

Policy of insurance
for private and
commercial vehicles
(up to 3.5 tons) – Richbit

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

This policy is a contract between

The Phoenix Insurance Company Ltd. – (hereinafter: “the insurer”)

and the insured whose name is stated in the schedule – (hereinafter: “the insured”)

according to which the insurer agrees, in consideration of the premium, to indemnify the insured during the period of insurance for loss or damage which occurs to the insured vehicle due to an insured event and due to third party property damage, all in accordance with the conditions of this policy (hereinafter the scope of cover): the premium, the period of insurance, the deductible, the name of the price list and the limits of liability in accordance with Section C stated in the schedule constitute an integral part of this policy.

Dear Insured,

Please review the policy conditions, its amounts and limits.

If you find any matter which needs to be corrected please return the policy to our office attaching your comments.

This policy is worded in the masculine. In any place in which the masculine is used the same applies in the feminine, according to the subject matter.

Dear Insured,

This policy and the additional documents attached to it, i.e. the proposal form, the schedule as well as any other endorsements which are attached or may be attached in the future, constitute the insurance contract between: The Phoenix Insurance Company Ltd (hereinafter: "the insurer") and the insured whose name is stated in the schedule (hereinafter: "the insured").

In accordance with this policy the insurer agrees, in consideration of the premium, to indemnify the insured during the period of insurance, for loss or damage which occurs to the insured vehicle due to an insured event and due to damage to third party property, all in accordance with the conditions of this policy (hereinafter: "the scope of cover"). The premium, the period of insurance, the deductible and the limits of liability in accordance with Section C stated in the schedule constitute an integral part of this policy.

The deductible will be deducted from any indemnity and expense amount.

The mutual rights and duties of you, the insured and of the insurer detailed in the policy, and the insurance in accordance therewith will apply as soon as the premium stated in the schedule has been settled.

This policy has been written in accordance with:

1. **The Supervision of Insurance Business Regulations (Private Motor Vehicle Insurance Contract Conditions) – 1986** include the amendments to the regulations.
2. The provisions stated in the **Insurance Contract Law – 1981 and the regulations enacted in accordance therewith.**
3. **The Supervision of Insurance Business Law – 1981** and the regulations enacted in accordance therewith.
4. The requirements of the **Motor Vehicle Insurance Ordinance [New Version] – 1970** and its amendments.

PLEASE NOTE:

Bodily injury: Bodily injury must be covered separately in accordance with the statutory provisions. The conditions of the insurance are stated in Section A and in the Statutory Motor Bodily Injury Certificate of Insurance. The cover in accordance with the Statutory Motor Bodily Injury Certificate of Insurance will apply solely after the premium has been paid and the certificate has being signed by the bank.

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PRIVATE AND LIGHT COMMERCIAL MOTOR VEHICLE (UP TO 3.5 TONS) INSURANCE POLICY – RICHBIT

SECTION A – STATUTORY MOTOR BODILY INJURY POLICY OF INSURANCE

(In accordance with the requirements of the Motor Vehicle Insurance Ordinance [New Version] – 1970)

This policy is a contract between the insurer and the policyholder according to which the insurer agrees, subject to the conditions of this policy, to make indemnity payments on the occurrence of an insured event during the period of insurance.

1

Definitions for the purpose of this policy

Policyholder – The party that arranges this policy with the insurer and whose name is stated in the certificate of insurance as the policyholder.

The insured – The policyholder, the owner of the vehicle, the legal keeper of the vehicle and anyone who uses the vehicle with the permission of any of the aforementioned.

The insurer – The Phoenix Insurance Company Ltd.

The Commissioner – as defined in the Supervision of Financial Services (Inurance) Law, 1981;

The vehicle – The motor vehicle whose details are stated in the certificate of insurance.

The Compensation Law – The Road Accident Victims Compensation Law – 1975.

Insured event – A road accident in which the vehicle is involved, whilst being used by the insured for one or more of the uses covered in accordance with the policy conditions, and in which bodily injury is caused to an injured party, as well as an event in respect of which liability is covered in accordance with clause 3 (B) of this policy.

Road accident* – An event in which bodily injury is sustained by an individual due to the use of a motor vehicle for transportation purposes; the definition of a road accident will also include an event which occurs due to explosion or combustion of the vehicle, which occurs due to a component of the vehicle or due to any other material which is essential for the its driving ability, even if caused by a source outside of the vehicle, as well as due to an event which occurs as a result of injury by a car parked in a place in which it is prohibited to park or an event which occurs due to utilisation of the mechanical force of the vehicle, provided that at the time of the use as aforementioned the vehicle did not alter its original

designated aim; however the definition of a road accident will not include an event which occurs as a result of an act which was committed intentionally in order to injure the same person or their property, and where the damage was caused by the act itself rather than by the effect of the act on the use of the motor vehicle.

Bodily injury* – Death, illness, injury or bodily or psychiatric defect including damage to a device required for the functioning of a bodily organ which was connected to the body of the injured party when the road accident occurred.

Use of a motor vehicle* – Travelling in a vehicle, entering or leaving it, parking it, pushing it or towing it, breakdown services or roadside repairs of the vehicle which are performed by the user or another individual other than as part of their work, including the rolling or overturning of the vehicle or disconnection or falling of a part from the vehicle or its load whilst being driven as well as disconnection or falling as aforementioned from a static or parked vehicle, other than whilst it is being handled by an individual as part of their work and excluding loading of a load or its unloading, whilst the vehicle is static.

Injured party* – An individual who suffers bodily injury in a road accident, other than if caused due to hostilities as defined in the Compensation for Victims of Hostilities Act – 1970.

*** N.B. The binding definition is the definition stated in the Compensation Law on the occurrence date of the insured event.**

The Insurance Ordinance – The Motor Vehicle Insurance Ordinance [New Version] – 1970.

Indemnity payments – Amounts that the insurer is liable to pay in respect of bodily injury caused to an injured party on the occurrence of an insured event, in accordance with the conditions of this policy.

Certificate of insurance – A certificate issued by the insurer to the policyholder in respect of this policy, in accordance with clause 9 of the Insurance Ordinance or in accordance with Section 7 to the provisions of the Supervision of Financial Services (Insurance) (Statutory Motor Bodily Injury Policy Conditions) Law – 2010, which constitutes an integral part of this policy.

The period of insurance – The period commencing on the inception date of the insurance stated in the certificate of insurance, however not prior to the date on which the certificate of insurance has been stamped by the bank, and expiring at midnight on the expiry date of the period of insurance stated in the certificate of insurance; in this regard, "stamped by the bank" includes a stamp issued by the insurer in coordination with a bank, which the Commissioner, as defined in the Supervision of Financial Services (Insurance) Law – 1981, has approved in order to ensure the aims of the Insurance Ordinance.

2 Interpretation

Any term which is not defined in clause 1 will be interpreted as defined in the Compensation Law or in the Insurance Ordinance, on the occurrence date of the insured event, as applicable.

3 Liability of the insurer

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

- A** Any liability that the insured is held liable for in accordance with the Compensation Law;
- B** Other liability, other than in accordance with sub-clause (A), that the insured is held liable for due to bodily injury which is caused to any individual by the use of a motor vehicle or due to use thereof;
- C** Bodily injury caused to the insured in a road accident.

4 Deductible

- 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 indemnity payments on the occurrence of an insured event which is covered under this policy, provided that the conditions at the end of sub-clause (A) have been fulfilled, will be calculated in accordance with the type of injury which is sustained and will not exceed NIS 25,000 in respect of non-pecuniary damage and 7 work days in respect of loss of earnings.

5	Territorial limits	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.
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6	Permitted uses	<p data-bbox="302 306 1048 399">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:</p> <ol data-bbox="302 399 1048 877" style="list-style-type: none"> <li data-bbox="302 399 1048 494">1 Social, domestic and pleasure purposes or for the business of the insured, other than the uses detailed in clauses (2) – (4) hereunder. <li data-bbox="302 494 1048 686">2 Commercial use in the context of an annual road worthiness 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 Transportation Regulations, and provided that these uses are stated explicitly in the certificate of insurance. <li data-bbox="302 686 1048 782">3 Commercial carriage of passengers in the vehicle for hire, reward or other consideration provided that this use is stated explicitly in the certificate of insurance. <li data-bbox="302 782 1048 877">4 Commercial rescue or towing of the vehicle for payment, a fee or other consideration, provided that this use is stated explicitly in the certificate of insurance. <p data-bbox="302 877 1048 1069">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.</p> <p data-bbox="302 1069 1048 1431">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 stage or during non-motor sport 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 clause "competitive sports vehicle", "driving sports", "linking stage" are as defined in the Sports Driving Law, and "competitive sports vehicle license" is as defined in clause 6 of the said law.</p>
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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	<p>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 motorbike or a vehicle classified as a taxi in the vehicle license – the insurer will provide cover solely when the vehicle is being driven by the individuals whose names are stated in the certificate of insurance and only the individuals whose names are stated in the certificate of insurance are permitted to drive the vehicle.</p> <p>If an individual whose 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.</p>
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 motorbike – 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	<p>Notwithstanding the provisions of sub-clause (A) –</p> <p>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 120 months that preceded the occurrence date of the road accident, provided that at the time of the occurrence of the insured event one of the following has existed:</p> <p>(a) The driver of the vehicle has not been disqualified from receiving or holding a driving license under provisions of the legislation, judgment, court decision or decision of any other competent authority, except for a decision given under the Execution Law, 1967 and the regulations issued under it, and the expiry of a license due to non-payment of fee;</p> <p>(b) The driver of the vehicle should not have, under law, complied with one of the following requirements to obtain a driving license: theoretical drivign test, practical driving test, medical examinations including cognitive ability and a drug-use test;</p>

2 If the use of the motor vehicle was for advanced practical driving lessons in accordance with regulation 213A of the Transportation Regulations or if it was undergoing a test by the Licensing Authority (hereinafter – annual roadworthiness test), 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 annual roadworthiness test was accompanied by a Ministry of Transportation qualified inspector.

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 premium 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 an incomplete and dishonest reply to an underwriting question that was posed, and due to the reply a lower premium was set in comparison to the premium 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 indemnity payments due to the policyholder due to non-pecuniary damage as a consequence of their 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 their possession they 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 indemnity payments 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 make indemnity payments 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 lapse on the inception date of the other insurance policy as aforementioned and the insurer will refund a pro-rata share of the premium to the inheritor of the vehicle; the pro-rata share as aforementioned will be calculated by multiplying the premium 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 The policyholder will attach the following documents to the Cancellation Notice as mentioned in sub-clause (A):

1 If the vehicle is owned or held by it – a written declaration to the insurer that the vehicle is still owned or held by it (hereinafter – the Declaration), indicating the date when the cancellation will take effect; if no such date is indicated, cancellation of the policy will take effect on the date of delivery of the Declaration;

2 If the vehicle is not owned or held by it – confirmation that ownership of the vehicle has been transferred to another, plus one of the following three items:

(a) Copy of documentation of notification to the vehicle holder of the cancellation of the policy; such notification can be delivered by post, in a talk or by digital means; cancellation of the policy will take effect within three workdays from the date of delivering the notification;

(b) Copy of documentation of notification to the vehicle holder of the cancellation of the policy, and copy of the response of the vehicle holder according to which it confirmed it has another policy; cancellation of the policy will take effect on the date of delivering the cancellation notification;

(c) Confirmation that the use of the vehicle has been insured by another compulsory car insurance policy; cancellation of the policy will take effect on the date of delivering the cancellation notification or on the date of issuing the other policy, whichever later;

C If the policy is cancelled in accordance with this clause, the insurer will refund the premium 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 premium;

2 If the policy was valid for a period exceeding seven days – 5% of the annual premium plus 0.3% of the annual premium for each day on risk, starting from the eighth day.

