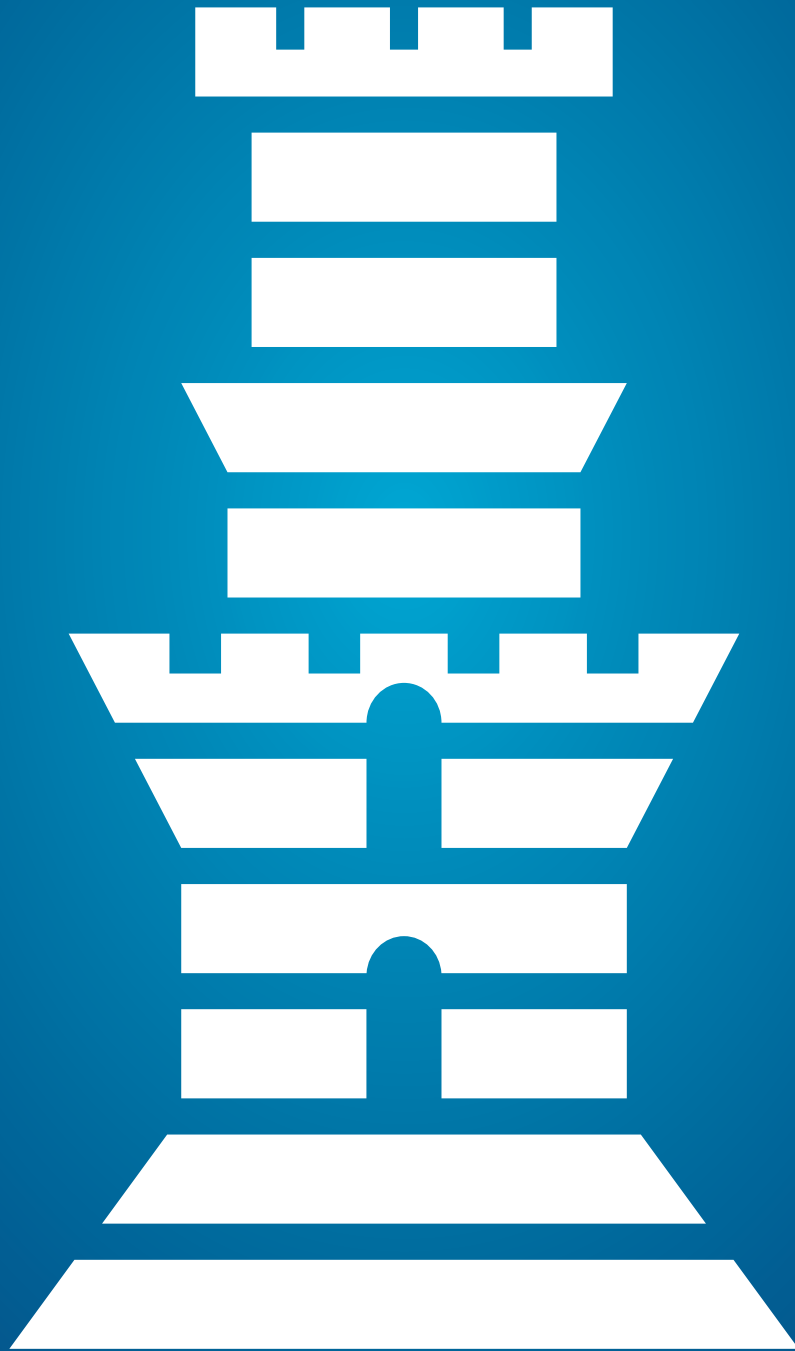


MIGDAL **MOTOR**

**INSURANCE POLICY FOR PRIVATE CARS
AND COMMERCIAL VEHICLES UP TO 3.5 TONS**



8/2023

INSURANCE POLICY FOR PRIVATE AND COMMERCIAL MOTOR VEHICLES UP TO 3.5 TONS

OWN DAMAGE, THIRD PARTY PROPERTY DAMAGE AND SUPPLEMENTARY COVERS

(AUGUST 2023 EDITION)

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PREAMBLE

This policy is a contract between Migdal Insurance Company Ltd. (hereinafter – “the insurer”) and the insured whose name is stated in the schedule attached to the policy (hereinafter: “the insured” and “the schedule” respectively) according to which the insurer agrees, in consideration of the payment of the premium, to indemnify the insured during the period of insurance for loss or damage caused 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, the Levy Yitzhak price guide which is updated periodically and the limits of liability in accordance with the third party liability insurance section for damage to property (Section 2 of the policy) stated in the schedule constitute an integral part of this policy.

This is subject to the terms and conditions of the various sections of the policy and the schedule and is subject to the general exclusions and conditions in the policy and the schedule.

The proposal form and the declaration attached thereto, signed by the insured (hereinafter – “the proposal form”) is the basis for this policy and constitutes an integral part thereof. The policy was issued by the insurer relying on the proposal form and the declaration of the insured included therein.



SECTION 1 – OWN DAMAGE INSURANCE

1. The insured event

The insured event is loss or damage to the vehicle stated in the schedule, including the accessories and the apparatus in the basic package of the vehicle model stated in the importer's specification without which the vehicle cannot be purchased, its air conditioner, the protection means which have been installed therein at the request of the insurer, its accessories attached thereto or situated therein legally which are stated in the schedule (hereinafter – **"the vehicle"**), as a consequence of any of the following perils, **and provided that the insured has not waived these covers, wholly or partially, at the proposal form stage by express notice which will be documented by the insured and will be stated in the policy schedule.**

- A. Fire, lightning, explosion, combustion.
- B. Accidental collision, overturning and any type of accident.
- C. Theft.
- D. Any damage caused by theft, during the course of a theft or an attempted theft.
- E. Storm, tempest, flood, snow and hail, volcanic eruption.
- 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.

2. Items that are not covered

Notwithstanding that stated in clauses 1 and 2 above, the insurer will not indemnify the insured for: Loss or damage to tyres, other than if other parts of the vehicle are lost or damaged during or due to the insured event.

3. Electrical, mechanical and electronic breakdown

Electrical, mechanical and electronic breakdown of the vehicle is not covered other than if occurring during or due to an insured event.

4. Abstention from driving on Sabbaths and Jewish holidays – Only if stated expressly in the schedule

If stated expressly in the schedule that the abstention from driving on Sabbaths and Jewish holidays clause is valid, then notwithstanding the aforementioned,



the policy shall not be valid for driving on Sabbaths and Jewish holidays when it is forbidden according to Jewish law (*halacha*) to drive, from the time of its commencement until the time of its termination, as published by the Chief Rabbinate of Israel, other than in the event of a life-saving emergency.

5. 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.

6. Calculation of the indemnity

The indemnity payments due to the insured in accordance with this section:

- A. Will be calculated and paid in accordance with the value of the loss or the damage to the vehicle on the occurrence date of the insured event, including in respect of depreciation.
- B. V.A.T. will be added to the indemnity payments, other than if the insured is entitled to offset V.A.T. For the purpose of this policy “V.A.T.” means as defined in the V.A.T. Act – 1976.

7. The total loss of the vehicle

- A. If the vehicle is declared to be 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 alternatively replace it with a vehicle of a similar type and quality. In this policy “total loss vehicle” means:
 - 1) A vehicle which has been stolen and is not found within 30 days.
 - 2) A vehicle in respect of which a qualified motor loss adjuster has determined that one of the following conditions has been fulfilled:
 - a) The vehicle is no longer roadworthy, and the direct damage caused to it, other than the direct loss caused by depreciation, is at least 60% of the value of the vehicle on the occurrence date of the insured event.
 - b) The vehicle is irreparable and is good only for scrap metal.
- B. If a qualified motor loss adjuster determines that the extent of the damage to the vehicle, other than the direct loss caused by depreciation,



is at least 50% of the value of the vehicle on the occurrence date of the insured event, the insurer may compensate the insured as though it was a total loss (hereinafter “constructive total loss”). **If another percentage is stated expressly in the schedule as entitlement for the definition of a total loss, the insurer will indemnify the insured as though it were a total loss provided that the loss amount equals or exceeds the percentage stated in the schedule.**

- 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 due to a constructive total loss, all of the rights in respect of the vehicle insured will be assigned to the insurer.
- D. The validity of this policy will expire as soon as the insured is indemnified for a total loss or for a constructive total loss, and the insured will not be entitled to any return premium.

8. Calculation of the value of the vehicle in the event of a total loss

- A. The indemnity for the total loss of the vehicle will be calculated according to the “market value” of the vehicle covered under the policy. Market value of the vehicle will be calculated in accordance with the “Levy Yitzhak” price guide which is revised periodically, or in the case of a vehicle which is not included in the price guide – in accordance with a valuation which will be attached to the schedule from an agreed loss adjuster at the inception of the period of insurance, including the deductions and loadings detailed in this latest edition of this price guide at the time of the total loss (“the price guide”).
- B. It is clarified that for the purpose of determining the value of the vehicle in the event of a total loss (per the definition in the policy), various factors relevant to the vehicle will be taken into account (both those applying at present as well as any new factors in the future such as previous owners, accidents in the past, mileage, irregular and special wear and tear, previous uses of the vehicle etc.). The variables which will be taken into account are all of the variables stated in the price guide as variables which have an impact on the value of the vehicle, according to the percentage decrease / loading stated in the price guide. All of the variables are taken into account accumulatively in accordance with the price guide. The deduction in respect of previous depreciation due to an accident for which there is no fixed deduction in the price guide other than a range of deduction levels, will be the percentage deduction



according to the rate of depreciation set in the previous accident as aforementioned.

Hereunder are two examples for calculating the value of the vehicle*:

1) 4 year old vehicle, ex-leasing, 3rd owner, 4.5% in respect of depreciation due to a previous accident:

Basic value of the vehicle based on the model and year of manufacturer according to the price guide	NIS 85,000
Vehicle first driven in 02/2013	NIS 400
Ex-leasing, 22% deduction according to the price guide	(NIS 18,788)
Loading for low mileage, 2% addition according to the price guide – 3.21%	NIS 2,138
3 rd owner, 2.5% deduction according to the price guide	(NIS 1,719)
4.5% for depreciation as determined in previous accident	(NIS 3,016)
Total	NIS 64,015

2) 9 year old vehicle, ex-driving instruction, 1st owner, 65,000 km:

Basic value of the vehicle based on the model and year of manufacturer according to the price guide	NIS 39,000
Ex-driving instruction, 26% deduction according to the price guide	(NIS 10,140)
Addition for low mileage, 10% loading according to the price guide	NIS 2,886
1 st owner, 3% loading according to the price guide	NIS 952
Total	NIS 32,698

[*] For the sake of avoidance of doubt the above examples are for illustration only and the variables and rates stated do not bind the company. As stated above in clause 8.A of the policy, the market value of the vehicle will be calculated



according to the price guide, including the deductions and loadings and their rates stated therein.

N.B. The premium for your motor insurance is not affected in any way by the said variables of your vehicle, even if these variables have an impact on the value of the vehicle and as a result on the indemnity payments in the event of a total loss.

