previous quotation. The provisions of this sub-clause do not derogate from the right of either party to appeal the repair quotation in accordance with the mechanism stated in sub-clauses 1 (f) and 1 (g) above.
- d. The loss adjuster will not be given any instructions which restrict his/her professional judgement, including when defining the vehicle as a “total loss” even if the gross loss to the vehicle is less than 60%.
- e. The loss adjuster may not be given any tasks which are not consistent with his/her function as a loss adjuster, such as:
  - 1) He/She may not be requested to refer insureds to authorized repair garages or other specific repair garages.
  - 2) He/She may not be requested to sign post-repair vehicle inspection forms.
- f. No insurance agent, garage, loss adjuster or any other party may pay commission of any type, including any benefits of any type to each other in connection with this arrangement.
- g. No company, insurance agent, garage or loss adjuster may grant or receive commission or any benefit of any type, including by way of a discount to the deductible, the provision of a replacement vehicle and the like as part of or incidental to the selection of the identity of the loss adjuster.
- h. An insurance agent who is involved in the process of selecting the loss adjuster will act solely in order to exercise your rights and in accordance with his/her professional judgement.

## 6. Due disclosure

- a. Before repairing the vehicle, all of the repair quotations which were received by the company as well as any other relevant document which has been provided with relating to the assessment, will be submitted to you. Furthermore, the company will give you the final loss report as soon as it has been completed. These reports will include, inter-alia, as applicable, the following:
  - 1) A description and identification of the vehicle addressed by the assessment;
  - 2) Details of the physical damage which has occurred due to the insured event, including a verbal description of the damage;
  - 3) A monetary assessment of the damage, including depreciation, due to the insured event and the manner of calculating them, including: parts which need to be used to repair the damage and their description, their costs, the number of labor hours required to repair the damage, including details of the time required for each of the various repair clauses, the hourly labor cost, the manner of calculating the value of the vehicle in case of total loss, and any other factual information on which the assessment is based.
  - 4) Details of the individual preparing the assessment and his/her signature in accordance with legal provisions.
- b. If you wish to receive the documents set forth above via e-mail, please give your e-mail address to the company.

# Migdal Insurance Company Ltd.

## Compulsory Motorcar Bodily Injury Insurance Policy

(In accordance to the Motor Vehicle Insurance Ordinance (New Version) – 1970)

### 1. Definitions

#### In this policy:

- "Policyholder"** The person who engaged with the insurer in this policy, and whose name is stated as the policyholder in the certificate of insurance.
- "The insured"** The policyholder, the person who owns the vehicle, the person who holds the vehicle legally and anyone using the vehicle with the permission of one of the above.
- "The insurer"** Migdal Insurance Company Ltd.
- "The vehicle"** The motor vehicle whose details are set forth in the certificate of insurance.
- "The Compensation Law"** The Traffic Accident Casualty Compensation Law - 1975 ("TACC").
- "The insured event"** A road accident in which the vehicle was involved, while being used by the insured for one or more of the purposes insured pursuant to the conditions of the policy, in which the casualties suffered bodily injuries, as well as an event for which the liability is covered pursuant to Clause 3 (b) to this policy.
- "Bodily injuries"\*** Death, illness, harm or physical, mental or cognitive impairment, including damage to a device necessary for the functioning of one of the body organs, which was attached to the casualty's body when the road accident occurred.
- "The casualty"\*** A person who incurred bodily injuries in a road accident, except if it was caused by a hostile action as per its meaning in the Law regarding Benefits for Victims of Hostile Actions – 1970.
- "Use of a motor vehicle"\*** Driving the vehicle, getting into it or out of it, parking the vehicle, pushing or towing it, roadside servicing or repair in the vehicle, made by its user by another person not within his/her work, including the vehicle's rolling down or rolling over, or a detachment or falling of part of the vehicle or its cargo while driving, as well as detachment or falling from a standing or parking vehicle, not while the vehicle is being serviced by a person during work, and except loading and unloading a cargo while the vehicle is standing.