D 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 premium to the policyholder; the pro-rata share as aforementioned will be calculated by multiplying the premium 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 All the amounts refunded under this Clause will change according to changes between the index published shortly before the date of payment of the insurance premium and the index published shortly before the date of refunding the insurance premium;

F The policyholder will be entitled to a return premium in accordance with this clause even if a claim for indemnity payments has been made due to an insured event that occurred prior to the cancellation date of the policy.

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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 twenty-one days 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;
- B** Has the insurer cancelled the policy, it will return to the policyholder as soon as possible and not later than 7 days prior to the policy cancellation date, the pro rata share of the policy premium paid;
- C** The pro-rata share as aforementioned will be calculated by multiplying the premium 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** Indexation increments per the Consumer Price Index will be added to the return premium 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 return premium being paid.
- F** The policyholder will be entitled to a return premium in accordance with this clause even if a claim for indemnity payments has been made 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	<p>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.</p> <p>B In a case of double insurance, the insurers are liable severally to the insured and they will bear the indemnity payments in equal shares by accounting between themselves.</p>
19	Proscription	<p>A The proscription period of a claim under this policy is seven years from the date on which the insured event occurs.</p> <p>B The proscription period may be extended in accordance with the provisions of the Proscription Law – 1958.</p> <p>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 proscription period according to the applicable law in those areas or territories will apply.</p>
20	Notifications	<p>A Notifications to the insurer from the policyholder or to the injured party must be submitted to one of the following addresses:</p> <ol style="list-style-type: none"> 1 The address of its office or details of digital means of communication with 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; 2 The address of the insurance agent whose name is stated in the certificate of insurance. <p>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.</p> <p>C The provisions of this clause do not negate the requirements of clauses 15 or 16 in respect of cancellation of the policy nor do they derogate from them.</p>
21	Claims report	<p>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).</p>

- 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 immediately on submitting the claim.

22 Suspension

- A** A policyholder or whoever requests a policy for the use of a motor vehicle under sub-clause (E), may notify the insurer in advance, in writing or in any other way, of disabling the vehicle for a period of not less than 30 consecutive days (in this Clause – **Suspension** request); the insurer is required to record the Suspension request;
- B** The insurer will deliver to the policyholder a new insurance certificate as specified in sub-clause (E); has the **Suspension** been indicated in the insurance certificate as specified in sub-clause (E), no use will be made of the vehicle for driving or parking, as specified in the definition of "Use of a motor vehicle" in Clause 1, and the insurer's liability will be limited under Clauses 3 and 6 so it does not apply to such uses;
- C** A policyholder may cancel the Suspension policy by a notice to the insurer; the **Suspension** period will be terminated on the date specified in said notice, provided that the date of termination of the Suspension will not be retroactive;
- D** Has the Suspension policy been cancelled under sub-clause (C), the insurer will return to the policyholder the pro rata share of the insurance policy for coverage under Clauses 3 and 6 and under this Clause, less insurance premium for Suspension coverage; such refund will be for a **Suspension** period of 30 days or more;
- E** In a new insurance certificate delivered by an insurer to a policyholder as specified in sub-clause (B), the insurer will indicate in the title of the insurance certificate, in the line under "Motor Vehicle Insurance Ordinance [New Version] 4 (hereinafter – the Insurance Ordinance)", 1970 the following words: " **Suspension** vehicle – no use will be made thereof for driving or parking"; these words will be indicated in a caption three times larger than the letters of the rest of the certificate and highlighted by a double frame or any other way approved by the Commissioner to a certain insurer, without indication of the name of the driver who is permitted to drive the vehicle and its ID number;

MOTOR INSURANCE (SECTIONS B-F)**DEFINITIONS FOR SECTIONS B-F**

 Private vehicle	A private vehicle as this term is defined in the Transportation Ordinance [New Version] (hereinafter – the ordinance) including a commercial vehicle as this term is defined in the ordinance weighing up to 3.5 tons, other than a “motorbike”.
 The insured	<p>A For the purpose of Section B – “Own damage insurance” – the registered owner of the insured vehicle and/or the individual whose name is stated in the proposal form and the schedule as the insured.</p> <p>B For the purpose of Section C – “Third party property damage liability cover” – The insured (per clause A) and the driver of the insured vehicle with the permission of the insured or on their instructions (hereinafter the driver of the vehicle) and on condition that:</p> <ol style="list-style-type: none"> 1 The driver of the vehicle is not entitled to indemnity payments by virtue of any other policy. 2 Any allegation that the insurer can raise against the insured can also be raised against the driver of the vehicle.
 The insurer	The Phoenix Insurance Company Ltd.
 Proposal form	A form bearing the heading “Proposal Form” which is submitted by the insured to the insurer for the purpose of issuing this policy or a policy / policies which preceded it including, inter-alia, the declaration of the insured, or any other document which has been agreed upon between the insured and the insurer to serve as the basis for this policy.
 The insured vehicle	The vehicle described in the schedule
 Burglary	Entry into the locked vehicle by force and violence leaving clear signs attesting to the same.
 Limit of liability of the insurer	The maximum amount which will be paid by the insurer in accordance with Section C (Third Party Liability) of this policy.
 Accidental event	A sudden and unforeseen event.
 Index	The Consumer Price Index published by the Central Bureau of Statistics.

<p>Price list</p>	<p>A price manual and methodological, professional and independent rules used for determining the market value of private vehicles of all models, between a willing purchaser and a willing vendor, which is regularly published and updated and which can be viewed at any time.</p>
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SECTION B – OWN DAMAGE INSURANCE

<p>1 Insured event</p>	<p>The insured event is loss or damage occurring to the vehicle described in the schedule, including the accessories and the parts in the basic model of the vehicle model stated in the importer’s specification without which the vehicle cannot be purchased, the air conditioner therein, the protection means installed therein for advanced safety systems installed, in accordance with the insurer’s requirements, accessories lawfully located therein, accessories affixed thereto which are stated in the schedule (hereinafter “the vehicle”) as a consequence of any of the perils stated in the insured perils clause hereunder provided that the insured has not waived these covers wholly or partially as stated in the waiver of covers clause hereunder:</p>
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<p>The insured perils</p>	<p>A Fire, lightning, explosion, combustion.</p> <p>B Accidental collision, overturning and any type of accident.</p> <p>C Theft.</p> <p>D Any damage caused due to theft, during the course of a theft or an attempted theft.</p> <p>E Storm, tempest, flood, snow and hail, volcanic eruption.</p> <p>F Malicious damage; however if the insured event is intentionally caused by the insured or by a party acting on behalf of the insured, the insurer is exempt from liability.</p>
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<p>Waiving covers</p>	<p>Notwithstanding that stated in the list of insured perils above, the insured is entitled at their request, at the proposal form stage, by express notice which will be documented by the insurer and stated in the schedule, to waive only one of the following covers:</p> <p>1 Cover for accidental collision, overturning and any type of accident as stated in clause B of the “Insured perils”.</p> <p>2 Cover for theft as stated in clause C of the “Insured perils”.</p> <p>3 Cover in accordance with Section B in its entirety – Own damage insurance.</p>
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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 tyres, unless if other parts of the vehicle are lost or damaged due to the insured event.
3	Electrical and mechanical breakdown	Electrical and mechanical breakdown caused to the vehicle is not covered unless if occurring during or due to an insured event.
4	Manners of paying compensation	The insurer may, at its discretion, chose 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 similar type and quality, or replacement of part thereof.
5	Calculation of the compensation	The indemnity payments due to the insured in accordance with this section: (1) 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. (2) VAT will be added to them, other than if the insured is entitled to offset VAT; for the purpose of this policy "VAT" is as defined in the VAT Law – 1976.
6	Total loss vehicle	<p>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" means:</p> <ol style="list-style-type: none"> 1 If the vehicle is stolen and not found within 30 days. 2 A vehicle in respect of which a qualified motor loss adjuster has determined that one of the following has been fulfilled: <ul style="list-style-type: none"> 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. <p>B If a qualified motor 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 ,in the consent of the insured, may compensate the insured as though it was a total loss (hereinafter "constructive total loss").</p>

- 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 salvage of the vehicle will be transferred to the insurer.
- D** The validity of this policy will expire as soon as the insured is indemnified for a total loss or a constructive total loss as stated in this clause and in clause 9 (Cover for expenses) and the insured will not be entitled to a return premium.

7 Total loss for a vehicle in respect of which taxes have not been paid

- A** Notwithstanding that stated in clause 6 (B) 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 make indemnity payments 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 insured provides 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 make indemnity payments 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 indemnity 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 indemnity payments; if the transfer of rights is subject to the payment of any taxes, they will be paid by the insurer.

8 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.

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 for 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 for 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 “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.

9 Cover for expenses

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

SECTION C – THIRD PARTY PROPERTY DAMAGE LIABILITY INSURANCE

10	Insured event	An insured event is the insured's liability for damage caused to third party property as a consequence of the use of the vehicle stated in the schedule (hereinafter: the vehicle) during the period of insurance.
11	Limits of indemnity	<p>A The insurer will pay, on behalf of the insured, all amounts that the insured is 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.</p> <p>A1 Notwithstanding the provisions of clause 19 B (1) (General Exclusions to the Liability of the Insurer) 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:</p> <ol style="list-style-type: none"> 1. In the event that the vehicle is rendered unusable due to a peril 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. 2. Indemnity for proven losses of a third party due to payment of a deductible and loss of no claims bonus. 3. 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. <p>B The insurer will also bear reasonable legal expenses that the insured incurs due to an insured event, in excess of the sum insured.</p> <p>C Notwithstanding the aforementioned, if an insured event is caused maliciously, the insurer is exempt from liability.</p>
12	Indexation of the sum insured	The sum insured for the purpose of this section will vary in accordance with the changes to the index between 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 section "index" means the Consumer Price Index published by the Central Bureau of Statistics.

13 Handling third party claims

- A** The insurer is entitled, and at the demand of the third party – indebted, to pay the indemnity to the third party which the insurer owes the insured, provided that written notice of the same is sent to the insured as stated in sub-clause (1A) hereunder and provided that the insured does not express opposition as stated in the same clause; however any allegation which the insurer can raise against the insured can also be raised against the third party.
- A1** If the third party demands the indemnity payments as stated in sub-clause (A) above, the insurer will notify the insured in writing of the demand within 7 business days of the date of the demand as aforementioned and if the insured does not express opposition to payment of the compensation within 30 days, the insurer will pay the indemnity to the third party which it is due to pay to the insured, insofar as it is liable for payment.
- A2** The insurer is entitled to take over or conduct the defence or settlement of any claim on behalf of the insured and at the insurer’s request and the insured will provide any assistance required to settle the third party claim.
- B** In the event of a claim or claims against the insured arising from a single insured event or a series of events that can be attributed to a single originating cause that is covered in accordance with this section of the policy, the insurer is entitled to pay the entire limit of indemnity in accordance with this section 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.