9. Total loss in the case of a vehicle in respect of which taxes have not been paid

- A. Notwithstanding that stated in clause 6.B if the vehicle is declared to be a total loss or a constructive total loss as a consequence of an insured event covered under this policy in a case in which not all of the statutory taxes have been paid for the vehicle, or where V.A.T. has been offset for it, and the insurer decides not to repair the vehicle, the insurer will pay indemnity in accordance with the value of the vehicle excluding taxes, or excluding V.A.T., as applicable, or will replace it with another vehicle of a similar type and quality.
- B. Notwithstanding that stated in clause A above, if the insured provides the insurer with proof that the insured is not entitled to a re-exemption of taxes or is not entitled to offset V.A.T., as applicable, on the replacement vehicle that the insured intends to purchase in place of the vehicle deemed a total loss or constructive total loss, the insurer will pay indemnity in accordance with the value of the vehicle immediately prior to occurrence of the insured event as though all of the taxes had been paid for it, or will replace it with another vehicle of a similar type and quality.
- C. After payment of indemnity or replacement of the vehicle, the insurer is entitled to assume the rights to the vehicle from the insured, other than the accessories and apparatus for which the insured is not entitled to receive indemnity payments. If the transfer of ownership is subject to the payment of any taxes, this payment will be made by the insurer.

10. Partial loss

- A. If the repair of the vehicle necessitates replacement of the chassis or parts thereof or a light, the replacement will be made with a part which matches the quality, characteristics and description of the damaged part and the insurer will bear the entire 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 be 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 which matches its description, characteristic and description 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 on the occurrence date of the insured event 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, whereas in respect of a vehicle over 9 years old on the occurrence date of the insured event 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 use and registration of actions with used motor spare parts (Prevention of theft) Act – 1998; if the insurer decides to replace the lost or damaged part in a vehicle which is not more than two years old on the occurrence date of the insured event, the lost or damaged part will be replaced with a genuine or new part, provided that it matches the quality, characteristics and description of the damaged part, plus fitting costs.
- D. If the insurer decides to replace the lost or damaged part in the vehicle, in respect of which the manufacturer's warranty is subject to specific conditions regarding the manner of repairing the vehicle, the insurer will act, as far as possible, in accordance with the directives of the said warranty; if the lost or damaged part is replaced other than in accordance with the specific conditions in the manufacturer's warranty and if the manufacturer's warranty is invalidated 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 since the first registration date of the vehicle as stated in the vehicle license.

11. Cover for expenses

In the event that the vehicle is no longer roadworthy due to a peril covered under this policy, the insurer will also pay reasonable expenses for safekeeping and transferring the vehicle to the nearest place in which it is possible to repair the damage.



SECTION 2 – THIRD PARTY PROPERTY DAMAGE LIABILITY INSURANCE

In this section the definition of “the insured” includes the driver of the vehicle who is a permitted driver as stated in the schedule and who is entitled to drive the vehicle in accordance with all of the policy conditions.

1. The insured event

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

2. Limits of liability

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 for third party property damage.

1) Notwithstanding that stated in clause 2) (A) in Section 6 – General exclusions to the policy, the amounts in accordance with sub-clause (A) above will also include the following expenses of a third party whose vehicle is damaged due to an accident:

A) In the event that the vehicle is no longer roadworthy due to a peril covered under this policy – reasonable expenses for safekeeping and transferring the vehicle to the nearest place in which it is possible to repair the damage as well as the expenses of the third party to reach their destination after the accident.

B) Indemnity for the proven losses of the third party due to the payment of a deductible and loss of no-claims bonus.

C) Compensation for loss of profits whilst the vehicle is laid-up for the purpose of its repair, provided that the laid-up vehicle is a commercial vehicle, which is owned by the third party and used for their business.

B. The insurer will also bear reasonable legal expenses that the insured incurs due to an insured event, in excess of the sum insured.

Notwithstanding the aforementioned, if the insured event occurs maliciously – the insurer is exempt from liability.



3. Indexation of the limit of liability

The limit of liability under 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 occurrence of the insured event. If the limit of liability is increased during the period of insurance – the index published before the increase of the limit of liability will be used instead of the index published before the inception date of the period of insurance. For the purpose of this section “index” means: The Consumer Price Index published by the Central Bureau of Statistics.

4. Handling third party claims

- A. The insurer is entitled, and at the demand of the third party – is liable, to pay the indemnity payments to the third party that the insurer is liable to pay to the insured, provided that the insurer notifies the insured in writing as stated in sub-clause 2(A) (1) and provided that the insured does not express any opposition as stated in the same clause; however any allegation which the insurer can raise against the insured may also be raised against the third party.
- 1) If the third party demands indemnity payments as stated in sub-clause (A) from the insured, the insurer will notify the insured in writing at least 7 business days of the date of the demand, regarding the demand, as aforementioned, and if the insured does not notify the insurer of any opposition to payment of the compensation within 30 days, the insurer will pay the indemnity to the third party which it is liable to pay to the insured, to the extent that it is liable to make payment.
 - 2) The insurer is entitled to take over or conduct the defence of any claim in the name of the insured and the insured will provide the insurer, on request, any assistance which the insurer requires for the purpose of settling the third party claim. The insurer undertakes to cooperate with the insured in the framework of conducting the defence, in order to protect the legitimate interests of the insured, including their reputation.
- B. In the event of a claim or claims against the insured arising from a single insured event or from a series of events that can be attributed to a single originating cause covered in accordance with this section of the policy, the insurer is entitled to pay the entire limit of liability for this section to the insured **and following such payment the insurer will be exempt from handling the claim or the claims as aforementioned and the**



insurer will have no further liability of any type in connection therewith, other than for legal expenses awarded by a court or reasonable expenses incurred in connection with the aforementioned claims.

5. Exclusions to the cover for third party property damage liability

The insurer will not be liable to make any payment for damage to property owned by the insured or the driver of the vehicle or for damage to property in the care, custody or control of the insured or the driver of the vehicle, or their family members.



SECTION 3 – ADDITIONAL INSURANCE COVERS

All of the covers specified in this section shall be valid solely if stated expressly in the schedule

1. Insurance for multimedia devices

A. The insured event

Loss or damage to the insured property caused by one of the insured perils.

B. The insured perils

- 1) Theft, burglary or attempt thereof.
- 2) Fire, lightning, explosion, combustion.
- 3) Accidental collision, overturning and any type of accident.
- 4) Storm, tempest, flood, snow and hail, volcanic eruption.
- 5) Malicious damage.

However, if the insured event is intentionally caused by the insured or by a party acting on their behalf, the insurer is exempt from liability.

C. The insured property

The multimedia device stated in the schedule, whilst fitted in the vehicle, up to the sum insured stated in the policy schedule (hereinafter: “the appliance”).

D. Exclusions

- 1) **The insurer will not be liable for loss of damage to antennas, records, cassettes and discs.**
- 2) **The insurer will not be liable for loss of damage caused by, or as a consequence of electrical breakdown or machinery breakdown.**

- E. The liability of the insurer shall not exceed the actual value of the damaged appliance on the occurrence date of the insured event, plus reasonable expenses for installation and shall in no case exceed the sum insured stated in the policy schedule stated in the policy schedule for this clause.**



F. Underinsurance

If the sum stated in the schedule next to the electrical appliance (hereinafter – “the sum insured”) is less than the actual value of the electrical appliance, the liability of the insurer will be reduced to reflect the ratio between the sum insured and the value of the electrical appliance at the time of executing the contract.

2. Replacement radio

If stated in the schedule that cover applies for a replacement radio, the insurer is entitled to service to replace the radio of the vehicle via the service supplier, as stated in the Replacement Radio Service Plan which is attached to this policy and forms an integral part thereof, subject to the terms and conditions of the service plan.

3. Windscreen breakage

If stated in the schedule that cover for windscreen breakage is valid, the insured is entitled to the windscreen repair service as stated in the policy schedule. The service shall be provided by the service supplier as stated in the service plan for car windscreen breakage repair stated in the policy schedule, attached to this policy and forming an integral part thereof.

4. A. VIP roadside and towing service

B. Courtesy car with home delivery

If stated in the schedule that cover for roadside services and/or a courtesy car is valid – the insured is entitled to roadside services and/or a courtesy car from the service supplier stated in the policy schedule, as stated in the service plan for roadside services and the service plan for a courtesy car with home delivery, attached to this policy and forming an integral part thereof, subject to the terms and conditions appearing in the said service plans.

5. Additional compensation of up to 10% above the value of the vehicle insured – For vehicles up to 12 months old on the occurrence date of the insured event

The cover under this extension is valid solely if stated expressly in the policy schedule.



Definitions

“The age of the vehicle” – The date on which the car was first driven as stated in the vehicle license.

- A. In the event of a total loss or a constructive total loss to the vehicle as defined in clause 7 A and B in Section 1 – Own damage insurance, the insurer will pay the insured compensation equivalent to the cost of purchasing a new vehicle, or replacing it with a new vehicle of the same make and model including any special additions to the vehicle if included in the insurance under this policy, **which in no case shall exceed 10% of the value of the vehicle insured on the occurrence date of the insured event, in accordance with its value as stated in clauses 7 and 8 to Section 1 above**, other than if stated otherwise in the policy schedule.
- B. If at the time when the compensation is paid it is not possible to purchase a new vehicle of the same make and model as aforementioned in the State of Israel, the additional compensation in accordance with this extension shall be equivalent to the purchase price of a new vehicle or replacing it with a new vehicle of the closest make and model to the insured vehicle, based on the assessment of a motor loss adjuster, **and subject to the maximum compensation stated in sub-clause A above.**



SECTION 3 A – ADDITIONAL INSURANCE FOR SIDE MIRRORS AND LIGHTS OF THE VEHICLE

This cover is valid solely if stated expressly in the policy schedule

1. Definitions

A. In this section the following terms shall have the meaning ascribed to them:

“Mirrors” – The external side mirrors (including the socket of the mirror and the entire unit of the mirror) **provided that these components are an integral part of the vehicle in accordance with the guide of the manufacturer of the vehicle.**

“Lights” – The front and rear lights of the vehicle (including indicator and brake lights) **provided that these components are an integral part of the vehicle in accordance with the guide of the manufacturer of the vehicle.**

“Damage” – Breakage or a crack **which goes through the entire thickness of the mirror and/or light** as well as breakage of the internal mechanism of the mirror or the light.

It is hereby clarified that scratches and/or cracks which do not go through the entire thickness of the light / mirror and/or discoloration and/or wear and tear of the light / mirror is not covered under this service plan.

“The insured event” A sudden, accidental and unforeseen event caused by an external, physical and tangible caused which results in damage to the light or mirror as defined above during the period of insurance.

“The motor vehicle” The motor vehicle insured under the policy, as stated in the policy schedule, on condition that the manufacturer has a designated agency in Israel, a motor vehicle imported by standard personal import (or parallel personal import and/or where the aforementioned motor vehicle has generic lights / mirrors in Israel.



“The cover”

Replacement and/or repair of the part of the mirror or light which has been damaged due to the insured event.