"Road accident" \*

An event in which a person incurs bodily injuries due to the use of a motor vehicle for the purposes of transportation, an event that occurred due to an explosion or ignition of the vehicle, caused due to a component of the vehicle or due to another material essential for the driving ability, even if they occurred by a factor outside the vehicle, as well as events caused by hitting a vehicle that was standing in a place where it is forbidden to park, or an event caused by utilizing the vehicle's mechanic power, provided that during the use mentioned above the vehicle did not change its original destination shall be considered as a road accident, however, an event that occurred as a result of an intentional action aimed at causing damage to that person's body or property, and the damage was caused by the action itself and not by the influence of such action on the use of a motor vehicle, will not be considered as a road accident.

"Insurance Ordinance"

Motor Vehicle Insurance Ordinance (new version) – 1970.

"Insurance benefits"

The amounts that insurers must pay in respect of bodily injuries incurred by the casualties upon the occurrence of the insured event, pursuant to the conditions of this policy.

"Certificate of insurance"

A certificate issued by the insurer in respect of this policy, pursuant to Clause 9 to the Insurance Ordinance or pursuant to Regulation 7 to the Supervision of Insurance Business Regulations (Conditions of Contract for Insurance of a Private Vehicle) – 2010, which constitutes an integral part of this policy.

"Insurance period"

The period that begins upon the date of the inception of insurance set forth in the certificate of insurance, but not before the certificate of insurance is stamped with the bank's seal, and it ends at midnight on the date the insurance expires in the certificate of insurance; In this regard, the "bank's seal" – including a seal produced by the insurer in coordination with the bank, that the Commissioner, as per the definition in the Control of Financial Services (Insurance) Law – 1981, approved that it guarantees the purposes of the Insurance Ordinance.

\* Please note, the binding definition is the one appearing in the Compensation Law upon the occurrence of the insured event.

## 2. Interpretation

A term that was not defined in Clause 1 will be interpreted as per its meaning, upon the occurrence of the insured event, in the Compensation Law or in the Insurance Ordinance, as the case may be.

### 3. The insurer's liability

Subject to the conditions of this policy, insurers will be liable in accordance with the provisions of Clause 3 to the Insurance Ordinance, as follows:

- a. Any liability that the insured may be liable for pursuant to the Compensation Law.
- b. Another liability, not pursuant to sub-clause (a), that the insured might be liable for due to bodily injuries incurred to a person due to using the insured vehicle or as a result of using it.
- c. Bodily injury incurred by the insured in a road accident.

### 4. Deductible fees

- a. The insurer will be entitled to apply a deductible to a driver whose name is stated in the certificate of insurance if all of the conditions for compliance with the deductible condition in accordance with the Motor Insurance Regulations (Deductible) (Temporary Provision) – 2008 have been fulfilled, including a case in which the policyholder has selected a policy that contains a deductible condition, provided that this decision has been documented by the insurer in addition to which it is stated in the certificate of insurance that the policy contains a deductible condition, in accordance with the aforementioned regulations.
- b. The deductible that the insurer is entitled to deduct from the insurance benefits on the occurrence of an insured event which is covered under this policy, provided that the conditions of sub-clause (a) have been fulfilled, will be calculated in accordance with the type of injury which is incurred and will not exceed NIS 25,000 in respect of non-pecuniary damage and 7 working days in respect of loss of earning.

### 5. Territorial limits

- a. The liability of the insurer in accordance with this policy will apply provided that the insured event occurs within the boundaries of the State of Israel or within the boundaries of the territories detailed in clause 3 (c) of the Insurance Ordinance, subject to the provisions therein, however without derogating from the generality of clause 2 (a1) of the Compensation Law.

### 6. Permitted uses

- a. The liability of the insurer in accordance with this policy applies solely if the vehicle was used by the insured for one or more of the following uses at the time of the occurrence of the insured event:
  - 1) Social, private or business purposes of the insured other than the uses detailed in clauses (2) – (4) hereunder;
  - 2) Commercial use in the context of a driving test on behalf of the Licensing Authority and for the purpose of commercial driving instruction other than advanced practical driving lessons in accordance with Regulation 213a of the Transport Regulations, and provided that these uses are stated explicitly in the certificate of insurance;

- 3) Commercial carriage of passengers in the vehicle in return of payment, salary or another reward, provided that this use is stated explicitly in the certificate of insurance.
- 4) Commercial rescue or towing of the vehicle against a payment, a fee or other consideration, provided that this use is stated explicitly in the certificate of insurance.