14 Exclusions to liability for third party property damage

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

SECTION D – LEGAL PROTECTION INSURANCE

15

LEGAL
PROTECTION
INSURANCE

A

Definitions:

"Fees" means: Lawyer's fees for the conduct of criminal legal proceedings in accordance with the Israel Bar Association Regulations (Minimum Tariff) as may be updated from time to time.

"Defence costs" means: 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 the criminal law procedures **however excluding any fine, compensation or punitive damages imposed in a sentencing.**

B

The cover

The insurer at its expense will appoint a lawyer to act for the insured for the purpose of providing legal defence in criminal proceedings which are brought against them – other than offences for which a fine can be paid – due to an accident which occurs whilst using the vehicle in accordance with the policy and in which injury or damage is caused to person or property. If the insurer does not appoint a lawyer in accordance with the aforementioned, the insured is entitled to approach a lawyer of their choice. In such a case the insurer will compensate the insured for "fees" and "defence expenses" which are paid by the insured however not exceeding the sums insured stated in the schedule.

C

Coverage extension

If the insured wishes to appeal a judgement in a criminal proceeding, a detailed and reasoned opinion from a lawyer must be submitted to the insurer, according to which in the opinion of the lawyer there is a reasonable chance of the appeal succeeding. The insurer, at its sole discretion, will extend the cover in accordance with this section and the limits of liability above will also include "fees" and "defence expenses" in the appeal. It is hereby noted and agreed that prior written approval from the insurer to lodge an appeal as aforementioned will be a precondition to the liability of the insurer in accordance with this extension.

D

Exclusions

The insurer will not be liable to make any payment if at the time of the accident the driver under the influence of narcotics as defined in the Narcotics Ordinance [New Version] – 1973.

E

Subjectivities

- 1** The insurer will be entitled to request that the insured supplies judicial documents, protocols, expert opinions, 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 insured must instruct the lawyer to provide all such material to the insurer on request.
- 2** The insurer will pay "fees" and "defence expenses" at the end of the legal proceedings or the appeal, as applicable. If the expenses have been paid by the insured, the insurer will refund the amount paid within 30 days, up to the amount stated in the schedule for this cover.
- 3** Written notification must be submitted to the insurer immediately after the occurrence of the accident, and on condition that the notification is submitted not less than 7 days before the date of the hearing which has been set. Compliance with this clause constitutes a precondition to the liability of the insurer in accordance with this section.
- 4** Any letter, criminal charge, summons or legal notice must be submitted to the insurer immediately on receipt by the insured. The insurer must also be given written notification, immediately after the insured becomes aware that criminal legal proceedings, a police investigation or investigation into the circumstances of death are about to be held in connection with any occurrence which is liable to result in a claim under this section. Compliance with this clause constitutes a precondition to the liability of the insurer in accordance with this section.
- 5** At the time of making payment in accordance with this clause, the deductible amount stated in the schedule will be deducted from the insured.

SECTION E – EXTENSIONS

16

Additional optional covers

The cover in accordance with any of the extensions hereunder is valid solely if the extension is stated expressly in the schedule.

Each extension is subject to all of the conditions and exclusions of the policy, other than if amended expressly in the extension.

1 ADDITION COMPENSATION FOR PURCHASING A NEW VEHICLE

A It is hereby agreed that if a vehicle whose age on the occurrence date of the insured event is up to 12 months from the date on which the vehicle was first put on the road, Unless otherwise noted under the conditions of the policy, is declared a total loss or constructive total loss, the insurer will make indemnity payments to the insured equivalent to the full value of the vehicle on the occurrence date of the insured event subject to the provisions of clause 6 "Total loss vehicle" of Section B – Own Damage Insurance, and subject to the provisions of clause 5 "Indemnity payments in the event of a total loss" in appendix 2 to the policy.

B In addition to the aforementioned indemnity payments, the insurer will pay additional compensation to the insured for purchasing a new vehicle of the same manufacturer and of the same model, type and level of finish (including special additions to the vehicle if included in the insurance in accordance with this policy). The additional compensation will not exceed the difference between the actual cost of the new vehicle which is purchased in place of the insured vehicle which has been lost or damaged and the indemnity payments due to the insured for the vehicle which has been lost or damaged as stated in clause A above, and in any case will not exceed 10% of the indemnity payments due to the insured, Unless otherwise noted under the conditions of the policy, in accordance with clause A above – the lower of the two amounts.

C The insurer is entitled in accordance with this clause to replace the vehicle which has been lost or damaged with a new vehicle of the same manufacturer and of the same model, type and level of finish.

2 INSURANCE FOR SPECIAL ACCESSORIES AND ADDITIONS TO THE VEHICLE

Definition

Special accessories and additions to the vehicle means items which do not form a standard part of the model of the insured vehicle (i.e. are not accessories and parts included in the basic package of the vehicle model as determined by the level of finish of the vehicle in the importer's specification) which are detailed by the insured in the proposal form or in another manner and are stated in the policy schedule including the value of these items.

The cover

The cover under this extension is for the perils detailed in clause 1 (Insured event – for Section B of the policy (Own damage insurance).

Limit of liability

The liability of the insurer will not exceed the actual value of the special accessories and additions which are damaged on the date of the occurrence, plus reasonable expenses for installation and not exceeding the sum insured stated in the schedule.

Underinsurance

If the overall value of the insured property in accordance with this extension is at the time of the insured event higher than the amount for which it has been insured, the insured will be considered to be their self-insurer for the difference and will accordingly bear the proportional share of the loss. Each and every item is subject to this clause separately.

Indexation

- 1** The sums insured of the insured items will vary in accordance with the changes to the Consumer Price Index published from time to time by the Central Bureau of Statistics between the index last published prior to the inception of the insurance and the index published prior the occurrence of the insured event.
- 2** This clause will also apply to amendments to the sums insured during the period of insurance effective from the date of the amendment.

3 INSURANCE FOR ELECTRICAL APPLIANCES

Definition:

Electrical appliances means: Radios, radio tapes, compact discs, speakers, televisions (including LCD), telephones and communication devices solely which are specified by the insured in a proposal form or in any other manner and stated in the policy schedule containing the value of these items. The insurer will not be liable for loss or damage to antennas, recording tapes, tapes and optical discs.

The cover

The cover for this clause is in accordance with the perils covered under clauses A, B, E, F of clause 1 of Section B of the policy, as well as theft following burglary into the vehicle with force and violence which leaves visible signs and on condition that the doors and windows were closed and locked.

Limit of liability

The liability of the insurer will not exceed the actual value of the electrical appliances which are damaged on the date of the occurrence, plus reasonable expenses for installation and not exceeding the sum insured stated in the schedule.

Underinsurance

If the overall value of the insured property in accordance with this extension is at the time of the insured event higher than the amount for which it has been insured, the insured will be considered to be their self-insurer for the difference and will accordingly bear the proportional share of the loss. Each and every item is subject to this clause separately.

Indexation

- 1 The sums insured for these clauses will vary in accordance with the changes to the Consumer Price Index published from time to time by the Central Bureau of Statistics between the index last published prior to the inception of the insurance and the index published prior the occurrence of the insured event.
- 2 This clause will also apply to amendments to the sums insured during the period of insurance effective from the date of the amendment.

4 AUTOMATIC REINSTATEMENT

In the event that covered damage occurs to the vehicle which does not constitute a total loss, the scope of liability of the insurer in accordance with this policy will be reinstated following the occurrence of the insured event.

If this extension is included; then notwithstanding the provisions of clause 26 of the General Conditions (Section F) the insured will be exempt on the occurrence of the insured event from payment of an additional premium for reinstating the scope of insurance cover.

5 "PRAKLIT"

Cover for dealing with claims against third parties – motor property

A The legal service provider:

A law office as detailed in the policy schedule.

B **The cover**

Free legal service via the legal service provider.

The legal service will be provided in the event of damage to the insured vehicle by a third party in a case in which the insured wishes to sue the third party for this damage.

C **Nature of the legal service**

The lawyer providing the legal service will act as follows:

C1. Will conduct negotiations with the third party or its insurers until compensation which is agreed by the insured is received.

C2. If the parties do not reach an agreed compromise settlement – will prepare the claim for the Small Claims Court (the insured will appear alone after having received appropriate guidance from the lawyer).

D If the amount of the claim exceeds the authority of the Small Claims Court the insured will be able to obtain assistance from the lawyer for a separate fee which will be conditional upon successfully legal work.

E **The insured's duties**

E1. To notify the insurer of the insured event and to complete a claims form.

E2. To notify the insurer of the insured's desire to utilise the cover for legal services provided to them in accordance with this appendix.

E3. To submit all of the relevant documents to the insurance agent or the insurer in order to corroborate the claim.

F The insurance agent and/or the insurer are responsible for submitting all of the claim documents to the lawyer providing the service.

G The insurer is exempt from any liability in any manner connected to failure of the service provider to fulfil the expectations of the insured regarding the results of the legal work.

SECTION F – GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS OF THE POLICY
 (Other Than Section A – Statutory Motor Bodily Injury Insurance)

17 **Individuals permitted to drive the vehicle**

The individuals permitted to drive the vehicle are any one of the individuals stated in sub-clause (b) 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 120 months that preceded driving the vehicle

1 The authority to drive a vehicle was not disqualified by a driver's license or holding it as stated as stated in the provisions of a law, a judgment, court decisions, except for a decision given by the expenditure law, 1967 and regulations issued by its power and the validity of a license Dreaming Failure to Charge fee.

2 The authority to drive the vehicle would not have to meet one of these demands to obtain a driver's license: a premise driving test, practical driving test, medical tests including cognitive capability and drugs use.

A The insured.

B An individual whose name is stated in the schedule.

C An individual who drives in accordance with the insured's directives or with their permission.

D An individual who drives with the permission of the insured, accompanied by an individual enumerated in clauses A-D above.

E An individual who does not hold a driving license as stated In sub-clause (a), on condition that they are accompanied by a qualified driving instructor holding a license for driving instruction or during an official Ministry of Transportation examination, on condition that the individual is accompanied by an examiner acting on behalf of the Ministry of Transportation.

18 The use of the vehicle

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

- A** For social, domestic and pleasure use.
- B** In connection with the business of the insured.
- C** Driving instruction.
- D** The commercial carriage of fee-paying passengers.
- E** Hire.
- F** Agricultural works.
- G** Motor trade.
- H** Commercial vehicle towing.
- I** Rallies, competitions and vehicle competence tests.
- J** The carriage of commercial goods.