2. The scope of cover

- A.** The insurer shall provide the cover to the insured and/or to anyone in possession of the vehicle and/or using it with the permission of or on behalf of the insured (hereinafter: **“the customer”**) effective from the time of purchasing this cover and for as long as the policy is valid and has not been cancelled beforehand.
- B.** The cover under this section shall be provided and/or implemented by the service supplier on behalf of the insurer, whose details are stated in the policy schedule (hereinafter: **“the service supplier”**). The service supplier shall arrange for the service to be provided by a suitable and professional technician specialising in the same.
- C.** The cover under this section is subject to the mirrors and lights being intact without any defect and/or scratch on the inception of the cover.
- D.** The mirrors and/or lights which are replaced shall be generic parts with a stamp of approval of the same type, quality, characteristics and description of the damaged product.
- E.** If the extent of the damage to the light / mirror exceeds the limit of liability of this cover and if the customer decides to repair only the mirror / light using this cover, the insurer shall repair the light / mirror and the insured shall pay the difference to the service supplier. The repair shall be carried out subject to the prior written agreement of the insured to effect the repair and pay the difference at their own expense.
- F.** If the service supplier cannot find a matching mirror / light at the time of the repair which is defined in this cover, the service supplier shall compensate the customer for the standard market cost of a new mirror / light including installation and V.A.T., less then deductible, as stated in clause 4 hereunder.
- G.** Receiving monetary indemnity is subject to the insured signing confirmation to the insurer that they have received the monetary indemnity in accordance with this cover and shall not make any future claim with the insurer for this damage to the mirror / light. The provisions of this clause does not affect the right of the insured to appeal their actual entitlement to compensation and/or the scope of compensation.



- H. **The customer shall not be entitled to any payment from the service supplier and/or on its behalf if they decide to obtain the service addressed by this section from any other service supplier. This clause shall also apply if the insured acted with good faith.**
- I. It is clarified that damage caused to mirrors and lights only which is covered under this section shall not be considered as a claim under Section 1 of the policy.

3. **Obtaining the service**

- A. In the event of damage to a mirror and/or light (other than the exclusions detailed hereunder) the customer shall contact the service supplier by telephone by calling the number appearing in the insurance policy schedule (hereinafter: **“the call centre”**) to obtain service from one of the nationwide service stations of the service supplier.
- B. The cover shall be provided and implemented in accordance with the conditions of the section within the following timetable:
 - 1) If the customer notifies the call centre in advance of the make and model of the vehicle, the chassis number and the registration number and the type of light and/or mirror damaged – an appointment shall be made for the service supplier to come to the vehicle after obtaining the replacement mirror and/or light and the repair shall be carried out on the same day if possible.
 - 2) In any other case – The customer shall be entitled to receive the cover within 2 business days from the date of bringing the vehicle to the service supplier. For the purpose of this clause “business day” means Sunday to Thursday (inclusive) from 08:00 hours to 16:00 hours other than public holidays in Israel.

4. **Deductible**

- A. In any event of a claim under this cover, the customer shall pay the service supplier a deductible of NIS 250 per event.
- B. If the service supplier is required to repeat the repair to the same mirror / light within 6 months of the previous repair date, where the repeat repair arises from an error and/or omission of the service supplier – the service supplier shall pay the full cost of the repair and the customer will not be charged another deductible for the repeat repair as aforementioned.



5. Exclusions

Notwithstanding that stated above the cover under this section shall not cover any of the following events:

- A. Damage to any product which was not completely intact before the breakage and/or which had not been assembled properly.**
- B. Special products and/or those which deviate from the technical specification of the manufacturer or official importer of the vehicle.**
- C. Repairing short circuits, electrical and/or mechanical mechanisms and motors which do not arise directly from the damage which occurred.**
- D. Incompatibility when assembling the product due to a defect in other parts of the vehicle.**
- E. Damage to due natural perils (including earthquake) other than if the damage is covered under the policy as stated in clause 1 in Section 1 – Own damage insurance.**
- F. Breakage occurring whilst using the vehicle for any purpose which is not covered under the policy, as stated in the policy schedule.**
- G. The cover shall not be provided for any vehicle which has not undergone an annual roadworthiness test or in the case of a vehicle which has been taken off the road by any competent authority.**
- H. Damage caused maliciously by the insured and/or by anyone permitted by the insured to use the vehicle.**
- I. Damage for which the insured is entitled to receive full or partial compensation and/or indemnity in accordance with the laws of the State of Israel.**
- J. Consequential loss of any type.**



SECTION 4 - LEGAL PROTECTION

This section is valid solely if stated expressly in the schedule

1. Legal protection

A. Definitions

In this cover the following terms will be defined as stated hereunder:

“The insured” – The policyholder and/or any other person entitled to drive the vehicle in accordance with this policy.

“Legal proceedings” – Legal proceedings in connection with an accident which are brought against the insured in an indictment by the State of Israel or on its behalf, including administrative demands in connection with suspending a driving license and reinstating it, other than offences involving a fixed penalty notice.

“Accident” – A road accident which occurs due to use of the vehicle, involving bodily injury and/or property damage, whose results are covered under this policy and/or under the Statutory Motor Bodily Injury policy.

“Defence costs” or **“appeal costs”** – Court fees, stamp duty, costs for copies of protocols, witness fees and/or expert fees as determined by a court or in accordance with the provisions of any legislation – which the insured incurs in connection with the legal proceedings or their appeal, other than any fine, compensation or punitive damages imposed in a sentencing.

B. The cover

- 1) The insurer will appoint a lawyer at its expense to act for the insured for the purpose of providing legal defence in criminal proceedings which are brought against the insured in connection with an accident and will also pay the defence costs in connection with these proceedings.
- 2) The insurer will appoint for the insured at its expenses a lawyer for filing an appeal who will represent the insured until the final possible instance until the verdict and/or sentencing imposed on the insured in criminal proceedings and will also pay the appeal costs.



A precondition to the liability of the insurer in accordance with this clause is that the insured obtains a detailed opinion from the lawyer representing the insured in the appeal proceedings, stating that there is a sound basis and good chance of succeeding in this said appeal.

- 3) The insured is entitled to refrain from appointing a lawyer for the insured in accordance with clauses (1 and/or 2) above and if so, the insured is entitled to appoint a lawyer of their choice, provided that the conditions of engagement with the lawyer are coordinated in advance with the insurer, and in such a case the insurer will compensate the insured for the fees and the defence costs as well as the appeal fees and costs which are incurred by the insured. The fees for handling legal proceedings shall be at the minimum tariff laid out in the Israel Bar Association rules or any other law which is valid at the time of the payment, **and in no case not less than the lawyers' fees that the insurer would paid for the services of the lawyer that they would have appointed for the insured. For the sake of avoidance of doubt the total amount of compensation for the fees and defence costs for all accidents during the period of insurance shall not exceed the amount stated for this cover in the schedule.**
- 4) The insurer shall be entitled to demand that the insured provides all protocols, expert reports, testimonies, decisions, judgement and any other material in the possession of the insured or their lawyer relating to conducting the legal proceedings or in connection therewith. The insured shall instruct their lawyer to provide all such material to the insurer on demand.
- 5) The insurer shall pay the defence costs and fees for the legal proceedings or the appeal, as applicable. In a case where the insured is required to make such payments before the end of the proceedings, the insurer shall reimburse the insured for them within 30 days of making the actual payment.
- 6) At the time of making payment in accordance with this clause, the deductible amount stated in the schedule will be deducted from the payment to the insured.



C. Exclusions

- 1) The insurer will not be liable to make any payment under this section if at the time of the accident the driver was under the influence of narcotics as defined in the Narcotics Ordinance [New Version] – 1973.**
- 2) The insurer shall not be liable to make any payment under this section if the insured event is caused by the insured or by anyone acting on their behalf with intent, or gross negligence which is accompanied by *mens rea* of recklessness or indifference.**



SECTION 5 – PRAKLIT – LEGAL AID IN PROPERTY CLAIMS BY THE INSURED AGAINST THIRD PARTIES

This section is valid solely if stated expressly in the schedule

1. Definitions

“The insured event” – An insured event as defined in clause 1 in Section 1 (“Own damage insurance”) of the policy.

“The motor vehicle” – The motor vehicle stated in the policy schedule.

“The customer” – The insured.

“The service supplier” – The law office stated in the policy schedule.

“The call centre” – The call centre of the service supplier whose details are as stated in the policy schedule.

2. The scope of cover

A. In the case of an insured event where a third party is to blame (hereinafter: “the tortfeasor”) and the customer decides to sue to the third party rather than making a claim under the policy, the service supplier shall provide the customer with legal services free of charge including:

- 1) Negotiating with the tortfeasor and/or their insurers to receive agreed indemnity in respect of the insured event.
- 2) If the negotiations do not succeed and provided that the amount of the loss is within the authority of the small claims court, the service supplier shall, at the request of the customer, prepare a statement of claim to be filed in the court by the customer. **It is hereby clarified that the service supplier shall not appear at the court trial.**

3. Making a claim:

- A. If an insured event occurs and the customer decides to make a claim, they shall notify the insurer and complete a claims form.
- B. The customer shall contact the call centre of the service supplier to obtain the service.
- C. The customer shall provide the service supplier with all of the information and the documents required by them in connection with the claim.



4. Exclusions to the cover:

- A. The insurer shall not be liable for any error or omission of the service supplier.**
- B. The insurer shall not be liable for any payment or cost for services which is not provided by the service supplier.**



SECTION 6 – GENERAL EXCLUSIONS TO THE LIABILITY OF THE INSURER APPLYING TO ALL SECTIONS OF THE POLICY

- 1. This policy does not cover loss, damage or liability which occurs outside of the boundaries of the State of Israel and the territories of Judea, Samaria and the Gaza Strip.**
- 2. This policy does not cover:**
 - A. Consequential loss.**
 - B. Loss or damage which occurs which the vehicle is mobilised by the I.D.F.**
 - C. Loss or damage caused by the acts of persons involved in strikes and lockouts.**
 - D. Any claim arising from contractual liability.**
 - E. Loss or damage occurring due to the fact that the driver was under the influence of dangerous drugs, as defined in the Dangerous Drugs Act (New Version) – 1973.**
 - F. Loss or damage as a consequence of war, hostilities, acts of terrorism, military or popular uprising, revolution.**
 - G. Loss or damage as a consequence of ionising radiation, radioactive pollution, nuclear processes and any loss or damage due to nuclear materials or nuclear waste.**
 - H. Loss or damage as a consequence of earthquake other than if stated otherwise in the schedule.**



SECTION 7 – GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

1. Individuals permitted to drive the vehicle

(A) The individuals permitted to drive the vehicle are only those as stated in the policy schedule as permitted drivers of the vehicle as specified hereunder and **on condition that they hold a valid driving license in Israel to drive the type of vehicle, or who held such a driving license at any time in the 24 month period before driving the vehicle and have not been disqualified from obtaining or holding such a driving license in accordance with the directives of any legislation, legal verdict, court decision or decision of any other competent authority:**

- A. The insured.
- B. Anyone whose name is stated in the schedule.
- C. Anyone driving on the instructions of the insured or with the permission of the insured.
- D. Anyone in the service of the insured who is driving on the instructions of the insured or with the permission of the insured.
- E. Anyone driving with the permission of the insured who is accompanied by anyone stated in clauses A-D above.
- F. Anyone who does not have a driving license as stated in the beginning of this clause and **on condition that they are accompanied by a qualified and licensed driving instructor or are taking a driving test on behalf of the Ministry of Transport, on condition that the driver as aforementioned is accompanied by a Ministry of Transport examiner.**

The insurer is only liable under this policy if the insured event occurs when the vehicle is being driven by one of the individuals permitted to drive as stated in the schedule and in this clause, or where the insured event occurs without connection to the driver of the vehicle.

2. The use of the vehicle

The vehicle may be used solely for one or more of the following uses which are stated in the schedule:

- A. Social, domestic and pleasure.