- b. Notwithstanding the provisions of sub-clause (a), this policy does not cover use of the motor vehicle based on a car hire agreement if the hirer leases the vehicle in the context of a business venture, other than if this use is stated expressly in the certificate of insurance; in this regard "hire agreement" excludes an operational leasing agreement or financial leasing agreement.**
- c. Notwithstanding the provisions of sub-clause (a), this policy does not cover the use of a competitive sports vehicle in respect of which a competitive sports vehicle license has been issued, other than use of the vehicle as aforementioned during motor sports on a linking section or during non-motor sports driving which is permitted in accordance with Clause 12 (d) of the Sports Driving Law – 2005 (hereinafter – the Sports Driving Law), and does not cover use of a motor vehicle for motor rally purposes which are undertaken in breach of the directives of the Sports Driving Law; for the purpose of this sub-clause "competitive sports vehicle", "driving sports", "linking section" are as defined in the Sports Driving Law, and "competitive sports vehicle license" is as defined in clause 6 of the said Law.**

#### **7. Individuals permitted to drive the vehicle**

- a. Only the policyholder, the owner of the vehicle, the legal keeper of the vehicle and any individual using the vehicle with the permission of any individual who is permitted to drive the vehicle;**
- b. Notwithstanding the provisions of sub-clause (a), if it is stated in the certificate of insurance that the said certificate has been issued for a motorcycle or a vehicle classified as a taxi in the vehicle license, that the insurer's liability will provide cover solely when the vehicle is being driven by the individuals whose names are stated in the certificate of insurance, only the individuals whose names are stated in the certificate of insurance are permitted to drive the vehicle.**
- c. If an individual who is not permitted to drive the vehicle in accordance with the provisions of this clause drives the vehicle, the insurer is exempt from liability under this policy.**

#### **8. Driving license**

- a. The insurer is exempt from liability under this policy if the driver of the vehicle did not hold a valid driving license in Israel to drive vehicles of the type covered, and in the case of a motorcycle – an individual holding a driving license with the appropriate category of engine capacity or horsepower; for the purpose of this clause, a breach of any of the conditions of the driving license will not be considered**

**as driving without a valid driving license;**

- b. Notwithstanding the provisions of sub-clause (a) –
- 1) The insurer will not be exempt from liability in accordance with this policy if the driver of the vehicle held a valid driving license as stated in sub-clause (a) above at any time during the 24 months that preceded the occurrence date of the road accident, provided that at the time of the occurrence of the insured event the individual was not disqualified from obtaining or holding a driving license as aforementioned in accordance with legislative provisions, a court order or a ruling by a court or other competent authority.
  - 2) If the use of the motor vehicle was for advanced practical driving lessons in accordance with Regulation 213a of the Transport Regulations, or if it was undergoing a test by the Licensing Authority, the insurer will not be exempt from liability in accordance with this policy, provided that the driver of the vehicle was a learner driver accompanied by a qualified driving instructor holding a driving instruction license, or where the driver of the vehicle at the time of the test was accompanied by a Ministry of Transport qualified tester.