19 General exclusions to the liability of the insurer

- A** This policy does not cover loss, damage or liability that occurs outside of the boundaries of the State of Israel, the Occupied Territories and the Gaza Strip.
- B** This policy does not cover:
 - 1** Consequential loss.
 - 2** Loss or damage caused whilst the vehicle is being used by the I.D.F.
 - 3** Loss or damage which is caused due to acts of strikes or lockouts, other than if stated otherwise in the schedule.
 - 4** Loss or damage which is caused due to riots, other than if stated otherwise in the schedule.
 - 5** A claim arising from contractual liability.
 - 6** Loss or damage caused due to the driver being under the influence of narcotics as defined in the Narcotics Ordinance [New Version] – 1973.
 - 7** Loss or damage which is a consequence of war, hostile acts, acts of terrorism, military or popular uprising, revolution.

8 Loss or damage which is a consequence of ionising radiation, radioactive pollution, nuclear processes and any loss or damage due to nuclear materials or nuclear waste.

9 Loss or damage which is a consequence of earthquake - other than if otherwise stated in the schedule.

20 Disclosure and alteration to material facts

A This policy was issued based on the replies provided by the insured to the insurer in notification will which 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 insured 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 perils and implemented loss-prevention measures that the insurer requested be implemented in order to mitigate the perils 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 will which be documented by the insurer and without derogating from the generality of the aforementioned, includes 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, 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 perils covered by this insurance, other than in a period in which the vehicle was not owned by the insured as for them, a claim was filed as defined in section 31 (c).
- 7** Details of previous insurers that covered the vehicle.

- C** If the insured fails 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 does not implement the measures that the insurer requested be implemented to mitigate the perils 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 directives of the Insurance Contract Law – 1981 (hereinafter “the law”).
- D** The insured is obliged to notify the insurer during the period of insurance of any alteration to a material fact immediately upon becoming aware of the same and if the insured does 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 directives of the law.
- E** The insured must provide the insurer on request with a claims report as defined in clause 36.

21 Double insurance

- A** If the vehicle was insured for the perils covered by this policy with more than one insurer for overlapping periods, they 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 severally to the insured for the total sum insured and will between themselves bear the indemnity payments according to the ratio between the sums insured.

22 Extension of the insurance

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

23 Payment of the premium and other amounts

- A** The premium and all other amounts due from the insured 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 premium is submitted to the insured, the latter of the two, or at other periods stated in the schedule. In this policy “premium” means the total payments that the insurer is entitled to charge the insured on the inception date in connection with this policy.
- B** If any amount due from the insured to the insurer is not paid on time, the entire amount in arrears will bear annual interest as stated in the schedule and/or indexation increments in accordance with the changes to the Consumer Price Index, between the Index published prior to the due date and actual payment date.

- C** If any amount in arrears is not paid, as aforementioned, within fifteen days after the insurer has requested the insured make payment, the insurer is entitled to notify the insured in writing that the insurance will be cancelled following a further 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 cancellation 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.

24 Deductible

- A** On the occurrence of an insured event covered in accordance with Sections B, D and E of this policy, other than in the case of 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 indemnity payments in respect of each and every claim, according to the type of damage occurring provided that insofar as the deductible for depreciation is concerned, the rules stated in clause 25 hereunder will apply.
- B** On the occurrence of an insured event covered in accordance with Section C of this policy, the insurer will pay all amounts that the insured is liable to pay to the third party as stated in clause 11 of Section C above. The insurer will collect the deductible stated in the schedule from the insured in respect of the insured event and will not deduct the deductible from the amounts payable to the third party.
- C** Notwithstanding that stated in clause B above, if the amount that the insured is obliged to pay to the third party equals or is less than the deductible, the insured will himself make the payment to the third party and the insurer will not be liable to make any payment to the third party.
- D** Without derogating from the provisions of sub-clauses A and B, on the occurrence of an insured event which is covered in accordance with both Sections B and C, the deductible will applied only once from the indemnity payments which will not exceed the higher of the amounts stated in the schedule.

25

Deductible for depreciation**A**

The deductible for a depreciation loss will not exceed 1.5% of the sum insured (hereinafter – basic deductible), other than if the insured has agreed to a different deductible which the insurer offered them and has signed a separate appendix to the proposal form (hereinafter – depreciation appendix) and provided that it is stated in the policy schedule.

B

If the insured has not signed a depreciation appendix in which they selected a deductible which the insurer offered him, the basic deductible will apply to depreciation losses in the case of any insured event, however the insured 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 insured notifies the insured of the amendment as aforementioned the premium will apply accordingly from the inception of the period of insurance.

26

Reinstatement of the cover**A**

After the insurer has made indemnity payments to the insured or to a third party due to an insured event during the period of insurance, the insurer will reinstate the scope of cover 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 an additional premium for reinstating the cover will be calculated as follows:

B

Where indemnity payments have been made in accordance with Section B of the policy – as a percentage of the indemnity payments made as permitted by the Commissioner for the same vehicle in accordance with its age and 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.

If indemnity payments have been made to a third party in accordance with Section C of the policy – at the premium level charged for the insurance according to the amount paid as indemnity to the 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.

This clause will not apply in the event of payment in respect of a total loss, including a constructive total loss of the vehicle.

27

Changing the vehicle**A**

If the insured changes the vehicle during the period of insurance and purchases another vehicle, the insured may, by notification to the insurer and with the agreement of the insurer, transfer the cover under this policy to the other vehicle.

- B** If on the date of the change, the premium for the old vehicle is lower than the premium for the new vehicle, the insured 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 premium for the old vehicle is higher than the premium 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 A, B and C do not preclude the insurer from requesting payment to cover its costs for transferring the insurance cover according to its authorised tariffs.

28 Suspension

- A** During the period of insurance the insured is 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 insured notifies the insured as stated in sub-clause A, neither the insured nor their representative may drive the vehicle during the suspension period and if the insured or their representative does drive the vehicle – the cover in accordance with clause 1(B) (Accidental collision, overturning and any type of accident) of Section B – Own Damage will not apply.
- C** The suspension period will end on the date stated in the insured’s 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 insured of termination of the suspension period, the earlier of the two.
- D** At the end of the suspension period, the insurer will refund the insured with the *pro-rata* premium for the cover in accordance with clause 1(B) (Accidental collision, overturning and any type of accident) of Section B – Own Damage, which the insured paid for the suspension period.

29 Cancellation of the insurance

- A** The insured may cancel the insurance at any time before the end of the insurance period, at its discretion; The insurance will be canceled on the date on which a notice of insurer or later according to the request of the insured; In such a case, the insurer will return to the insured as soon as it is not later than 14 days from the date the cancellation has into effect, the relative portion of the insurance fees paid for the period after the date of the cancellation. The relative part shall be calculated by doubling the insurance premiums given by the insurer in relation to the number of days left, at the time of the cancellation until the end of the original insurance period, and the number of days included in the original insurance period (Hereinafter – the relative part)

- B** Without derogating from the statutory rights of the insurer, the insurer is permitted to cancel the insurance prior to the expiry of the period of insurance provided that notification of the same is sent to the insured, 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.
- C** If the insurer cancels the insurance, the insured will refund to the insured the *pro-rata* share of the premium paid as soon as possible and not exceeding 14 days from the date on which the cancellation takes effect.
- D** 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 premium was paid and the index last published before the date on which the return premium is paid. If the premium was paid in instalments, each amount will vary in accordance with 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 premium is paid.
- E** 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.

30 Claims for indemnity payments

- A** If an insured event occurs, the insured or the beneficiary is obliged to notify the insurer immediately upon becoming aware of the same.
- B** Any claim for indemnity payments in accordance with the policy must be submitted to the insurer and will be documented by it. The aforementioned does not preclude from the insured from requesting that the claim be made in writing.
- C** The insured or the beneficiary, 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 their possession, must assist the insurer insofar as possible to obtain them.
- D** Immediately upon receipt of the notification from the insured or the beneficiary of the occurrence of an insured event, the insurer will take the necessary steps to clarify its liability.
- E** Indemnity payments will be made 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** Indemnity payments payable to a third party or paid to the insured will vary in accordance with the ratio between the Consumer Price Index published prior to the occurrence of the insured event and the Consumer Price Index published prior to the actual payment date, in addition to which linked interest at the rate determined in accordance with the "Indexation increments and interest" definition in section 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 indemnity payments in accordance with Section B of the policy any fixed amount which the insured owes it due to this policy or due to another policy and this provided that there is a genuine concern that the debt will not be paid, the insurer is entitled to offset the balance of the premium whose payment date has not yet arrived or other debit whose payment date has not yet arrived.
- H** Indemnity payments will not include VAT for anyone who is entitled to offset VAT

31 Notification without the agreement of the insuree

If the insured or their representative pays compensation in connection with an insured event covered under this policy, admits liability, offers, promises or undertakes to pay compensation as aforementioned, without the prior agreement of the insurer, the matter will not bind the insurer.

32 Interim payments and undisputed indemnity payments

- A** On the occurrence of an insured event, the insured or the third party, as applicable, will be entitled to receive an interim 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 insured in accordance with the conditions of this policy.
- B** Undisputed indemnity payments will be paid within 30 day of a written claim for indemnity payments being lodged with the insurer provided that they are claimable separately from the other indemnity payments.
- C** Amounts paid to the insured or to the third party by virtue of clauses A and B above will be deducted from the final indemnity amount payable. In the calculation of the deduction the amounts deducted will be adjusted 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 indemnity payments are made.

D The full and final payment of indemnity payments in the event of a loss in accordance with Section B will be made following the provision of reasonable evidence that the insured repaired the damage to the vehicle.

33

Proscription

The proscription period of a claim for indemnity payments 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 indemnity payments in accordance with Section C does not proscribe as long as the third party claim against the insured has not proscribed.

34

Subrogation

A If, due to the occurrence of an insured event, the insured was also entitled to receive compensation from a third party other than by virtue of this insurance contract, this right is assigned to the insurer who made indemnity payments to the insured or to the beneficiary up to the full amount thereof.

B The insurer is not permitted to use the right transferred in accordance with this clause in a manner which will prejudice the rights of the insured to obtain compensation or indemnity from the third party in excess of the indemnity received from the insurer.

C If the insured received compensation or indemnity from a third party which was due to the insurer in accordance with this clause, the insured is obliged to transfer this to the insurer. If the insured compromised, provided a waiver or performed any other act which prejudices the right transferred to the insurer, the insured is obliged to compensate the insurer for the same.

E If the insurer receives compensation or indemnity from a third party which it would be entitled to receive in accordance with this clause, it must notify the insured of the same within 15 days.

F The insurer will not invoke this clause if the insured event was unintentionally caused by an individual whom a reasonable insured would not claim compensation or indemnity from, due to family or employment relations between them.

35

Notifications

Notifications from the insured or the beneficiary to the insurer will be submitted to the insurer to one of the following addresses:

A 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 insured or the beneficiary of from time-to-time.

B The insurance agent's office stated in the policy with their address as detailed therein, or any other address in Israel that the designated insurance agent or insurer notifies the insured or the beneficiary of from time-to-time.