B. For the business of the insured.

If stated expressly in the schedule, the permitted use may be one of the following:

- A. Driving instruction.
- B. Commercial carriage of fee-paying passengers.
- C. Car hire.
- D. Agricultural works.
- E. Motor trade.
- F. Commercial towing.
- G. Rallies, competitions and vehicle competence tests.
- H. Commercial carriage of goods.

3. Indexation

The sums insured and limit of liability stated in the schedule or in the policy will vary in accordance with the ratio between the index published prior to the inception of the period of insurance and the index published prior to occurrence of the insured event.

If new covers are added or if the sum insured is increased during the period of insurance, the index published before the addition or increase takes effect will be used.

In this regard “index” means: The Consumer Price Index published by the Central Bureau of Statistics.

4. Loss adjusting

For details regarding the loss adjusting process following the occurrence of the insured event – please refer to the “Explanatory leaflet for the insured – The process of appointing a loss adjuster and assessing the loss in the event of damage to the vehicle” which forms an integral part of the policy.

5. Disclosure and changes to material facts

- A. This policy was issued based on the replies provided by the insured to the insurer, by notice which will be documented by the insured, 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 full 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 has implemented loss prevention measures that the insurer requested be implemented in order to mitigate the perils covered under 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 by notice which will be documented by the insured 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 regular keepers of the vehicle and their occupations, accidents in which they have been involved and driving convictions in the three years preceding the date on which this insurance was arranged, other than driving convictions involving a fixed penalty notice.
 - 6) Damages that occurred to the vehicle or to a third party in the last three years as a consequence of the perils covered under this policy, other than in a period in which the vehicle was not owned by the insured.
 - 7) Details regarding the previous insurers of the vehicle.
- C. **If the insured fails to provide full and honest replies to the questions in respect of material facts or withholds a material fact from the insurer with fraudulent intent or does not implement the measures that the insurer has requested be implemented to mitigate the perils covered under this policy, the insurer will be entitled to cancel the policy or reduce the scope of its liability all in accordance with the provisions of the Insurance Contract Act – 1981 (hereinafter: “the act”).**
- D. **The insured must notify the insurer during the period of insurance of any change to a material fact immediately upon becoming aware of the same. If the insured does not disclose such a change to the**

insurer; the insurer will be entitled to cancel the policy or to reduce the scope of its liability in accordance with legal provisions.

- E. The insured will submit a claims report to the insurer on demand, as defined in clause 38 hereunder.

6. Double insurance

- A. If the vehicle is insured for the perils covered under this policy with more than one insurer for overlapping periods, the insured must notify the insurer accordingly as soon as the double insurance is arranged or as soon as the insured becomes aware of the double insurance.
- B. In the event of double insurance, the insurers are liable to the insured jointly and severally up to the total sum insured, and they will reconcile payment of the indemnity between themselves according to the ratio between the respective sums insured.

7. Extension of the insurance

Any extension of the period of insurance in accordance with this policy is subject to the express prior written agreement of the insurer.

8. 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 a demand for the premium is sent to the insured, the latter of the two, or on other dates if stated in the schedule. In this policy “premium” means the total payments which the insurer is entitled to charge the insured at the inception date of the period of insurance in connection with this policy.
- B. If any amount due from the insured to the insurer is not paid on time, the amount in arrears will bear annual interest as stated in the schedule and/or indexation increments in accordance with the changes to the index, between the index published before the designated payment date and the index published before the 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 has been irrevocably designated, the insurer is permitted to cancel the insurance



only after the beneficiary has been notified in writing of the aforementioned arrears and the beneficiary has not settled the amount in arrears within 15 days of the aforementioned notice being sent.

- D. Nothing contained in this cancellation clause derogates from the insured's duty to settle the amount in arrears relating to the period up until the cancellation as aforementioned, as well as the insurer's expenses.

9. Deductible

- A. On the occurrence of an insured event covered under Section 1 of the 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 for each and every claim, according to the type of loss damage which has occurred, provided that in the case of the deductible for a depreciation loss the following rules will apply:

If the deductible stated in the schedule is a percentage rather than a fixed amount – the respective percentage of the entire indemnity payments payable as stated in the schedule will be deducted from the indemnity payments that the insurer is liable to pay to the insured.

- 1) The deductible for a depreciation loss will not exceed 1.5% of the sum insured (hereinafter – **“the basic deductible”**), other than if the insured accepts, and signs a separate appendix to the proposal form (hereinafter – **“depreciation appendix”**), a different deductible to that which the insurer offers the insured and provided that it is also stated in the schedule, and subject to the following rules:
 - A) The deductible in the case of a depreciation loss will not exceed the highest deductible which has been approved for the insurer in this regard in accordance with the Supervision of Insurance Business Ordinance (New Insurance Plans and Amendments to Plans) – 1981 (hereinafter: **“the ordinance”**).
 - B) In consideration of the agreement to accept a deductible in the case of a depreciation loss, the insured will receive an appropriate discount from the insurer's usual premium, in addition to any other discounts, according to various levels of deductible which the insurer will offer the insured, as



approved by the Commissioner of Insurance as part of approving the tariff in accordance with the ordinance.

- 2) If the insured has not signed the depreciation appendix containing the alternative deductible offered by the insurer, the basic deductible will apply to depreciation losses, for each insured event, however the insured will be entitled to alter the basic deductible retroactively from the inception date of the period of insurance if notice is provided to the insurer within 30 days of the receipt of the schedule in which the basic deductible is stated. If the insured submits notice as aforementioned, the premium will be adjusted accordingly from the inception of the period of insurance.
- B) On the occurrence of an insured event covered under the Third Party Liability section, the insurer will pay to the third party all amounts that the insured is liable to pay as stated in clause 2 of section 2. 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) However if the amount that the insured is liable to pay to the third party equals the amount that the insurer is entitled to collect from the insured as aforementioned or lower, the insured will make payment to the third party themselves and the insurer will not be liable to make any type of payment to the third party.
- D) **Notwithstanding that stated in sub-clauses (A) and (B), in the case of an insured event covered under Sections 1 and 2 of this policy, the insured will bear a single deductible amount which will not exceed the highest deductible amount stated in the schedule.**

10. Reinstatement of the insurance cover

- A. As soon as the insurer has made indemnity payments to the insured or to a third party following 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 scope of cover which will be calculated as follows:
 - 1) If indemnity payments have been made in accordance with Section 1 of the policy – the amount of indemnity payments paid multiplied by the percentage obtained by dividing the annual premium (the base premium) by the value of the vehicle, pro-rata



for the unexpired period of insurance from the occurrence date of the insured event up until the expiry of the period of insurance in accordance with the policy.

- 2) If indemnity payments have been made to a third party in accordance with Section 2 of the policy – at the premium level usually charged by the insurer for insurance covering the amount paid as indemnity to the third party at its value on the occurrence date of the insured event, pro-rata for the unexpired period of insurance from the occurrence date of the insured event until the expiry of the period of insurance in accordance with the policy.
- B. The insurer will deduct the premium that the insured is required to pay for the reinstatement of cover from the indemnity payments payable to the insured as stated above for the insured event.

This clause does not apply in a case where the insurer has paid compensation for a total loss of the vehicle or has supplied a replacement vehicle in its place.

11. Changing the vehicle

- A. If the insured changes the vehicle during the period of insurance and purchases a different vehicle, the insured may, by notice to the insurer, and with the agreement of the insurer, transfer the cover in accordance with this policy to the new 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 11(A), 11(B) and 11(C) do not preclude the insurer from demanding the payment of administrative expenses to cover the transfer of the insurance cover, in accordance with the approved tariffs.

12. Laid-up vehicle

- A. During the period of insurance the insured is entitled to notify the insurer in advance of their intention to lay-up the vehicle and not use it for a



period of not less than 30 days and not more than the remaining number of days until the expiry of the period of insurance (hereinafter: “**the laid-up period**”).

- B. If the insured provides notice to the insurer as stated in sub-regulation 4(A), neither the insured nor anyone else on behalf of the insured may drive the vehicle during the laid-up period and if the insured or anyone on behalf of the insured does so – the cover in accordance with clause 1.B of Section 1 this policy will not apply.
- C. The laid-up period will expire on the date stated in the insured’s notice. If no date is stated in the insured’s notice, the laid-up period will expire on the expiry of the period of insurance or on receipt of the insured’s notice of the termination of the laid-up period, the earlier of the two.
- D. At the end of the laid-up period, the insurer will refund the proportional share of the premium to the insured for the cover in accordance with clause 1.B of Section 1 of this policy, which the insured paid for the laid-up period.

13. Cancellation of the insurance

- A. The insured may cancel the insurance at any time before the expiry of the period of insurance at their discretion; the cancellation will take effect on the date when the notice reaches the insurer; in such a case the insurer will make a return premium to the insured for the period after the cancellation takes effect, and this within 14 days of the cancellation date, 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.
- B. Notwithstanding the provisions of sub-clause (A), if the policyholder cancels the policy due to transfer of ownership of the vehicle insured, or due to returning the vehicle license to the Ministry of Transport or due to the death of the driver whose name is specified as the only driver in the certificate of insurance, the insurer will refund a pro-rata share of the premium paid. 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 share**”).

- C. Without derogating from the statutory rights of the insurer, the insurer is permitted to cancel the insurance at any time prior to the expiry of the period of insurance provided that notice of the same is sent to the insured in writing by registered post at least 45 days prior to the date on which the insurance is to be cancelled.
- D. If the insurer cancels the policy, the insurer will refund to the insured as soon as possible, and within 14 days of the date on which the cancellation takes effect, the proportional share of the premium paid.
- E. All of the amounts which are refunded in accordance with this clause will vary in accordance with the changes to the index between the index published before the date of paying the original premium and the index published before the date of paying the return premium; if the premium was paid in instalments, each amount will vary in accordance with the changes to the index between the index published before the date of paying the original premium and the index published before the date of paying the return premium.
- F. Notwithstanding the aforementioned, if the policy is subject to a loss payee clause, it will only be cancelled 30 days after the cancellation notice has been sent to the loss payee.

14. Claims for indemnity payments

- A. **If an insured event occurs, the insured or the beneficiary must 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 in writing and will be documented by the insurer; the aforementioned does not preclude from the insured from demanding 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, they must assist the insurer insofar as possible to obtain them. It is clarified that the insured shall be entitled to submit a copy of the said documents, where applicable, by digital means, including by e-mail (cart@migdal.co.il), text message or by logging in to the internet site of the insurer where applicable.



- D. Immediately on receipt of the notice from the insured or the beneficiary regarding 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 the case of theft as a result of which the vehicle is not found within 30 days – within 7 days from the aforementioned date.
- F. **Indemnity payments payable to a third party or payable to the insured will vary in accordance with the changes to the index between the index published before occurrence of the insured event and the index published before the actual payment date as well as linked interest at the rate stated in the definition of interest and indexation in Article 1 of the Interest and Indexation Ruling Law – 1961, after 30 days have elapsed from the date on which the claim is made. Nothing contained in this directive derogates from the authority of a court to rule in accordance with the aforementioned law.**
- G. **The insurer is entitled to offset from the indemnity payments in accordance with Section 1 of the policy any fixed amount which the insured owes it due to this policy or due to another policy if there is a genuine concern that the debt will not be paid, even if its payment date has not yet passed.**
- H. **The indemnity payments will not include V.A.T. which the insured is entitled to offset.**

15. Admission without the agreement of the insurer

If the insured or any person acting on behalf of the insured 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.**

16. 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 repair of the damage, on account of the funds 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 for indemnity payments provided that they can be claimed separately from the other payments.
- C. Amounts paid to the insured or to the third party by virtue of clauses A and B will be deducted from the final indemnity amount due. In calculating 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 in the event of an insured event covered under Section 1 of the policy will be made after the provision of reasonable evidence that the insured has repaired the damage to the vehicle or has paid the repair expenses which have been authorised by the insurer.