**9. Duty of disclosure and its breach**

- a. If the insurer posed a question to the policyholder prior to execution of the insurance contract regarding a matter which would influence the willingness of a reasonable insurer to execute the insurance contract or if it posed a query requesting information which would influence the insurance fees calculation (hereinafter – underwriting question), the policyholder is required to provide a complete and honest reply to the underwriting question.
- b. Underwriting questions and the policyholder's replies thereto must be documented by the insurer and detailed in an appendix that must be attached to the certificate of insurance (hereinafter – the appendix), in a format that the Commissioner will instruct upon; if the insurer does not act in accordance with the provisions of this sub-clause it will not be entitled to the remedies detailed in sub-clause c.
- c. If the policyholder provided a reply that was incomplete and dishonest to an underwriting question at the time it was given, and due to the reply lower insurance fees were set in comparison to the insurance fees which would have been set would the policyholder have replied completely and honestly, or where due to the reply as aforementioned the insurer agreed to execute the insurance contract however would not have been willing to do so if a complete and honest reply would have been provided, and if an insured event occurs prior to the cancellation of the insurance contract, the following directives will apply:**
- 1) **If the policyholder was injured due to an insured event, the policyholder will pay agreed compensation to the insurer in the sum equivalent to the compensation due to the policyholder due to non-pecuniary damage in accordance with Clause 4 (a) (3) of the Compensation Law, however, not exceeding NIS 10,000.**

- 2) **Without derogating from the provisions of Clause 1), the policyholder will pay agreed compensation to the insurer in the sum of NIS 2,500 for each injured party other than the policyholder who is compensated by the insurer due to the insured event, however, not exceeding half of the compensation amount payable to each injured party, provided that the aggregate sum of the agreed compensation in accordance with this clause does not exceed NIS 10,000.**
- d. **The insurer is entitled to offset the amount of agreed compensation in accordance with sub-clause (c) from the insurance benefits due to the policyholder due to nonpecuniary damage as a consequence of his/her injury in an accident, provided that notification of the offsetting is submitted to the policyholder containing the insurer's explanation as to why it intends to offset the amounts as aforementioned.**
- e. The insurer will not be entitled to agreed compensation in accordance with sub-clause(c) if it knew or should have known, at the time of executing the insurance contract, that the reply of the policyholder to the underwriting question, as detailed in the appendix, is incomplete and dishonest, or if it caused the reply of the policyholder to be incomplete and dishonest.
- f. The insurer will not be entitled to any remedy or relief other than agreed compensation in accordance with the directives of sub-clause (c) to the extent that it is entitled to the same in accordance with the directives of the same sub-clause insofar as the duty of disclosure and notification of the policyholder is concerned, including due to any of the following.
- 1) Non-disclosure of information which the policyholder was requested to provide.
  - 2) Withholding information by the policyholder.
  - 3) The provision of an incorrect reply by the policyholder.
  - 4) Failure by the policyholder to provide notification of an aggravation of the risk.

## **10. Notification of the occurrence of an insured event and clarification of the insurer's liability**

- a. On the occurrence of an insured event, the insured must notify the insurer immediately upon becoming aware of the same.
- b. The insured must submit the information and the documents required for the clarification of liability and its scope to the insurer, within a reasonable time of being requested to do so, and if they are not in his/her possession he/she must assist the insurer to obtain them.
- c. As soon as the insurer has received notification from the insured or from another party of the occurrence of an insured event, the insurer will act immediately to clarify its liability and will notify the insured whether it has decided to accept liability for coverage of the insured event; a copy of the insurer's notification must also be sent to the injured party and to any third party who is claiming insurance benefits from the insurer due to the insured event.

## 11. Handling third party claims

- a. The insurer is entitled to take over the handling of any claim or legal proceeding which is lodged or liable to be lodged against the insured, or to conduct it on behalf of the insured, and the insurer is entitled to institute legal proceedings on behalf of the insured where deemed necessary in order to protect the rights of the insurer.
- b. The insurer will have complete discretion in the conduct of the proceedings detailed in sub-clause (a) and in the settlement of any proceedings as aforementioned, including by way of a compromise agreement on behalf of the insured, provided that this will not impose any liability upon the insured that is not covered by the insurer, other than the agreed compensation in accordance with clause 9 (c).
- c. The insured must cooperate with the insurer in order to execute and exercise the insurer's authority as detailed in this Clause.

## 12. Interim payments

The injured party is entitled to receive interim payments from the insurer on account of the claim, depending on the circumstances and subject to the conditions stated in clause 5 of the Compensation Law and the regulations enacted in accordance therewith.