Insurance record

A When 11 months after the inception of the period of insurance have elapsed in the event of an annual policy, or at the expiry of the period of insurance in the event of a policy for a period less than one year, the insurer will send the insured a insurance record report stating whether the insured has made a claim or claims as of the aforementioned date, stating details of the covers for each annual period of insurance due to the insured vehicles within the policy.

The insurance record report will contain a breakdown of each insured event in respect of which a claim was made as aforementioned, including the registration number of the insured vehicle, the date of the insured event, the amount paid, the type of cover, the type of claim (own damage or third party), the type of risk covered in which the insurance claim was filed whether the insurer received compensation or indemnity from a third party for the claim, and the rate of compensation or indemnity received (hereinafter - "the prophetic rate), and the rate or amount of depreciation determined, in the three year period that preceded the date of the report or the period in which the insured was covered with the insurer, in accordance with the shorter period of the two.

B If a claim was first made more than 11 months after the inception of the period of insurance, the insurer will send an amended report when the claim is made.

C In this clause "Claim" - a lawsuit paid for itself insurance benefits under section 27, less self-participation in the amount exceeding NIS 5,000.

Notwithstanding the statement of subsection (C) This report was not included in the report that the rate of the description was 75% and above, received a deserted insurer at a year after sending a report under insurance, the insurer will send a republic report immediately upon receipt of the component, received a descendent insurer at a time Later, it will update the insurance report in the framework of any report required in the regulatory instructions, and will present it to the insured by its request

APPENDIX 1: MOTOR OWN DAMAGE AND THIRD PARTY PROPERTY DAMAGE

In accordance with the provisions of a memorandum from the Commissioner of Insurance

It is hereby agreed that the insurance in accordance with this policy is subject to motor vehicle own damage and third party property damage loss adjusting arrangements as follows:

1

Definitions

"Repair quotation" – A preliminary loss assessment made by a loss adjuster, prior to or during repair of the vehicle.

"Working day" – Any day other than rest days or official public holidays in the State of Israel.

"Insurance group" – Insurance companies, including a parent company insurance company and a sister company, as defined in the Supervision of Insurance Business Regulations (Manners of Investing Capital and Funds of an Insurer an Management of its Liabilities) – 2011, and including any subsidiary and affiliated company as defined in the Securities Law – 1968.

"Assessment" – The final loss assessment which the loss adjuster performs following repair of the vehicle.

"Loss adjuster" – An individual who is registered in the Registrar of Loss Adjusters as defined in the Supervision of Commodities and Services Ordinance (Motor Loss Adjusters) – 1980.

"Other loss adjuster" – Any loss adjuster other than an in-house loss adjuster or an external loss adjuster.

"In-house loss adjuster" – A loss adjuster, who may be in a state of conflict of interests due to a special connection with the insurer, including:

A A loss adjuster who is an employee of the insurance group;

B A loss adjuster who more than 30% of their total income from loss adjusting and other work with insurers is from the insurance group;

C A loss adjusting company in which the insurance group holds more than 5% of the controlling means.

"External loss adjuster" – A loss adjuster who is not an in-house loss adjuster and is included in the list of external loss adjusters as will be published by the insurer from time to time.

A corporation or a loss adjusting firm is tantamount to a loss adjuster who is a sole trader.

Corporation – including a company, partnership or any other enterprise.

2

Loss assessment following the occurrence of an insured event

The action of an insurer, insurance agent and loss adjuster to settle a claim and provide an assessment will be made in good faith and will strive to reach a quick, fair and just settlement of the claim in a manner which will minimise, as far as possible, the handling cost and hassle to the insured.

A Following the occurrence of an insured event and before the vehicle is repaired; the insured will select an external loss adjuster from a list of external loss adjusters published by the insurer in order to assess the damage to the vehicle.

The list will be available to the public in the internet site of our company: www.fnx.co.il and can also be obtained from your insurance agent.

B If the insured notifies the insurer that they do not have any preference in receiving service from a specific loss adjuster, the insurer will select a loss adjuster randomly from the list of external loss adjusters from the same area to ensure that it does not have any preference at any time in selecting a specific loss adjuster over another loss adjuster. The insurer will provide the details of the external loss adjuster to the insured immediately, including details of how to contact him. The insurer will collate and keep information regarding the number of assessments which each loss adjuster in the list of external loss adjusters performs, who are selected in the manner stated in this sub-clause.

C The loss adjuster will prepare the repair quotation and the assessment according to their professional judgement, and in accordance with all legal provisions, including the provisions of this memorandum and the directives of the Ministry of Transportation as applicable.

D On completion of preparing the repair quotation and the assessment, the loss adjuster will submit copies of the same to the insured, the insurer and the repair garage.

E The insurer and the loss adjuster will document and keep all of the material relating to the assessment of the 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 insurer and the loss adjuster will submit to the insured 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 repair quotations and assessments which determine, other than if the insured submits a written counter-repair quotation and assessment (of any loss adjuster) and advises the adjudicating loss adjuster as detailed hereunder of their desire to appeal the repair quotation or the assessment, no later than one business day from the date on which the repair quotation has been prepared by the external loss adjuster, or one week from the date on which the assessment is submitted to the insurer, as applicable.
- G** The insured will be entitled to appeal the repair quotation or the assessment of the external loss adjuster, provided that they present a counter-repair quotation and advises of their desire to appeal prior to repairing the vehicle, or presents a counter assessment within not more than one week after they 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 which have been altered in the assessment, or matters which may transpire during the course of repairing the vehicle – and this alone.
- I** The insurer will bear the entire cost of the fee of the external loss adjuster.
- J** Alternatively: The insurer will enable the insured to select another loss adjuster and will be able to subject the said selection on the insured enabling a loss adjuster acting for the insurer to inspect the vehicle before its repair. If the insurer wishes to act in this manner, it will send a loss adjuster acting for it to inspect the vehicle within not more than one business day from the date on which the repair quotation of the other loss adjuster is received.

This assessment will not be the determining assessment as detailed in sub-clause (F). The provisions of this sub-clause do not derogate from the right of the insured to obtain a refund for the cost of the fees of the other loss adjuster, provided that they have this right.

3 List of external loss adjusters

- A** The insurer will prepare a list of loss adjusters for each area with a suitable geographical spread (hereunder is this list or a list of external loss adjusters).
- B** The list will contain at least one loss adjuster for each 2,000 vehicles which are covered under motor property insurance with the insurer on the last day of the previous calendar year. Loss adjusters may be added at any time.
- C** In any case, the number of loss adjusters in each area must not be less than seven.

D The insurer 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 motorbikes. These lists do not necessarily have to be prepared according to areas, provided that each list contains at least 5 loss adjusters.

4 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 the insured or the insurer advises of their desire to appeal the repair quotation or the assessment as stated in clauses 2 (F) or 2 (G) above, a random adjudicating loss adjuster from the list of adjudicating loss adjusters will be appointed. The adjudicating loss adjuster will not be an in-house loss adjuster or external loss adjuster of the relevant insurer.

C The adjudicating loss adjuster will provide their opinion within one business 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 their fee and the cost of the counter-repair quotation or counter-assessment of the insured will be split between the insurer and the insured, taking into account the results of the appeal. The cost of the repair quotation or the counter assessment of the insurer will be at the expense of the insurer.

E The telephone number of the adjudicating loss adjuster call centre is: 1-700-700-888.

The adjudicating loss adjuster will be selected randomly by the call centre telephonist from the list of adjudicating loss adjusters at the call centre.

5 **Influencing the loss adjusters, the assessment process and repairing the vehicle**

- A** No insurer, insurance agent, insured, repair garage or any other relevant party may influence (over any above the provision of relevant information) the professional and independent judgement of the loss adjuster determining the assessment for the insured, including:
- May not impose any restrictions on the insured in approaching the loss adjuster directly. In this regard, a request of the insurer that the approach of the insured to the loss adjuster is made solely after the insured contacts the insurer, will be considered as a restriction. It is clarified that this directive does not derogate from the duty of the insured to notify the insurer of the insured event immediately upon becoming aware of the occurrence of the event and of their right to indemnity payments 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. This directive does not prevent the insurer from submitting 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.
- C** After the repair quotation has been submitted, the insured or the insurer is 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 adjuster discovers that the comment which has been raised is justified, they will state the comment and update the repair quotation in writing. The loss adjuster will also submit the updated quotation to the garage, the insured and the insurer attaching an explanation regarding the differences between this repair quotation and the previous quotation. The provisions of this clause do not derogate from the right of either party to appeal the repair quotation in accordance with the mechanism stated in sub-clauses 2 (F) and 2 (G) above.
- D** The loss adjuster will not be given any instructions which restrict their professional judgement, including when defining the vehicle as a "total loss" even if the gross loss of the vehicle is less than 60%.
- E** The loss adjuster may not be given any tasks which do not conform with their function as a loss adjuster, such as:
- 1** He may not be requested to refer insureds to authorised repair garages or other specific repair garages.

- 2** He 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 insurer, 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 the rights of the insured and in accordance with their professional judgement.

6 Due disclosure

- A** At the time of executing the insurance contract the insurer must submit to the insured an explanatory leaflet which will include general information regarding selecting a loss adjuster and the process of assessment, regarding the rights which the insured has under the policy, as well as regarding the steps they need to take in order to exercise these rights (hereinafter: "the explanatory leaflet").
- B** The insurer must include in the motor policy, in the explanatory leaflet and in its internet site a detailed disclosure of the mechanism which has been set out in clauses 1, 2, 3, 4 and 5 above.
- C** The updated list of external loss adjusters and the explanatory letter must be available to the public, including via the internet site of the company, and must be submitted to the insured at any time on demand by fax and e-mail.
- D** If the insured notifies the insured of a insured event, the insurer must notify the insured that they have the right to select an external loss adjuster or other loss adjuster, must explain to them the differences between them, as well as notify the insured regarding the means at their disposal for obtaining a list of the external loss adjusters and the explanatory letter, and must offer the insured the opportunity to obtain the updated list of the external loss adjusters and the explanatory leaflet by fax and e-mail.
- E** The insurer must submit to the insured, before repairing the vehicle, all of the repair quotations which it receives as well as any other relevant document which it has been provided with relating to the assessment. Furthermore, the insurer must submit the final loss report to the insured 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, stating the catalogue number or a description of the part: New / used / refurbished, original / replacement, name of the manufacturer, country of manufacture, name of the importer as well as identifying details and data.
 - The prices of the parts.
 - The number of hours required to repair the damage, including details of the time required for each of the various repair clauses.
 - The hourly labour cost.
 - The manner of calculating the value of the vehicle for the purpose of depreciation and the manner of calculating the depreciation.
 - The manner of calculating the value of the vehicle in the event of a total loss.
- 4 Any other factual information on which the assessment is based;
- 5 Details of the individual preparing the assessment and their signature in accordance with legal provisions.

F The insurer will be entitled to submit to an insured who agrees to the same – the documents as stated in sub-clause (E) above via the internet site of the insurer or via e-mail to the insured.







7 Third party losses

These directives also apply fully to third party claims in any case in which the injured party (third party) selects an external loss adjuster from the list of external loss adjusters of the insurer. The actual selection of an external loss adjuster by a third party does not constitute admission of liability by the insurer.