17. Statute of limitations

The prescription period of a claim for indemnity payments in accordance with this policy is three years from the occurrence date of the insured event other than if another period is stipulated in the law. A claim for indemnity payments in accordance with Section 2 does not prescribe as long as the third party claim against the insured has not prescribed.

18. Subrogation

- A. If, due to the occurrence of an insured event, the insured is also entitled to receive compensation or indemnity from a third party other than by virtue of this insurance contract, this right is assigned to the insurer as soon as it has paid or undertaken to make indemnity payments to the insured or to the beneficiary, to the extent of the indemnity it has paid or undertaken to pay.
- B. The insurer is not permitted to utilise the right assigned to it in accordance with this clause in a manner which will prejudice the rights of the insured to obtain compensation or indemnity from a third party in excess of the indemnity received from the insurer.
- C. If the insured receives compensation or indemnity from a third party which is due to the insurer in accordance with this clause, the insured must remit it to the insurer. If the insured compromises, provides a



waiver or performs any other act which prejudices the right assigned to the insurer, the insured must compensate the insurer for the same.

- D. If the insurer receives compensation or indemnity which is due to receive in accordance with this clause, the insurer must update the insured in this regard within 15 days.
- E. The insurer will not invoke this clause if the insured event was unintentionally caused by a third party whom a reasonable insured would not claim compensation or indemnity from, due to family or employment relations between them.

19. Loss payee clause

Payment in accordance with Section 1 – Own Damage, if due, will be paid to the bank or to the grantee stated in the schedule (hereinafter: “**the beneficiary**”) to the extent of their interest in the insurance provided under the aforementioned section of this policy and subject to all of its terms and conditions. Nothing stated in this clause may be interpreted to extend the liability of the insurer in accordance with the policy neither does it derogate from any authority conferred upon the insurer.

20. Claims report

- A. After 11 months have elapsed from the inception of the period of insurance – 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 claims report stating whether the insured has made any claim or claims as of the aforementioned date. The claims report shall contain details of each insured event in respect of which a claim has been made as aforementioned, including the vehicle registration number, the occurrence date of the insured event, the amount paid, the type of cover, the type of claim (own damage or third party), whether the insurer has received compensation or indemnity from any third party due to the claim and the rate and amount of the 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 lodged more than 11 months after the inception of the period of insurance, the insurer will send an amended report when the claim is lodged.



- C. In this clause, “claim” means a claim for indemnity payments under clause 14 exceeding 35% of the premium for the entire period of insurance.

21. Notices

- A. Notices from the insured or from the beneficiary to the insurer will be sent to the insurer at one of the following addresses:
- 1) The address of the office of the insurer, as stated in this policy, or to any other address in Israel which the insurer notifies the insured or the beneficiary of from time to time.
 - 2) The address of the office of the insurance agent, as stated in this policy, or to any other address in Israel which the insurance agent notifies the insured or the beneficiary of from time to time.
 - 3) In any other manner which the insurer notifies the insured of from time to time.
- B. Notices from the insurer to the insured will be sent to the insured in writing to the address stated in the schedule, or to any other address the insured notifies the insurer of from time to time.

22. Jurisdiction

Any disputes or lawsuits in accordance with this policy or in connection therewith will be deliberated solely in a court in Israel and in accordance with Israeli law.



SERVICE PLANS

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SERVICE PLAN – REPLACEMENT RADIO PLAYER

This cover is valid solely if stated in the schedule

1. Definitions

“The policy”	The Motor Insurance Policy for Private and Commercial Vehicles up to 3.5 tons including the cover for a replacement radio, according to which the vehicle is insured, to which the service plan is attached.
“The policy schedule”	The schedule attached to the policy forming an integral part thereof, as may be revised from time to time.
“Electrical appliance”	Radios, speakers or disc players.
“Loss”	Loss of the electrical appliance (as defined above) as a consequence of theft, excluding when the entire vehicle is stolen.
“The customer”	The insured in accordance with the policy as well as anyone in possession of the vehicle and/or using it on behalf of the insured.
“The service supplier”	The service supplier stated in the policy schedule.

2. The scope of the service

In the event of a loss, a replacement electrical appliance will be fitted in the insured vehicle. The replacement appliance will be an electrical appliance with a removable panel, a digital display, 18 stations, 60 watt amplification, auto-reverse, automatic station scanner and a separate electronic control for bass, treble and balance, and in accordance with the following conditions:

- A. The replacement electrical appliance will be fitted in one of the nationwide fitting stations approved by the service supplier.
- B. The electrical appliance will be of a similar type and quality to that stated in the schedule.
- C. A warranty for a period of 12 months will be provided for the new electrical appliance which is fitted.



- D. The insured will bear the deductible stated in the schedule for each and every loss.

3. Exclusions

- A. **The service does not include antennas, sound and light systems, records, cassettes and discs.**
- B. **The service is subject to an electrical appliance in proper working order being fitted in the insured vehicle at the time of the event.**

4. Notice and handling of claims

- A. In any event of a theft, the insured must contact the call centre of the service supplier.
- B. The insured must be in possession of a police certificate for the loss being claimed, and a credit card or cash payment to cover the deductible stated above.
- C. The call centre of the service supplier will refer the insured to a fitting station where the electrical appliance will be fitted.

The fitting station where the service is provided will be selected by the insured from a list of nationwide fitting stations approved by the service supplier.
- D. The insured must provide the police certificate as aforementioned to the fitting station and must complete and sign a claims form.
- E. As soon as the service has been completed, the insured must pay the deductible amount to the fitting station and sign an installation completion form.
- F. As soon as the installation has been completed, the insured will be provided with a 12 month warranty certificate.
- G. The service provided in accordance with this service plan shall be provided by suitable professional people.
- H. The insurer shall be responsible for the services provided in the framework of this service plan.
- I. Efficient and accessible communication shall be conducted with the insureds.



5. The period of service

- A. The service in accordance with this service plan is valid for the period of insurance stated in the schedule and for as long as the policy is in force and has not been cancelled.
- B. This service plan may be cancelled in accordance with the relevant conditions of the policy and in accordance with legal provisions.
- C. Notwithstanding the aforementioned it is clarified that the insurer shall be entitled to cancel the service plan for all customers in the event of terminating the contract between the insurer and the service if the insurer fails to reach an agreement with an alternative service supplier, and subject to approval from the Commissioner of Insurance.
- D. Cancellation of this service plan in accordance with the conditions of sub-clause C above shall take effect immediately by notice of the cancellation and the customer shall be entitled to a pro-rata return premium paid for the service plan.



SERVICE PLAN FOR BROKEN WINDSCREENS

This cover is valid solely if stated in the schedule

1. Definitions

In this service plan the following terms will have the meaning stated next to them:

- | | |
|------------------------------|---|
| “The policy” | - The Motor Insurance Policy for Private and Commercial Vehicles up to 3.5 tons according to which the vehicle is insured and to which the service plan is attached. |
| “The policy schedule” | - The schedule attached to the policy forming an integral part thereof, as may be revised from time to time. |
| “Windscreens” | - Front, rear and side windscreens of the vehicle.
For the sake of avoidance of doubt convertible roofs and sunroofs shall not be included in the cover in accordance with this service plan. |
| “Breakage” | - A breakage and/or crack which penetrates the depth of the windscreen. |
| “The service” | - The replacement of the broken windscreen with a new generic windscreen with a stamp of approval of the same type, quality and characteristics as the damaged windscreens. |
| “The vehicle” | - A private or commercial vehicle up to 3.5 tons, up to 20 years old, where the manufacturer of the vehicle has an approved agent in Israel and via who the vehicle was imported, other than in the case of a personal import. |
| “The customer” | - The insured as stated in the policy schedule and anyone in possession of the motor vehicle and/or using it on behalf of the insured. |
| “The price list” | The price list of the service supplier for repairing broken windscreen as may be revised from time to time. |



2. The type and scope of the service

- A. This service (hereinafter: “**the extension**”) shall be provided and/or implemented by the service supplier in a service station in the event that a windscreen of the vehicle is broken.
- B. The insured declares that on the inception of the period of service the windscreens of the motor vehicle are intact with no defects and/or cracks.
- C. If this extension is purchased 30 days or more after inception of the period of insurance of the policy, the service is subject to receipt of written confirmation from the customer that the windscreens are intact at the inception of the service period.
- D. In the event of a broken windscreen (other than the cases excluded hereunder), the customer shall contact a local service station in order to obtain the service.
- E. The service will be provided and implemented in accordance with the conditions of the extension, within the following timetable:
 - 1) Where the windscreen is affixed to the vehicle - Within 12 business hours of the time when it is brought to the service station, and at the latest by the end of the following day after the vehicle has been brought to the service station.
 - 2) Where the windscreen is not affixed to the vehicle - Within 4 business hours of the time when it is brought to the service station.
 - 3) For the purpose of this clause “business days” means Sunday to Friday (inclusive), other than public holidays in Israel.
 - 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.
- F. **Supply of the service:**
 - 1) The service will be provided, as far as possible, during the course of the business day as defined in clause D above, and within 10 working hours starting from the time when the service is requested. For the purpose of this clause the hours will be counted solely according to business hours on Sundays to Thursdays between the hours of 08:00 – 16:00.
 - 2) In areas where there are no windscreen repair service stations within a radius of 10 km, the service will be provided by the



following day at the latest and in areas more than 30 km from a service station the service shall be provided within 48 hours.

- 3) In the event that the service supplier does not hold stock of the windscreen and needs to order it from another supplier, or from the importer (in the event that there is no generic windscreen available), the service will be provided within one more day that that stated in this service plan for service.
 - 4) Provision of the service is subject to receipt of a loss report from the customer.
 - 5) The service shall only be provided if there is an electrical socket available within a radius of 10 metres from the place of the repair and during the winter – an indoor or covered electric socket only.
- G. If damage which is covered under the policy occurs, or if damage to the vehicle itself is caused by a third party in the same insured event, the service station will only start providing the service when it receives a form confirming that no claim will be made with the insurance company or against any third party for the same event.
- H. In the event that the service supplier is unable to provide a generic windscreen, the service supplier may manufacture such a windscreen within a reasonable time or pay monetary compensation to the customer equivalent to the cost of the service supplier plus removal and installation costs.
- I. A 12 month warranty will be provided for the service, free of charge. The warranty will apply to any error and/or omission of the service supplier and will apply to the windscreen, the parts which have been replaced in the repair and the removal work.