## 13. Exclusions to the insurance in accordance with this policy

- a. **Without derogating from the provisions of this policy, the insurer will not be liable to pay insurance benefits in accordance herewith to the following injured parties:**
  - 1) **Anyone who caused the accident intentionally.**
  - 2) **Anyone who fulfils the provisions of Clause 7 (2) of the Compensation Law, i.e. an individual who drove the vehicle without having obtained permission from the owner of the vehicle or its legal keeper, as well as anyone seated in the vehicle with the knowledge that it was being driven as aforementioned.**
  - 3) **Anyone who made use of the vehicle or was assisted by the vehicle in the commission of a crime in respect of which a prison sentence applies for a period exceeding three years (a criminal offence).**
- b. **The insurer will be exempt from liability to make any type of payment under the policy due to contractual liability other than in the context of the policy.**

## 14. Death of the policyholder

- a. In the event of the death of the policyholder, ownership of the policy will be assigned to the inheritor of the vehicle, and in such a case the inheritor will be considered to be the policyholder.
- b. If after the death of the policyholder the vehicle is insured under another policy apart from this policy which is issued in accordance with the requirements of the Insurance Ordinance - this policy will expire on the inception date of the other insurance policy as aforementioned, and the insurer will refund a pro-rata share of the insurance fees to the inheritor of the vehicle;

The pro-rata share as aforementioned will be calculated by multiplying the insurance fees that the insurer charged by the ratio between the number of unexpired days on the cancellation date until the original expiry date of the period of insurance and the number of days in the original period of insurance.

## **15. Cancellation of the policy by the policyholder**

- a. The policyholder is entitled, by notification to the insurer, to cancel the policy at any time prior to the expiry of the period of insurance.
- b. If the policy is cancelled at the request of the policyholder, the policyholder must return the original certificate of insurance to the insurer as a precondition to the cancellation taking effect; if the original certificate of insurance has been lost, stolen or defaced, the policyholder must submit a written declaration which is to be signed in the presence of the insurer or the insurance agent regarding the circumstances of the loss, theft or defacing, stating that the vehicle is still owned by him/her or in his/her possession (hereinafter – "the declaration").
- c. Cancellation of the policy by the policyholder will take effect on the date on which the original certificate of insurance is returned to the insurer or on the date on which the declaration is submitted to the insurer.
- d. If the policy is cancelled in accordance with this Clause, the insurer will refund the insurance fees to the policyholder as soon as possible, within 14 days from the date on which the cancellation takes effect, less the following amounts:
  - 1) If the policy was valid for a period of up to seven days, including if it did not incept – 5% of the annual insurance fees.
  - 2) If the policy was valid for a period exceeding seven days – 5% of the annual insurance fees plus 0.3% of the annual insurance fees for each insurance day, starting from the eighth day. Notwithstanding the provisions of sub-clause (d), if the policyholder cancels the policy due to the theft of the insured vehicle, transfer of ownership of the vehicle to another party, the vehicle being laid-up or due to the death of the driver whose name is specified as the only driver in the certificate of insurance, the insurer will refund a pro-rata share of the insurance fees to the policyholder; the pro-rata share as aforementioned will be calculated by multiplying the insurance fees that the insurer charged by the ratio between the number of unexpired days on the cancellation date until the original expiry date of the period of insurance and the number of days in the original period of insurance.
- e. Linkage differences per the Consumer Price Index will be added to the refund of insurance fees as stated in sub-clause (d), between the index last published prior to the inception of the insurance and the index last published prior to the refund of return insurance fees.
- f. The policyholder will be entitled to a refund of insurance fees in accordance with this Clause even if a claim for insurance benefits has been lodged due to an insured event that occurred prior to the cancellation date of the policy.

## 16. Cancellation of the policy by the insurer

- a. The insurer is entitled to cancel the policy at any time prior to the expiry of the period of insurance due to fraud on the part of the policyholder or due to the non-disclosure of facts that were inquired about prior to the issue of the policy;

The policy will be cancelled by written notification that will state the reasons for the cancellation (hereinafter – cancellation notice) and must be submitted to the policyholder personally with a certificate of delivery or sent by registered post at least 21 prior to the date on which the policy will be cancelled;

if the cancellation notice is sent by registered post, the date on which the policyholder signs the certificate of delivery will be considered as the submission date of the notice; if the policyholder receives a cancellation notice he must return the original certificate of insurance to the insurer immediately after the cancellation of the policy has taken effect, however failure to return the certificate as aforementioned will not preclude the cancellation from taking effect.