APPENDIX 2: EXPLANATION OF CALCULATING INDEMNITY PAYMENTS IN THE EVENT OF A TOTAL LOSS TO THE VEHICLE

1	Total loss	Total loss means: Theft of a vehicle which is not found or a total loss or constructive total loss.
2	The price list	The price list on the date on which the insurance contract is executed, used for determining the value of the vehicle in order to calculate the indemnity payments in the event of a total loss occurring is: "The Levi Yitzhak loss adjusters used and new motor vehicle price list", hereinafter: "the price list".
3	Basic value of the vehicle	The vehicle values stated in the price list constitute "the basic value of the vehicle", i.e. representing the value of such a vehicle without taking into account special variable factors which affect the value of the insured vehicle on the execution date of the insurance contract and on the occurrence date of the total loss.
4	Calculation of the premium	The premium for the insured vehicle are calculated according to the "basic value of the vehicle" and is not affected by its special variable factors which might affect the value of the vehicle on the execution date of the contract and the date on which the total loss occurs.
5	Calculating indemnity payments in the event of a total loss	In the event of a total loss, the value of the vehicle for the purpose of the indemnity payments will be calculated by taking into account its special variable factors including: The nature of the use of the vehicle, the number of previous owners, previous accidents in which the vehicle was involved, the mileage of the vehicle, its mechanical condition, previous payments made for depreciation of the vehicle and other factors stated in the price list as of the date on which the total loss occurs.
6	Examples	<p>Hereunder are several examples of reduction in calculating the value of the vehicle (as of 06/2016):</p> <p>An ex-rental car (after payment of taxes): Deduction of 12% from the basic value of the vehicle.</p> <p>An ex-police car owned by the Israel Police – a deduction of 30% from the basic value of the vehicle.</p>
7	Accessories and special additions	The basic value of the vehicle does not include accessories and special additions to the vehicle which were purchased or added to the vehicle (even if purchased or added to the vehicle at the time of purchasing the vehicle from the importer) which are not included in the framework of the accessories and parts in the basic package of the vehicle model determined by the level of finish of the vehicle in the importer's specification and without which the vehicle cannot be purchased.

APPENDIX 3: DEFINITIONS OF PROTECTION MEANS (REVISED SEPTEMBER 2016)

 Original immobiliser:	A protection device installed by the manufacturer of the vehicle during the process of assembling the vehicle.
 Device to prevent the use of stolen keys:	An electronic system preventing use of the electronic key of the immobiliser by an unauthorised user. The device is set passively parallel to setting the immobiliser in the vehicle. The system is neutralised by inputting a secret code.
 Vehicle disabling system	A remote controlled disconnection unit which electrically disconnects one of the operating systems or operations of the engine of the vehicle and its systems, installed in a concealed position and protected by a metal covering.
 Safe	A metal box fitted on the vehicle computer which prevents it being replaced. The safe is made of at least 5mm thick aluminium or at least 3mm thick iron. The safe is closed by shatterproof steel screws, some of them with left screwing. The safe will be fixed to the chassis of the vehicle and fitted in such a way that it will not interfere with the electrical system or the connections.
 Independent tracking system	An electronic system fitted in the vehicle which transmits information to a central station of the location of the vehicle and its condition after being stolen. The tracking system will be connected to a service supplier's central station and the subscription fees will be paid accordingly.
 Active tracking system	A theft warning and locating system (identifying the location of the vehicle) manufactured by Ituran or Pointer Systems. The tracking system performs an electrical cut-out and can be disconnected by a key pad. The tracking system will be connected to the central station of the service supplier and the subscription fees will be paid accordingly.
 Active back-up tracking system	Another active tracking system for back-up, operated parallel to the main system and independent of it.

SERVICE PLANS

The cover in accordance with any of the following service plans is valid solely is stated in the schedule that the service plan is valid.

The cover under the service plan is subject to all of the terms, conditions and exclusions of the policy other than if expressly amended by the service plan.

WINDSCREEN BREAKAGE COVER SERVICE PLAN

1

Definitions

"Windscreens": Front, rear and side windscreens of the vehicle.

"Breakage": A breakage or crack which penetrates the depth of the windscreen.

"Service": Replacement of the broken windscreens with new windscreens.

"The vehicle": The vehicle as stated in the schedule, covered under the policy.

"The service recipient": The insured in accordance with the policy as well as anyone in possession of the vehicle and/or using the vehicle on behalf of the insured.

"The service provider" and/or "The service depot": The service provider as detailed in the policy schedule and/or subcontractors repairing broken and cracked windscreens for the service provider whose names, addresses and telephone numbers can be obtained from the service provider's nationwide call centre as stated in the schedule.

"Price list": The service provider's price list for repairing broken or cracked windscreens and/or their replacement with new windscreen as periodically updated.

2

The scope of the service

2.1

This extension is provided by the insurer as an endorsement to the policy. The service in accordance with this extension will be provided and/or executed by the service depots in the event of accidental breakage of the vehicle's windscreen.

2.2

This extension is valid for the period stated in the schedule however will be cancelled prior to the date stated in the schedule in the event of the cancellation or expiry of the policy (hereinafter: "the service period").

2.3

The service in accordance with this extension is conditional upon, at the inception of the service period, the vehicle windscreen being intact, with no defect and/or crack of any type, and as regards an extension which is purchased a month or more after the inception of the policy the service is subject to receipt of written confirmation from one of the service depots that the windscreens are intact on the inception of the service period.

- 2.4** In any event of windscreen breakage (other than in the cases excluded hereunder), the service recipient will contact a service depot in the area in which they are situated in order to obtain the service.
- 2.5** The service will be provided and executed in accordance with the conditions of the extension, within the following timescale:
- 2.5.1** Where the windscreen is affixed to the vehicle - Within 12 hours of the time in which it is brought to the service depot and in any case by the end of the following day after the vehicle has been brought to the service depot.
- 2.5.2** Where the windscreen is not affixed to the vehicle - Within 4 hours of the time in which it is brought to the service depot.
- 2.5.3** For the purpose of this clause "business days" means Sunday to Friday (inclusive), other than public holidays in Israel.
- 2.5.4** For the purpose of this clause "business hours" means Sunday to Thursday (inclusive) from 07:30 to 16:30 hours and in the Tel Aviv and central area until 17:30. On Fridays and holiday eves – from 07:30 to 14:00 hours.
- 2.6** If damage covered under the policy has occurred or if damage to the vehicle itself has been caused by a third party in the same insured event, the service depot will not commence provision of the service other than if it is supplied with a form confirming that no claim will be made in respect of the same event.
- 2.7** The windscreen that will be installed will be a replacement windscreen with a stamp of approval of the same type and quality of the broken windscreen. In the event that the service provider is unable to provide a replacement windscreen of the same type and quality of the damaged windscreen, the broken windscreen will be replaced with a new "original" windscreen, i.e. a windscreen from the vehicle manufacturer or from an authorised manufacturer of the vehicle manufacturer containing the logo of the vehicle manufacturer.
- 2.8** If the service depot is requested to perform a re-repair of the same windscreen within 12 months of the date of the previous repair and the re-repair arises from an error and/or omission of the service depot, or where the re-repair relates to parts or labour which were performed in the previous repair, the service depot will bear the entire cost of the repair and will neither charge the service recipient for the parts if they were replaced in the previous repair, neither for an deductible.
- 2.9** The extension will not cover the matters excluded in clause 4 hereunder.

3	Deductible	The service in accordance with this service plan is not subject to any deductible by the insured.
4	Exclusions	<p data-bbox="263 199 1041 311">4.1 Notwithstanding the aforementioned this extension does not cover windscreen breakage (including cracks, defects or damage) which occurs to the vehicle windscreens as a consequence of or during any of the following:</p> <ul style="list-style-type: none"> <li data-bbox="308 327 1041 359">4.1.1 Breakage caused intentionally by the insured or on their behalf. <li data-bbox="308 391 1041 502">4.1.2 Electrical breakdowns to windscreens and/or mechanisms, including as a consequence of use, wear and tear or a manufacturing defect or rubber parts, nickel and accessories for the windscreen. <li data-bbox="308 518 1041 566">4.1.3 Breakage of a windscreen which was not completely intact prior to the breakage and/or which was not properly installed. <li data-bbox="308 582 1041 638">4.1.4 Windscreen breakage which occurs as a consequence of or during use in a rally and/or vehicle fitness test. <li data-bbox="308 654 1041 686">4.1.5 Scratches of any type to the windscreen. <li data-bbox="308 710 1041 742">4.1.6 Damage caused to the sunroof of the vehicle. <li data-bbox="308 774 1041 829">4.1.7 Damage to windscreens of vehicles where replacement windscreens are not available in Israel. <li data-bbox="308 845 1041 933">4.1.8 Damage to windscreens which deviate from the vehicle manufacturer's standards and boot windscreens, other than if stated otherwise expressly in the policy. <p data-bbox="263 949 1041 1061">4.2 This extension does not include windscreen damage arising from any caused which is excluded as detailed in the "General Exclusions to the Liability of the Insurer" clause in the General Policy Conditions section of the policy.</p>
5	Additional repairs	<p data-bbox="263 1093 1041 1292">5.1 For damage and/or damages whose repair is expressly 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 recipient contacts the service depot for repairs to be performed, the service depot will be entitled to charge the service recipient in accordance with the following conditions and at the following amounts:</p> <ul style="list-style-type: none"> <li data-bbox="308 1308 1041 1444">5.1.1 Provided that the service recipient gives their prior written agreement to the service depot to perform the excluded repairs in accordance with a written quotation from the service depot after the fact that there is no insurance cover has been expressly explained to him.

- 5.1.2 The price that the service depot states in the quotation will be in accordance with the price list, net of a special discount.
- 5.1.3 On completion of the excluded repairs the service depot will provide the insured with a VAT 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 replacement and the cost of labour.

6 General conditions

The cover in accordance with this service plan is conditional upon the customer contacting one of the service depots in order to obtain service from them.

For the sake of avoidance of doubt, in any case in which the repair is conducted at a garage which does not appear in the list of approved garages, the insured will not be entitled to receive any financial compensation for the repair.

If the customer does not receive the service from the service depot after having contacted them, despite all of the conditions for obtaining the service having been fulfilled in accordance with this extension, the Phoenix will refer the service recipient to another garage within a reasonable period of time.

7 General

7.1 The cover in accordance with this extension will apply solely if stated expressly in the motor insurance policy schedule.

7.2 This extension is subject to all of the conditions and exclusions of the policy to which it is attached, other than if expressly amended in this extension (service plan).

Dear customer! If your windscreen is damaged please contact the service provider's nationwide call centre.

ROADSIDE ASSISTANCE AND TOWING – SERVICE PLAN

A

Nature of the services

- 1 The service provider will provide "first aid" services as detailed in the service plan (hereinafter "the vehicle services"), 24 hours per day, 365 days per year other than on the Day of Atonement (subject to security restrictions as detailed in clause A2 hereunder). On the eve of the Day of Atonement the services will cease three hours prior to the commencement of the Day of Atonement and will renew three hours after it has ended.
- 2 The services will be provided within the boundaries of the State of Israel and within the boundaries of the areas of Judea, Samaria and the Gaza Strip (other than the areas of the Palestinian Authority) provided that no qualified authority has imposed any entry restriction at the same time into such areas.
- 3 The member is entitled to receive the following vehicle services without payment and without any limitation of the number of call-outs during the period of membership.