3. Exclusions

- A. **Notwithstanding the aforementioned, this extension will not cover any damage to the windscreen of the vehicle as a consequence of any of the following events and/or damage to the types of windscreens specified hereunder and/or damage of the type specified hereunder.**
- 1) **The cases detailed in the general exclusions to all sections of the policy, as detailed in Section 6 of the policy – General exclusions to the liability of the insurer and any other event which is not covered under the policy.**
 - 2) **Damage caused maliciously by or on behalf of the insured.**



- 3) Electrical breakdowns to windscreens and/or mechanisms, including as a consequence of use, wear and tear or a manufacturing defect or rubber and nickel parts and accessories for the windscreen.
 - 4) Special windscreens and windscreens which deviate from the vehicle manufacturer's standards including damage occurring as a result of fixing accessories to the windscreen, mobile phone antennas and the like.
 - 5) Reinforced glass windscreens including bulletproof and stone-proof windscreens.
 - 6) Windscreen breakage which occurs as a consequence of or during use in a rally and/or vehicle fitness test.
 - 7) Scratches of any type to the windscreen.
- B. In addition to that stated in carried out A above, the service will not be provided in the following cases:**
- 1) In the event of extreme weather conditions in an area in where service is requested, including during storms, rain, hail or snow which do not enable the service to be provided on site.
 - 2) If the service is requested in an area in which riots or civil commotion are taking place.
 - 3) If providing the service necessitates the use of special equipment or special tools which cannot be taken out of the service station, or if providing the service necessitates the use of, or connection to the manufacturer's computers.
 - 4) In areas south of the Arava Junction, in areas East of Maaleh Adumim and in the territories of the Palestinian Authority.

4. Additional repairs

- A. For damage and/or damages whose repair is expressly excluded in the policy and/or in this policy and/or this extension and/or which are not covered under the policy and/or this extension (hereinafter "excluded repairs") in respect of which the customer contacts the service station for repairs to be performed, the service supplier will be entitled to charge the customer in accordance with the following conditions and for the following amounts:**



- 1) **Provided that the customer gives prior written agreement to the service station to perform the excluded repairs in accordance with a written quotation from the service station, after it has been clearly explained that there is no insurance cover for the repairs involved.**
- 2) **The price that the service station states in the quotation will be in accordance with the price list, net of a special discount for customers of Migdal Insurance Company Ltd.**
- 3) **On completion of the excluded repairs, the service station will provide the insured with a V.A.T. invoice and receipt in accordance with the quotation, containing a detailed account and breakdown of the cost of the parts which have been repaired and/or replaced and the fitting costs.**

5. The service period

- A. The service in accordance with this extension is valid for the period of insurance stated in the schedule and for as long as the policy is in force and has not been cancelled.
- B. This service plan may be cancelled in accordance with the relevant conditions of the policy and in accordance with legal provisions.
- C. Notwithstanding the aforementioned it is clarified that the insurer shall be entitled to cancel the service plan for all customers in the event of terminating the contract between the insurer and the service if the insurer fails to reach an agreement with an alternative service supplier, and subject to approval from the Commissioner of Insurance.
- D. Cancellation of this service plan in accordance with the conditions of sub-clause C above shall take effect immediately by notice of the cancellation and the customer shall be entitled to a pro-rata return premium paid for the service plan.

6. Changing the vehicle

If the policyholder changes the vehicle covered under the policy, they will continue to benefit from the service in this service plan for the new vehicle subject to the conditions of this extension.



7. General conditions

- A. **The cover in accordance with this extension is conditional upon the customer contacting one of the service stations and obtaining the service from them. For the sake of avoidance of doubt in any case where the repair is carried out in a service station which does not appear in the list of approved service stations, the insurer shall not be liable to pay any compensation in respect of the repair and/or the windscreen.**
- B. The customer agrees to empower the service supplier to claim against any third party for the damage to the windscreen, provided that the third party is not insured with any insurance company in the Migdal Group.
- C. The service provided in accordance with this service plan shall be provided by suitable professional people.
- D. Efficient and accessible communication shall be conducted with the insureds.
- E. The service shall be provided on a nationwide basis.
- F. The insurer shall be responsible for the services provided in the framework of this service plan.



SERVICE PLAN FOR BROKEN WINDSCREENS –WITH GENUINE PARTS FOR PRIVATE VEHICLES AND COMMERCIAL VEHICLES UP TO 3.5 TONS

This cover is valid solely if stated in the schedule

1. Definitions

In this service plan the following terms will have the meaning stated next to them:

- “The policy”** - The Motor Insurance Policy under which the vehicle is insured with the insurance company and to which this service plan is attached.
- “The policy schedule”** - The schedule attached to the policy forming an integral part thereof, as may be revised from time to time.
- “Windscreens”** - Front, rear and side windscreens of the vehicle. **For the sake of avoidance of doubt convertible roofs and sunroofs shall not be included in the cover in accordance with this service plan.**
- “Breakage”** - A breakage and/or crack which penetrates the depth of the windscreen.
- “The service”** - The replacement of the broken windscreen with a new genuine windscreen.
- “The vehicle”** - A private or commercial vehicle up to 3.5 tons, up to 5 years old, where the manufacturer of the vehicle has an approved agent in Israel and via who the vehicle was imported, **other than in the case of a personal import.**
- “The customer”** - The insured as stated in the policy schedule and anyone in possession of the motor vehicle and/or using it on behalf of the insured.
- “The service supplier”** - The supplier as stated in the policy schedule.



**“The price list” The price list of the service supplier for repairing or
- replacing broken windscreen as may be revised from
time to time.**

2. The scope of the service

- A. This service (hereinafter: **“the extension”**) shall implemented by the service supplier in a service station in the event that a windscreen of the vehicle is damaged.
- B. The insured declares that on the inception of the period of service the windscreens of the motor vehicle are intact with no defects and/or cracks.
- C. If this extension is purchased 30 days or more after inception of the period of insurance of the policy, the service is subject to receipt of written confirmation from the service supplier that the windscreens are intact at the inception of the service period.
- D. In the event of a broken windscreen (other than the cases excluded hereunder), the customer shall contact the call centre which shall refer them to a local service station in order to obtain the service.
- E. The service will be provided and implemented in accordance with the conditions of the extension, within the following timetable:
 - 1) Within 12 business hours of the time when it is brought to the service station, and at the latest by the end of the following day after the vehicle has been brought to the service station.
 - 2) For the purpose of this clause “business days” means Sunday to Friday (inclusive), other than public holidays in Israel.
 - 3) 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.

3. Exclusions

- A. **Notwithstanding the aforementioned, this extension will not cover any damage to the windscreen of the vehicle as a consequence of any of the following events and/or damage to the types of windscreens specified hereunder and/or damage of the type specified hereunder.**
 - 1) **Windscreen breakage caused maliciously by or on behalf of the insured.**



- 2) **Special windscreens and windscreens which deviate from the vehicle manufacturer's standards or windscreens which were not imported by an authorised importer.**
- 3) **Electrical breakdowns to windscreens and/or mechanisms, including as a consequence of use, wear and tear or a manufacturing defect or rubber and nickel parts, sensors and accessories for the windscreen.**
- 4) **Scratches of any type to the windscreen.**
- 5) **Windscreen breakage which occurs as a consequence of or during use in a rally and/or test and/or vehicle fitness test.**
- 6) **Damage to the windscreen occurring as a result of or whilst fitting a mobile phone antenna or mirror.**
- 7) **Theft of the windscreen (without signs of breakage of the windscreen).**
- 8) **Windscreen breakage as a consequence of transporting any bicycle on the motor vehicle.**
- 9) **The cases detailed in the general exclusions to all sections of the policy, as detailed in Section 6 of the policy – General exclusions to the liability of the insurer and any other event which is not covered under the policy.**

4. Additional repairs

- A. For damage and/or damages whose repair is expressly excluded in the policy and/or in this policy and/or this extension and/or which are not covered under the policy and/or this extension (hereinafter “**excluded repairs**”) in respect of which the customer contacts the service station for repairs to be performed, the service station will be entitled to charge the customer in accordance with the following conditions and for the following amounts:
- 1) Provided that the customer gives prior written agreement to the service station to perform the excluded repairs in accordance with a written quotation from the service station, after it has been clearly explained that there is no insurance cover for the repairs involved.
 - 2) The price that the service station states in the quotation will be in accordance with the price guide, net of a special discount for customers of Migdal Insurance Company Ltd.



- 3) On completion of the excluded repairs, the service station will provide the insured with a V.A.T. invoice and receipt in accordance with the quotation, containing a detailed account and breakdown of the cost of the parts which have been repaired and/or replaced and the fitting costs.

5. The service period

- A. The service in accordance with this extension is valid for the period of insurance stated in the schedule and for as long as the policy is in force and has not been cancelled.
- B. This service plan may be cancelled in accordance with the relevant conditions of the policy and in accordance with legal provisions.
- C. Notwithstanding the aforementioned it is clarified that the insurer shall be entitled to cancel the service plan for all customers in the event of terminating the contract between the insurer and the service if the insurer fails to reach an agreement with an alternative service supplier, and subject to approval from the Commissioner of Insurance.
- D. Cancellation of this service plan in accordance with the conditions of sub-clause C above shall take effect immediately by notice of the cancellation and the customer shall be entitled to a pro-rata return premium paid for the service plan.

6. General conditions

- A. **The cover in accordance with this extension is conditional upon the customer contacting one of the service stations and obtaining the service from them. For the sake of avoidance of doubt in any case where the repair is carried out in a service station which does not appear in the list of approved service stations, the insurer shall not be liable to pay any compensation in respect of the repair and/or the windscreen.**
- B. If any other damage occurs in the same insured event when the windscreen was damaged which is covered under the policy, or damage which was caused by a third party including to the bodywork of the motor vehicle, the service station shall not commence providing the service other than if it is provided with an undertaking from the customer not to make a claim with the insurance company or the third party in respect of the same insured event.



- C. The customer agrees to empower the service supplier to claim against any third party for the damage to the windscreen, provided that the third party is not insured with any insurance company in the Migdal Group.
- D. The service provided in accordance with this service plan shall be provided by suitable professional people specialising in the service.
- E. Efficient and accessible communication shall be conducted with the insureds.
- F. The service shall be provided on a nationwide basis.
- G. The insurer shall be responsible for the services provided in the framework of this service plan.



SERVICE PLAN – ROADSIDE AND TOWING SERVICES

This cover is valid solely if stated in the schedule

This document is a service plan between you and the service supplier stated in the policy schedule (hereinafter “the service supplier”). This service plan contains details of the services which you are entitled to receive, the mutual rights and obligations of you and the service supplier stated in the policy schedule.

1. Definitions

In this service plan the following terms will have the meaning stated next to them:

- “The policy” - The Motor Insurance Policy, as defined hereunder, under which the vehicle is insured with Migdal Insurance Company Ltd. and to which this service plan is attached.
- “The policy schedule” - The schedule attached to the policy forming an integral part thereof, as may be revised from time to time.
- “The vehicle” - A private or commercial vehicle up to 3.5 tons.
- “The customer” - The insured under the policy as well as anyone in possession of the motor vehicle and/or using it on behalf of the insured.
- “The service supplier” - The supplier as stated in the policy schedule.
- “Road” - An asphalt road or a road that has been paved for the passage of private or commercial vehicles or designated parking area.