- b. If the insurer cancels the policy, it must refund the pro-rata share of the insurance fees to the policyholder as soon as possible and within no more than 14 days from the date on which the policyholder returns the original certificate of insurance to the insurer and if the original certificate of insurance has been lost, stolen or defaced – by the date on which the policyholder provides the written declaration to the insurer, duly signed in the presence of the insurer or the insurance agent regarding the circumstances of the loss or defacing as aforementioned.
- c. The pro-rata share as aforementioned will be calculated by multiplying the insurance fees that the insurer charged by the ratio between the number of unexpired days on the cancellation date until the original expiry date of the period of insurance and the number of days in the original period of insurance.
- d. If ownership of the vehicle has been transferred to another individual (hereinafter - the new owner) prior to the date on which the cancellation notice was sent by the insurer as stated in sub-clause (a), and the insurer was aware of the transfer of ownership prior to sending the cancellation notice, the policy will not be cancelled other than if the cancellation notice is sent both to the policyholder as well as to the new owner; the notice as aforementioned must be submitted personally with a certificate of delivery or by registered post, and the date on which the policyholder signs the certificate of delivery will be considered as the notification submission date.
- e. Linkage differences per the Consumer Price Index will be added to the refund of insurance fees as stated in sub-clause (b), between the index last published prior to the inception of the insurance and the index last published prior to the refund of insurance fees being paid.
- f. The policyholder will be entitled to a refund of insurance fees in accordance with this Clause even if a claim for insurance benefits has been lodged due to an insured event that occurred prior to the cancellation date of the policy.

## **17. Seat of jurisdiction**

Claims in accordance with this policy will be lodged and deliberated before a competent court in Israel.

## **18. Double insurance**

- a. If the vehicle was insured under another policy that was issued in accordance with the requirements of the Insurance Ordinance, the policyholder must notify the insurer of the same immediately after the double insurance has been arranged or immediately upon become aware of the same.
- b. In a case of double insurance, the insurers are liable severally to the insured and they will bear the insurance benefits in equal shares by accounting between themselves.

## **19. Prescription**

- a. The prescription period of a claim under this policy is seven years from the date on which the insured event occurs.
- b. The prescription period may be extended in accordance with the provisions of the Prescription Law – 1958.
- c. In the case of an insured event that occurs in the areas and territories detailed in Clause 3 (c) of the Insurance Ordinance, the prescription period according to the applicable law in those areas or territories will apply.

## **20. Notifications**

- a. Notifications to the insurer from the policyholder or to the injured party must be submitted to one of the following addresses:
  - 1) The office of the insurer as stated in the certificate of insurance or to any other address in Israel that the insurer notifies the policyholder or the injured party of in Israel.
  - 2) The address of the insurance agent whose name is stated in the certificate of insurance.
- b. Notifications from the insurer to the policyholder must be sent in writing to the address of the policyholder as stated in the certificate of insurance or to any other address that the policyholder notifies the insurer of in Israel.
- c. The provisions of this Clause do not negate the requirements of Clauses 15-16 in respect of cancellation of the policy, nor do they derogate from them.

## **21. Claims report**

- a. One month prior to the expiry of the period of insurance or immediately after its expiry if it expires in an unforeseen manner, the insurer must sent a claims report to the policyholder containing details of all of the claims that have been made up until the same date, if made (hereinafter – "claims report").
- b. In the claims report the insurer must provide details of all of the claims that have been

made in the three years that preceded the date on which the report is sent or which have been made in the period in which the policyholder was covered by the insurer, the shorter of the two periods, together with details of the drivers involved in the accidents.

- c. If a claim has been made during the course of the month prior to the expiry of the period of insurance, the insurer must send an update to the claims report.