A Vehicle towing – in accordance with the following conditions:

- A1. Towing from any place in the State of Israel to any other place in the State of Israel in accordance with the provisions of clause A2 above.
- A2. If there is a need to tow the vehicle as a result of the vehicle being rendered inoperable due to an accident, a flat tire in a vehicle in which the vehicle manufacturer did not include a spare wheel, a flat tire in two or more tires of the vehicle, theft or breakdown which originated in the vehicle and which renders the vehicle inoperable.
- A3. In the event that the service provider is unable to restart the vehicle or conduct an on-site repair.
- A4. If the vehicle is situated on a road and can be immediately towed by a standard tow truck. "Road" means an asphalt road or road which has been paved for the passage of private vehicles, a regulated parking space, or a private parking space.
- A5. The service provider will not tow the vehicle from a repair garage or from a radius of 50 metres from a repair garage. The service provider will not provide service if the need for the service arises from the vehicle being serviced by a party who is unauthorised to service the vehicle or due to competitive sports activities.

B Vehicle start-up.

- C** Minor roadside repairs (the member will be responsible for the cost of spare parts).
 - D** Vehicle extrication – Minor extrications from locations in the vicinity of a road as a consequence of an accident, theft or breakdown which originates in the vehicle and results in it being inoperable, provided that the time required to rescue the vehicle does not exceed 20 minutes and provided the towing can be performed by a standard tow truck and its equipment without the assistance of other tow trucks or auxiliary tools. Extrication arising from other cause including sinkage of the vehicle will be provided at a reduced price to members (the member will be responsible for the cost of spare parts).
 - E** Wheel replacement service on condition that there is an intact spare wheel in the vehicle and in consideration of a deductible of NIS 60. In the Golan Heights, in the Arava and in the occupied territories the service will be provided for full payment per the price list of the service provider.
- 4** The service vehicle will reach the member's vehicle within a period of time not exceeding three hours from the time at which the all of the details required for the provision of the service are supplied to the service provider, unless if otherwise agreed with the member and excluding in exceptional cases such as: Isolated areas, the Arava, areas subject to a high security risk, extreme weather conditions and the like, in which the service will be provided within not more than five hours.
 - 5** The vehicle services will be provided to the member and any individual using the vehicle on its behalf and with its permission.
 - 6** The membership is individual and is not transferable.
 - 7** In the event of the vehicle being sold, the validity of the service plan for the same vehicle will expire.
 - 8** The member is entitled to one towing without charge or one start-up without charge for each event or series of events which are causally connected to each other. In the event of a dispute, the matter will be ruled upon by a qualified vehicle assessor. In the event that the assessor rules that there was no causal connection between the events, the service provider will bear the cost of the assessor's fees. In the event that the assessor rules that there was a causal connection between the events, the member will bear the cost of the assessor's fees. A post-dated cheque or credit card details will be supplied by the member until the assessor provides the ruling.

- 9 Towing services for an overloaded vehicle or for a vehicle which cannot be operated due to a tyre puncture will be provided for an additional reduced charge (spare parts will be paid for by the member).
- 10 Towing services will be provided on condition that the vehicle is directly accessible by a standard towing truck.
- 11 Start-up and roadside repair services will be provided on condition that the vehicle is directly accessible by a standard roadside repair vehicle.
- 12 The member 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.
- 13 Service provided to four-wheel drive vehicles will be provided in accordance with the conditions of the service plan as defined in paragraph A, clause 3 A above. Extrication and/or roadside and towing services other than on a paved road will be provided to the member for at an additional reduced cost and the arrival time of the service vehicle will depend on the circumstances of the event (spare parts will be paid for by the member).
- 14 The service provider will decide solely as to the type of service require for the vehicle.

B Ordering and receiving the service

- 1 Vehicle services will be provided to the member after their representative has provided all of the details required for the provision of the service to the service provider. The details will be provided to one of the logistical centres of the service provider.
 - A In the event that the details of the vehicle of the member do not appear on the service provider system as a valid member, the service provider will not be obliged to provide vehicle services for the member's vehicle without payment unless a valid document is provided which attests to the fact that the member is entitled to receive the vehicle services as well as an additional document which enables the member to be identified.
 - B The service provider will provide vehicle services to any individual who alleges to be a member of the service provider however who does not provide a document attesting to their entitlement, for a security bond (cheque / credit card) to pay for the services provided on site in accordance with the company's tariff for customers who do not appear in the company system.

- C** If after clarification with the insurance company and/or the roadside assistance provider the entitlement of the member is clarified, the security bond will be returned to the insured. In cases in which it has transpired that the insured is not entitled, the security bond will be exercised by the service provider.
- D** In the event that a member orders any service and the service provider provides the service and the service is not provided due to reasons which are dependent upon the member and out of the control of the service provider, the member will be charged if the member orders an additional service in respect of the same circumstances.
- E** The service provider is entitled, at its discretion and on dates at which it finds fit, to reduce the waiting period for the service, (Below the time written in the service only) to notify the member that the service provider enables the member (in respect of a specific service ordered at the same time) to order the service to which the member was entitled to receive in accordance with the service plan from another party which the member chooses and at their responsibility. In such a case, the service provider will refund the payment made by the member to the third party on receipt of a valid VAT invoice and provided that the amount paid matches the amount authorised in advance and does not exceed the current tariff of the service provider for the performance of the same service on the relevant date and provided that the service is included within the services that are provided to members without charge.

C Extensions to the service plan

The member will be entitled to receive the following services for an additional payment which will be made on receipt of the service:

- 1** Service in the event of the breakdown / loss of keys / remote control / decoder (immobiliser key) of the vehicle or in the event that they are left in the vehicle.
- 2** Fuel supply service – In the event that the vehicle breaks down due to an empty fuel tank and in order to enable it to reach the nearest petrol station. The cost of the service will be added to the cost of the fuel.
- 3** Towing an overloaded vehicle or service for a vehicle which cannot be operated due to a puncture, punctures or damage to a wheel or wheels. This exception will not apply in the following cases:
 - The vehicle is disabled due to a puncture in 2 or more tires (except in the case where the punctures were caused following a trip on a barbed wire barrier).
 - Disabling the vehicle due to a puncture in which the manufacturer did not include a spare wheel.

- 4 Towing a vehicle from one repair garage to another repair garage or to any required destination in accordance with clause A2 above.
- 5 Towing a vehicle which has been taken off the road by a qualified authority or towing a vehicle without an annual vehicle license in force.
- 6 Removing a vehicle from a parking lot or any other action required to enable the vehicle to be towed by a standard tow truck.
- 7 Split service – If the member decides 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.
- 8 Replacement of light bulbs in the vehicle provided that the service vehicle holds the suitable light bulbs in stock.
- 9 Storage and safekeeping service of the vehicle at one of the company parking lots. The transfer of the vehicle to the parking lot and its return therefrom will involve an additional charge.
- 10 Extrication as a consequence of the sinkage of the vehicle or due to causes which are not included in clause A3 – A13.

D Cancellation of the membership/ replacement of the vehicle

- 1
 - A The member is entitled to exchange the vehicle in respect of which the membership is valid, at any time, without additional payment, by amending the insurance policy.
 - B The declarations and undertakings of the member in accordance with this service plan as well as the rights and obligations of the service provider in respect of the vehicle will apply to the new vehicle.
- 2 The cancellation of the membership which is part of an insurance policy due to cancellation of the policy following a total loss or theft will not entitle the member to receive a return premium subject to notification being made by the insurance company.

E Safekeeping of the vehicle and completion of the service

- 1 The member is responsible for the safekeeping of the vehicle until receipt of the vehicle service. Any loss, damage or shortage caused to the vehicle or to its contents until the service vehicle comes to the member's vehicle and commencement of providing the service is the responsibility of the member and not the responsibility of the service provider. The service provider is not liable for valuables which are left in the vehicle in the event that the member does not accompany the service vehicle.

- 2 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. If the member decides to leave the keys in the vehicle and/or instructs the service provider to leave them in the vehicle after the completion of the service, the member will be entirely responsibility for any consequences.
- 3 The service provider is entitled to leave the member's vehicle in the place requested by the member and the member will be responsible for its receipt and safekeeping from the same time onwards, regardless as to whether anyone is available to receive the vehicle or not.
- 4 In the event that it is not possible – by fault of the service provider – to bring the member's vehicle during business hours to the repair garage that the member requested it be towed to, the service provider will ensure that the vehicle is kept safely and will bring it to the repair garage until the end of the next business day except end points like Eilat and the Arava or the drag over 250 km. The storage expenses for the vehicle in such an event will be borne by the service provider.
- 5 In the event that it is not possible to bring the member's vehicle (by no fault of the service provider) during business hours to the destination which the service provider has been requested to tow it to or if the member decides to use the storage and second towing services of the service provider, these services will be provided at a reduced price compared to the relevant tariffs of the service provider at the same time.

F

Losses

- 1 The service provider will compensate the member for any direct damage which is caused to the vehicle as a consequence of providing the vehicle services, subject to legal provisions. The compensation will be paid solely if the member enables the service provider to examine the vehicle prior to its repair and this with 14 days of the occurrence of the loss.
- 2 In the event of any loss or damage as a consequence of the provision of the vehicle services, the member must notify the service provider of the same as soon as possible.
- 3 A written breakdown of the losses, the items or details of the property demanded by the member must be submitted to the service as soon as possible.
- 4 The member is obliged to enable the service provider representatives to conduct an examination immediately or at any Agreed upon in the insured time of the loss or damage and to provide all reasonable assistance requested according to the subject matter.

5 The member 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.

G **The period of membership and the validity of the undertakings in accordance with the service plan**

1 The membership period is in accordance with the validity dates of the insurance policy, provided that this does not involve an extension or prolongation of the insurance policy.

2 Cover for towing services 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.

3 The service provider is not obligated to renew the membership for an additional period or periods of service.

H **Declarations and obligations of the member**

1 The member hereby declares that:

A The details of the vehicle stated are those which were provided directly or via an insurance agent / insurance company and that these details are accurate.

B The member is aware of the fact that this service plan was issued with the member's agreement and upon reliance of the aforementioned details and subject to them.

C The service plan and its conditions constitute a contract between the member and the service provider.

D The vehicle is operable on the date on which the contract with the service provider takes effect.

E The member 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 member to a refund of expenses or part thereof or of any other payment even if the member would have been entitled to the service from the service provider if the member would have approached the service provider.

F The member is aware of the fact that in the event of a deviation from that stated in clause A4, the member is entitled to receive service from another party at its responsibility and in such a case will receive a refund of expenses in respect of the services which the member would have been entitled to receive provided that it does not exceed the service provider tariff which is in force, and provided that the member notifies the service (Published on the service provider site), provider (prior to ordering the service from the third party) of the cancellation of the services by the service provider in accordance with clause B2 E.