2. The nature of the services

- A. The vehicle service as stated in clause 2 of this service plan (hereinafter “the vehicle services”) shall be provided 24 hours per day, 365 days per year **other than on the Day of Atonement (Yom Kippur).**



- B. The customer is entitled to receive the following services free of charge without any limitation of the number of call-outs during the period of membership, subject to the following:
- 1) **Towing the vehicle** – in accordance with the following conditions:
 - A. Towing from any place in the State of Israel to any other place in the State of Israel (other than for an electrical vehicle where the maximum towing distance is 30 km) including in the areas of Judea, Samaria and the Gaza Strip under the control of the I.D.F.
 - B. There is a need to tow a vehicle which cannot be driven due to an accident, theft or breakdown.
 - C. If the service supplier is unable to restart the vehicle or perform minor on-site repairs as specified in clause (3) hereunder.
 - D. The vehicle is situated on a road and can be towed.
 - E. The service supplier will not tow the vehicle from a repair garage, or within its immediate vicinity.
 - F. The service supplier will not provide any service if the need for the service arises as a result of the vehicle being serviced by a party who is unauthorised to service the vehicle.
 - G. If it is not possible to bring the vehicle to a repair garage during business hours or in cases when it is not possible to bring the vehicle into the repair garage, storage services will be provided. **The service will not be provided if the broken down vehicle is situated outside of the customer's home.**
 - 2) **Vehicle start-up.**
 - 3) **Minor roadside repairs** – Repairs at the place where the broken down vehicle is situated, which are essential for driving to the nearest repair garage and which can be performed on-site by the service supplier. It is clarified that the cost of spare parts, which need to be replaced, shall be paid for by the customer alone and is not included in the framework of this service plan.
 - 4) **Vehicle recovery** – Minor recoveries from a location in the vicinity of a road as a consequence of an accident, theft or

breakdown taking not more than 20 minutes and provided the towing can be performed by a standard tow truck without the assistance of other tow trucks or auxiliary tools.

- C. The vehicle services will be provided to the customer at the earliest possible convenience.
- D. The vehicle services will be provided to the customer.
- E. Your membership of the customer with the service supplier is individual and is not transferable.
- F. In the event of the sale of the vehicle of the customer, the validity of the plan for the same vehicle will expire.
- G. **The customer is entitled to one towing or one start-up without charge for each event or series of events which are causally connected to each other.**
- H. **Towing services will not be provided for an overloaded vehicle.**
- I. Service will be provided for replacing a single tyre provided that the spare tyre is not defective and there are suitable tools in the vehicle, neither will any service be provided if the puncture was caused maliciously or if the wheel screws are defective. **This service will not be provided in the Arava Desert or in the Golan Heights.**
- J. Towing services from car parks will be provided on condition that the vehicle is directly accessible.
- K. In the event that the vehicle breaks down due to an empty fuel tank, **this service is subject to payment of a deductible of NIS 60 and the insured will be required to pay the cost of the fuel. This service will not be provided in the Arava Desert or in the Golan Heights.**
- L. The customer will bear all costs incurred by the service vehicle for entry into a commercial parking lot and/or for the use of toll roads in order to provide service.
- M. **The service supplier will decide on the type of service require for the vehicle.**

3. Ordering and receiving the service

- A. If the customer needs any of the services specified in this service plan, they shall contact the call centre of the service supplier and identify themselves by name, insurance policy number or I.D. number or any other information required in order to verify entitlement to the services in



accordance with this service plan and details of where the vehicle is located.

- 1) **The service supplier will not be responsible to provide vehicle services for the vehicle of the customer without payment if the vehicle does not appear in the list of members supplied by the insurance company to the service supplier, or if the member has not been approved by the insurance company.**
- 2) The service supplier will nonetheless provide vehicle services to anyone who alleges to be a vehicle services member who does not appear in the aforementioned list, on payment of the fee for the services provided on site in accordance with the company's tariff, as a deposit. The fee paid for the service as a deposit will be refunded to the customer within 30 days receiving confirmation from the insurance company that the customer is entitled to receive the service.
- 3) If the customer decides to split up the service into separate stages, the subsequent service for the same breakdown will be considered as an additional service subject to payment, for which the customer will be given a 20% discount from the tariff of the service supplier.
- 4) In the event that the customer orders any service, and the company makes efforts to provide the service; if the service is not provided due to reasons which are out of the control of the company, the customer will be charged an additional fee if the customer orders another service from the company in respect of the same circumstances.
- 5) The service provided by the service supplier shall be provided by professional people with relevant and suitable experience for the type of service.

4. Cancellation of the membership and changing the vehicle

- A.
 - 1) As the customer you are entitled to change the vehicle at any time, without additional payment.
 - 2) Any changes or replacement of the vehicle covered by the membership will be made at your request and on receipt of notice from the insurance company.
 - 3) The cover for the new vehicle will take effect 72 hours after the date of changing the vehicle as aforementioned.



- 4) Your declarations and undertakings as the customer in accordance with this service plan as well as the rights and obligations of the service supplier in respect of your vehicle will apply to the new vehicle.
- B. If you sell your car and do not replace it, you will be entitled to a refund of the proportional share of the amount paid to the service supplier for the same part of the membership period until the expiry of the membership period and this on condition that you have not received any service from the service supplier up until this date.

5. Maintenance of the vehicle and the completion of the service

- A. The customer is responsible for the safekeeping of the vehicle until receipt of the motor service. Any loss, damage or defect to the vehicle or to its contents until the service vehicle arrives at the vehicle and commences service is under the responsibility of the customer and not the responsibility of the service supplier.
- B. The service supplier will be responsible for the safekeeping of the vehicle from the commencement of the service until its completion. The completion of towing services means the point at which the vehicle is brought to the place where the customer requested.
- C. The service supplier is entitled to leave the vehicle of the customer in the place where the customer has requested, and the customer will be responsible for its receipt and safekeeping from the same time onwards.
- D. In the event that it is not possible to bring the vehicle to the repair garage where the customer requested, during regular business hours, due to circumstances which are out of the control of the service supplier, the service supplier will ensure that the vehicle is kept safely and will bring it to the repair garage on the following day (other than if the following day is a Sabbath or holiday). The storage expenses for the vehicle in such an event will be paid for by the service supplier.

6. Damages

- A. The service supplier will compensate the customer for any direct damage which is caused to the vehicle as a consequence of providing the vehicle services, subject to the provisions of the Torts Ordinance (New Version) – 1968.



- A. In the event of any loss or damage as a consequence of the provision of the vehicle services, the customer must notify the service supplier accordingly as soon as possible.
- B. The customer shall provide a written breakdown of the damages, the items or details of the property as requested by the service supplier as soon as possible.
- C. The customer shall enable the service supplier's representatives to conduct an immediately inspection of the loss or damage, or any reasonable time by arrangement with the service supplier, and you must provide all reasonable assistance requested of you.
- D. The customer must not incur any expenses for the repair of damages without the written agreement of the service supplier which will be provided within a reasonable period of time, depending on the circumstances.
- E. The service provided in accordance with this service plan shall be provided by suitable professional people.
- F. The insurer shall be responsible for the services provided in the framework of this service plan.
- G. Efficient and accessible communication shall be conducted with the insureds.

7. The period of the membership and the undertakings in accordance with the plan

- A. The service in accordance with the service plan period runs parallel to the period of insurance stated in the schedule and for as long as the policy is valid, has not been cancelled, and is subject to clause 8 hereunder.
- B. Cover in a case where an endorsement has been issued to the insurance policy shall take effect only after 10 days has elapsed after the cover is issued and provided that the cover has not been issued retroactively.
- C. Cancellation of the service is place is subject to the relevant provisions of the policy and in accordance with legal provisions.
- D. Notwithstanding the aforementioned it is clarified that the insurer shall be entitled to cancel the service plan for all customers in the event of terminating the contract between the insurer and the service if the insurer fails to reach an agreement with an alternative service supplier, and subject to approval from the Commissioner of Insurance.
- E. Cancellation of this service plan in accordance with the conditions of sub-clause C above shall take effect immediately by notice of the



cancellation and the customer shall be entitled to a pro-rata return premium paid for the service plan.

8. Declarations and obligations of the customer

A. The customer hereby declares that:

- 1) The details of the vehicle stated are those which were provided directly by them or via an insurance agent and that these details are accurate.
- 2) The customer is aware of the fact that this service plan was issued with their agreement and relying on the aforementioned details and subject to them.
- 3) The service plan and its conditions constitutes a contract between the customer and the service supplier.
- 4) The vehicle is operating normally at the time when the contract with the service supplier takes effect.
- 5) The customer is aware of the fact that an approach to another party for the purpose of receiving service without the prior agreement of the service supplier will not entitle the member to a refund of expenses or part thereof or any other payment even if the customer would have been entitled to the service from the service supplier if the customer would have approached the service supplier.

B. The member undertakes as follows:

- 1) To take reasonable precautions to prevent anyone who is not entitled to receive motor service from the service supplier from doing so for or on behalf of the member.
- 2) To refund the expenses incurred by the service supplier for vehicle towing on receipt of an invoice from the service supplier in any situation in which you receive compensation or indemnity from any third party for the performance of such towing.
- 3) To notify the service supplier upon receipt of funds as aforementioned.
- 4) To enable the service supplier to collect, in the name of and on behalf of the customer, the aforementioned towing expenses which they are entitled to receive from any third party and for this purpose the customer hereby agrees to empower the service supplier to collect the same funds.



- 5) To comply with the other undertakings stated in this service plan.
- 6) To refrain from ordering vehicle services when the vehicle is operating normally. If a customer orders the service and the service supplier determines that the vehicle was operating normally before providing the service, the customer will be charged in accordance with the service supplier's tariff less a 20% discount, for the unnecessary call-out.



SERVICE PLAN – COURTESY CAR HOME SERVICE

This cover is valid solely if stated in the schedule

For the purpose of this service plan, car or vehicle means – the motor vehicle stated in the schedule of the policy to which this service plan is attached, and the services which this service plan covers for the same vehicle.

The call centre operates 24 hours a day and can be contacted at the number appearing in the policy schedule.

The nature of the services

The service supplier stated in the policy schedule (hereinafter: **“the service supplier”**) provides the insured with a courtesy car service as detailed in the following service plan (hereinafter: **“courtesy car”**) all year round other than on the Day of Atonement (*Yom Kippur*).

1. In the event of an accident

- A. In the event of an accident a consequence of which the vehicle is laid-up in a repair garage for its repair, the service supplier will provide the member with a courtesy car from a car hire company to who the member will be referred by the service supplier (hereinafter: the **“car hire company”**).
- B. The courtesy car will be provided after the damaged vehicle has been inspected by a qualified loss adjuster (hereinafter: **“the loss adjuster”**).
- C. Determining the number of days for obtaining the courtesy car is dependent on the number of days required to repair the damaged vehicle, based on the loss adjuster’s report, which will be based on the labour cost for repairing the insured vehicle divided by the number of business days (8 hours) in the garage in accordance with the tariff of the Repair Garages Association valid at the time of the repair.
- D. The courtesy car will be provided in accordance with the loss adjuster’s report for the repair period however not exceeding 7 days.
- E. In the event of a total loss, the courtesy car will be provided for a period of 21 days.



2. In the event of a theft

- A. In the event of the theft of the insured's vehicle, the service supplier will provide the member with a courtesy car from a care hire company within 24 hours from the time that notice is submitted to the police of the theft of the vehicle and until such time as the vehicle is found but not exceeding 29 days in total.
- B. The insured undertakes to return the courtesy car to the car hire company as soon as the stolen vehicle is found.
- C. If the stolen vehicle was involved in an accident in the period when it was missing as a result of which the vehicle is laid-up in a repair garage for its repair, the insured will be entitled to a courtesy car as stated in clause 1 above.