- 2** The member undertakes as follows:
- A** To take reasonable precautions to prevent anyone who is not entitled to receive vehicle service from the service provider from doing so for or on behalf of the member.
 - B** To take reasonable precautions to prevent an act or event as a consequence of which the service provider will be obligated to provide vehicle services.
 - C** 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 member receives compensation or indemnity from any third party for the performance of such towing.
 - D** To notify the service provider upon receipt of funds as aforementioned.
 - E** To enable the service provider to collect in the name of the member and on its behalf the aforementioned towing expenses due to it from any third party and for this purpose the member hereby agrees to empower the service provider to collect the same funds.
 - F** To refund to the service provider the expenses for the service/s supplied in the event that it transpires that the member was not entitled to receive the service/s due to the cancellation or shortening of the membership period.
 - G** To fulfil the remainder of the undertakings stated in this service plan.
 - H** To refrain from ordering vehicle services when the vehicle is mechanically operable. If a member orders service and the service provider determines that the vehicle was mechanically operable prior to the provision of the service, the member will be charged in accordance with the service provider tariff (Published on the service provider site), less a 20% discount, for the unnecessary call-out.

PART B – REPLACEMENT VEHICLE – SERVICE PLAN

A

NATURE OF THE SERVICE

1

The service provider will provide the member with a "replacement vehicle service" during the membership period as detailed in the following service plan.

2

The member is entitled to the following services free of charge and with no limitation of the number of call-outs during the membership period.

A

In the event of an accident – According to the following conditions:

- A1. In the event of an accident a consequence of which the vehicle of the member is laid-up in the garage for its repair, the service provider will provide the member with a replacement vehicle from a hire company to whom the member will be referred by the service provider, hereunder the "hire company".
- A2. The replacement vehicle will be provided after the damaged vehicle has been inspected by a qualified loss adjuster on behalf of the member.
- A3. Determining the number of days for obtaining the replacement vehicle is dependent on the number of days required to repair the damaged vehicle.
- A4. Determining the number of days will be made based on the loss adjuster's report which will be submitted as follows: The labour cost for repairing the insured vehicle, (without parts), divided by the number of business days (8 hours) in the garage (in accordance with the conventional standards for labour applicable at the time of the repair).
- A5. The replacement vehicle will be provided in accordance with the loss adjuster's report as detailed in clause A4 above, in which the number of days required to repair the damage vehicle are determined, less 3 days. However in any case the vehicle will not be provided for a period exceeding 7 days and is subject to no other replacement vehicle being received from another party for the same event.
- A6. In the event of an accident where the damage to the member's vehicle is defined by the loss adjuster as a total loss, the replacement vehicle will be provided for seven days.
- A7. The replacement vehicle service will not be provided in the event of an accident arising from engaging in competitive sport.

- B** In the event of a theft – According to the following conditions:
- B1. In the event of the theft of the member’s vehicle, the service provider will provide the member with a replacement vehicle effective from the second day after notification has been submitted to the police and to the insurance company regarding theft of the vehicle and until such time as the vehicle is found or such time as compensation is received from the insurance company – the earlier of these two dates. In any case the replacement vehicle will not be provided to the customer before the second day, from the date of notifying the police of the theft, neither in excess of the date on which payment is made by the insurance company nor for a period exceeding the number of days stated in the policy schedule, subject to paragraph B1 (restrictions) hereunder.
 - B2. The member undertakes to return the replacement vehicle to the hire company immediately after the time at which the vehicle is found or receiving notification that the vehicle has been found and/or obtaining compensation from the insurance company (the earlier of these dates).
 - B3. In the event that it transpires that the member’s vehicle which was stolen was also involved in an accident, the member will be entitled to a replacement vehicle as stated in paragraph A above.

B Limitations

- 1** 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.
- 2** The member is not entitled to more than one replacement vehicle service free of charge per event or series of events with a causal connection between them.
- 3** The total number of hire days which will be provided during the membership period will not exceed 30 days.
- 4** The entitlement days will be provided consecutively and cannot be split-up.
- 5** If the member is referred to a hire company by the service provider and does not exercise their entitlement to a replacement vehicle, the entitlement to a replacement vehicle for the same event expires. For the sake of avoidance of doubt, receiving the replacement vehicle will be possible solely on condition that 14 days have not elapsed following occurrence of the event.

C

Receiving the replacement vehicle and returning it

- 1 The entitlement to receive a replacement vehicle in accordance with this service plan arises following an insured event (accident or theft) covered under the insurance policy.
- 2 The member will present evidence of their entitlement to the service at one of the offices of the service provider, attaching a loss adjuster's report (in the event of an accident), confirmation of notification to the insurance company, confirmation of notification to the Israel Police (in the event of theft) as well as an ID card.
- 3 In the event of an accident, the member will be referred to a hire company by the service provider stating the number of days for which they are entitled to receive the replacement vehicle.
- 4 In the event of a theft, the member will be referred to the hire company for 10 days and if the vehicle is not found within 10 days the member will obtain a referral from the service provider for additional days until the end of the entitlement period to the replacement vehicle as stated above, subject to their declaration that the vehicle has not been found before obtaining each individual referral.
- 5 The member will receive the replacement vehicle from the hire company (after providing the referral letter) within 48 hours of presenting the documents to the service provider and obtaining a referral letter from it as detailed above.
- 6 The member will sign a hire agreement with the hire company in the standard wording of the hire company at the time, including providing a deposit and credit card utilisation.
- 7 The member will have all of the rights including reducing the deductible for damage and the duties applicable to a regular car hirer from the hire company (other than the issue of the payment as detailed in this service plan).
- 8 The replacement vehicle which is provided to the member by the hire company will be an air conditioned small car (as defined by the rental companies) or another vehicle, on condition that it is stated expressly in the policy schedule. The vehicle will be handed-over to the member at one of the main branches of the hire company in Holon, Jerusalem, Haifa, Beersheva and Ben Gurion Airport (as the member may decide when receiving the referral letter from the service provider) during conventional business hours. In the event that the member decides to take the vehicle from Ben Gurion Airport, the member will pay port fees in accordance with the demands of the hire company and the conventional tariffs at the time.

- 9 The member will pay all fuel costs for the replacement vehicle, as well as traffic offence fines, toll road payments in accordance with the rental agreement.
- 10 The member will return the replacement vehicle to the hire company at the end of the entitlement period at stated in the hire agreement.
- 11 The payments required by the hire company for a delay in returning the replacement vehicle will be paid for by the member in full.
- 12 The service provider is entitled, at its discretion at times it sees fit and provided that the service is included in the services provided to the member without payment and in order to enable provision of the service, to notify the member that it enables them (regarding the specific services which has been ordered and at the same time) to use alternative transportation means from any other party which the member selects at their responsibility. In such a case the service provider will refund the sum of NIS 125 to the member for each entitlement day.

D Discounts

- 1 The member is entitled to a discount (from the individual price-list at the same time) for the following services: Addition hire days beyond the entitlement period, and replacing the type of vehicle with an automatic air-conditioned small vehicle (as defined by the rental companies) (or as stated in the insurance policy) of another group.
- 2 If the member decided to change the type of vehicle from an automatic air conditioned vehicle up to 1300 or from the type of vehicle stated in the insurance policy to a vehicle from another group, they will pay the premium difference and additional mileage in excess of 150 km per day, this in addition to the provisions of clause D 1 above.

E Cancellation of the membership and replacement of the vehicle

- 1 The member is entitled to exchange the vehicle in respect of which the membership is valid, at any time, without additional payment, by amending the insurance policy.
- 2 The declarations and undertakings of the member in accordance with this service plan as well as the rights and obligations of the service provider in respect of the vehicle will apply to the new vehicle.
- 3 The cancellation of the membership which is part of an insurance policy due to cancellation of the policy following a total loss or theft will not entitle the member to receive a return premium subject to notification being made by the insurance company.

F	The period of membership and the validity of the undertakings in accordance with the service plan	1	The membership period is in accordance with the validity dates of the insurance policy, provided that this does not involve an extension or prolongation of the insurance policy.
		2	Cover for a replacement vehicle 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.
		3	The service provider is not obligated to renew the membership for an additional period or periods of service.
		4	The service provider is entitled to refuse membership for any type of vehicle without explanation and the service provider is similarly entitled to limit or qualify the conditions of membership for a certain type of vehicle provided that the matter is agreed upon with the member in advance.

G	Declarations of the member		The member hereby declares and undertakes that:
		1	The details of the vehicle stated are those which were provided directly or via an insurance agent / insurance company and that these details are accurate.
		2	That the vehicle addressed by the membership is in their possession, is fit for driving and has not been involved in any accident whose damage has not yet been repaired.
		3	That it is hereby clarified that in the event that a replacement vehicle is not provided for any reason the service provider will act according to the provisions of clause C 12 above.
		4	The service plan and its conditions constitute a contract between the member and the service provider.
		5	That they are aware of the fact that the membership is individual and non-transferrable.
		6	The member 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 member to a refund of expenses or part thereof or of any other payment even if the member would have been entitled to the service from the service provider if the member would have approached the service provider.
7	To refund to the service provider the expenses for the service/s supplied in the event that it transpires that the member was not entitled to receive the service/s due to the cancellation or shortening of the membership period.		

GENERAL CONDITIONS APPLICABLE TO THE SERVICE PLANS

1

- A** The insured is entitled to cancel this service plan at any time before expiry of the period of insurance, at their discretion; the service plan 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 premium paid for the period after the date on which the cancellation takes effect to the insured 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 service plan was valid, including if it did not incept – 5% of the annual premium;
 - 2** If the service plan was valid for a period exceeding seven days – 5% of the annual premium plus 0.3% of the annual premium for each day on risk, starting from the eight day.
- B** Notwithstanding the provisions of sub-clause A, if the insured cancels the service plan due to transfer of ownership of the insured vehicle, due to returning the vehicle license to the Ministry of Transportation 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 premium to the insured; the pro-rata share as aforementioned will be calculated by multiplying the premium 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 (hereinafter: “the pro-rata amount”).
- C** Without derogating from the statutory rights of the insurer, the insurer is permitted to cancel the service plan prior to the expiry of the period of insurance provided that notification of the same is sent to the insured, stating the reason for the cancellation, by registered post at least 30 days prior to the date on which the insurance is to be cancelled.
- D** If the insurer cancels the service plan, the insured will refund to the insured the pro-rata share of the premium paid as soon as possible and not exceeding 14 days from the date on which the cancellation takes effect.
- E** The insurer is entitled to cancel the service plan if it terminates the contract with the service provider, if the insurer does not reach an arrangement with another service provider, and subject to the approval of the Commissioner of Insurance. Cancellation of the service plan in accordance with this clause will take effect immediately from the cancellation notice, and the insured will be entitled to a pro-rata refund of the price of the service plan they paid.

2	Professionalism of the service provider	The service in accordance with this service plan will be provided by suitable and relevant professional entities.
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3	Warranty	The insurance company will be liable for the service provided in the framework of the service plan.
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December 2021 Edition | 300203142

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Looking ahead