3. Limitations

- A. **The courtesy car will only be provided if a request is made with the service supplier within 14 days of the occurrence of the accident or the theft as applicable.**
- B. **The insured is not entitled to more than one courtesy car service free of charge per event or series of events with a causal relation between them.**
- C. **The total number of days on which a courtesy car will be provided will not exceed 45 days for the entire annual period of insurance.**
- D. **The courtesy car home service will only be provided inside of the pre- 4.6.1967 borders.**
- E. **The entitlement days to the courtesy car cannot be split-up.**

4. Receiving and returning the courtesy car

If the insured is entitled to a courtesy car as described hereunder, the courtesy car will be supplied in accordance with the following directives:

- A. The insured will receive a letter of referral to the car hire company from the service supplier, stating the number of days for which the insured is entitled to receive the courtesy car. This will be after presentation of confirmation that notice has been submitted to the insurance company, and on presentation of a police certificate and a loss adjuster's report (in the event of an accident).



- B. In the event of a theft, the member will be referred to the car hire company for 10 days, and if the vehicle is not found within 7 days, the member will obtain a referral letter from the service supplier for a further 7 days until the end of the entitlement period to the courtesy car as explained above.
- C. The insured will receive the courtesy car within 24 hours of presenting the referral letter to the car hire company (Sabbaths and public holidays will not be taken into account in enumerating the hours). The insured may collect the car at the offices of the car hire company or at any other address in Israel of their choice. The insured will sign a hire agreement with the hire company in the standard wording of the hire company at the time.
- D. The member is responsible for returning the courtesy car to the car hire company branch and if the home service is required in accordance with the aforementioned clauses, it will be necessary to state this at the time of ordering the vehicle.
- E. **The insured will have all of the rights, duties and restrictions applicable to a regular customer from the car hire company (other than the payment for the rental itself as explained in this service plan). The courtesy car will be provided to drivers over the age of 21 who are not defined as new drivers. The insured will also leave a deposit, or a signed credit card slip as usually required with the car hire company. For the sake of avoidance of doubt, if the courtesy car and/or a third party car are lost or damaged whilst the insured is using the courtesy car, the insured will be liable for payment of the deductible as required in the rental contract.**
- F. **The courtesy car which the car hire company will provide to the insured will be a small automatic car (engine capacity of 1300 cc) or a small commercial vehicle, depending on the cover purchased by the insured as stated in the schedule.**
- The vehicle will be supplied to the insured at one of the branches of the hire company or to any other address in Israel at the choice of the insured, during regular business hours.**
- G. If the insured chooses to use the home service, please state this when making the order. When ordering the service, the insured must provide the exact address where the car is to be delivered and two contact numbers.

- 1) The service will be provided during regular business hours (clause H hereunder) and by prior arrangement.

In the large cities and their metropolitan areas, the customer will need to provide 24 hours prior notice. In places more than 50 km from the car hire company branch, 48 hours prior notice is required. The insured named in the policy will need to be the person who accepts the vehicle and must present a valid driving license and a credit card for security.

- 2) The car must be returned to the car hire company in the same manner. The insured is responsible for returning the car at the time stated above.
- 3) The waiting time for a driver to deliver or return the vehicle will not exceed three hours.

- H. The regular business hours at the hire car company are Sunday to Thursday between the hours 08:00 – 17:00 and on Friday and holiday eves between the hours 08:00 – 13:00. Outside of these hours the insured can collect the car at Ben Gurion Airport and in such a case the insured will be required to pay the standard airport tax.
- I. Fuel expenses for the rented vehicle will be paid for entirely by the insured.
- J. The insured must return the courtesy car to the car hire company at the end of the period of entitlement as stated in the car hire agreement, however if the entitlement arises from the theft of the vehicle, the courtesy car must be returned immediately if the stolen car is found.
- K. The insured will be fully responsible for charges made by the car hire company for late return of the courtesy car.
- L. The insured will be entitled to a discount of 15% from the car hire company's standard tariff for private customers applicable at the time, or additional days hire beyond the period allowed, and for upgrades.
- M. The service supplier is entitled at their discretion at times it sees fit and provided that the service is included in the services provided to the insured free of charge and in order to enable provision of the service, to notify the insured that they permit them (in respect of the specific service which has been ordered and at the same time) to use alternative means of transport of any other means the insured decides and at their responsibility. In such a case the service supplier shall refund the sum of NIS 110 to the insured for each day of entitlement.



5. Entitlement to the service

- A. The entitlement to the service is not transferrable.
- B. The vehicle may be changed during the membership period. In such a case please notify the service supplier in writing, and the membership for the new vehicle will take effect 72 hours after receipt of the notice by the service supplier.
- C. The service supplier is entitled at their discretion at times it sees fit and provided that the service is included in the services provided to the insured free of charge and in order to enable provision of the service, to notify the insured that they allow them (in respect of the specific service which has been ordered and at the same time) to use alternative means of transport of any other means the insured decides and at their responsibility. In such a case the service supplier shall refund the sum of NIS 110 to the insured for each day of entitlement.

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

- A. The service in accordance with this service plan is valid for the period of insurance stated in the schedule and for as long as the policy is valid and has not been cancelled.
- B. Notwithstanding the aforementioned it is clarified that the insurer shall be entitled to cancel the service plan for all customers in the event of terminating the contract between the insurer and the service if the insurer fails to reach an agreement with an alternative service supplier, and subject to approval from the Commissioner of Insurance.
- C. Cancellation of this service plan in accordance with the conditions of sub-clause C above shall take effect immediately by notice of the cancellation and the customer shall be entitled to a pro-rata return premium paid for the service plan.
- D. The insurer shall be liable for the services provided in the framework of the service plan.



SERVICE PLAN – V.I.P. SERVICE

The cover in accordance with this service plan is valid solely if stated expressly in the schedule

1. The service plan

This document is a service plan between you and the service supplier stated in the policy schedule (hereinafter “**the service supplier**”).

This service plan contains details of the services which you are entitled to receive, the mutual rights and obligations of you and the service supplier.

2. The nature of the services

The services stated hereunder will be provided to the insured via the service supplier and as stated hereunder:

- A. Arrival of a representative on behalf of the service supplier to the place in which the insured's vehicle, which has been involved in a road traffic accident, is situated, who will take over subsequent handing of the repair to the insured's vehicle and will enable to the insured to proceed with their journey, within the timetable stated in sub-clause 2.C hereunder.
- B. Arrival of a taxi to the place of the accident to take the insured to their original destination, within the timetable stated in sub-clause 2.C hereunder.
- C. The timetables for the arrival of the service are as follows:
 - 1) Within 45 minutes, if the insured is situated within 50 km of a major city.
 - 2) Within 60 minutes if the insured's vehicle is situated in a radius exceeding 50 km of a major city. “Major city” for the purpose of this clause 2.C means – Jerusalem, Tel Aviv, Haifa, Beersheva, Ashdod, Rishon Lezion, Kfar Saba, Hadera, Tiberias, Carmiel and Kiryat Shmona.
- D. A representative of the service supplier will drive the insured's vehicle which has been involved in an accident (and if it is not possible to drive the insured's vehicle – the representative of the service supplier will arrange for a tow truck) to a repair garage of the insured's choice.



- E. The insured will be required to sign a confirmation of repair of the insured vehicle (at the place of the accident and on the insurer's claims form) and it will be necessary to arrange for the insured to visit the repair garage later on to receive the vehicle to their satisfaction.
- F. A courtesy car in the event of an accident or total loss in accordance with the conditions stated in the Courtesy Car – Home Service Plan, and provided that the insured has purchased the cover in accordance with this section and subject to the following conditions:
 - 1) Arranging to receive the courtesy with the hire car company for the insured (at the home or place of work of the insured) and arranging collection of the courtesy car from the car hire company after the insured's car has been returned satisfactorily from the repair garage, all subject to the right of the insured to a courtesy car and to the conditions of this right. It is clarified that the aforementioned does not exempt the insured from any statutory duty they have including, but not limited to the duty for the driver to wait at the place of the accident until the police arrives in the event of an accident involving casualties.
 - 2) Where the damage to the vehicle of the customer is defined by the loss adjuster as a total loss; the courtesy car shall be provided for 7 days from the first day.
- G. The services will be provided for the insured's vehicle alone and the insured is not entitled to assign the right to receive the service to any other car.
- H. The services are provided 24 hours per day other than on the eve of Yom Kippur from 14:00 hours until two hours after the end of the fast.
- I. The services stated in clause 1 above will be provided anywhere in Israel other than in the areas of Judea, Samaria, Gaza Strip, the Arava Desert and Eilat.
- J. Provision of the services is conditional upon the insured holding a valid credit card, and the insured must provide a valid certificate of insurance of the vehicle and the vehicle license to the representative of the service supplier in order to take the vehicle to the repair garage.

3. Obtaining the service

- A. If in need of the service, the insured must contact the claims call centre of the service supplier, identify themselves, state the policy number or any other details required in order to confirm they are entitled to receive



the services in accordance with this service plan, as well as details regarding the exact place in which the insured vehicle is situated.

- B. Alternatively, the insured may contact the service supplier, identify themselves and provide the information detailed in clause 1 above. If the insured contacts the call centre and for some reason does not appear in the records as the one entitled to receive all or some of the services, it will be necessary to provide credit card details and sign a letter of undertaking to pay the cost of the relevant service according to the price list of the service supplier if it transpires that the insured is not entitled to receive the service.

4. Entitlement to the service and the period of membership

- A. The entitlement to the service is not transferrable.
- B. The membership period runs parallel to the period of insurance of the motor insurance policy and is valid as long as the insurance policy is valid and has not been cancelled.
- C. Cancellation of the service supplier is in accordance with the relevant conditions of the policy and in accordance with legal provisions.
- D. Notwithstanding the aforementioned it is clarified that the insurer shall be entitled to cancel the service plan for all customers in the event of terminating the contract between the insurer and the service if the insurer fails to reach an agreement with an alternative service supplier, and subject to approval from the Commissioner of Insurance.
- E. Cancellation of this service plan in accordance with the conditions of sub-clause C above shall take effect immediately by notice of the cancellation and the customer shall be entitled to a pro-rata return premium paid for the service plan.

5. Undertakings of the service supplier

- A. The service provided in accordance with this service plan shall be provided by suitable professional people with relevant experience for the type of service.
- B. Efficient and accessible communication shall be conducted with the insureds.
- C. The insurer shall be responsible for the services provided in the framework of this service plan.



SERVICE PLAN – ELECTRIC CAR RECHARGING

This cover is valid solely if stated in the schedule

This document is a service plan between you and the service supplier stated in the policy schedule (hereinafter “**the service supplier**”). This service plan contains details of the services which you are entitled to receive, the mutual rights and obligations of you and the service supplier stated in the policy schedule.

1. Definitions

In this service plan the following terms will have the meaning stated next to them:

- | | | |
|--------------------------------|---|--|
| “The policy” | - | The Private cars and Commercial Vehicles up to 3.5 tons Insurance Policy under which the vehicle is insured with Migdal Insurance Company Ltd. and to which this service plan is attached. |
| “The policy schedule” | - | The schedule attached to the policy forming an integral part thereof, as may be revised from time to time. |
| “The vehicle” | - | A private or commercial vehicle up to 3.5 tons whose details are stated in the policy schedule. |
| “The service supplier” | - | The supplier whose details are stated in the policy schedule. |
| “The call centre” | | The call centre whose details are stated in the policy schedule. |
| “The customer” | - | The insured under the policy as well as anyone in possession of the motor vehicle and/or using it on behalf of the insured. |
| “The period of service” | - | The period of insurance stated in the policy schedule and provided the policy is in force. |

2. The service

- A. A representative of the service supplier shall come to the place where the vehicle is located which needs to be recharged electrically in order to



enable the driver to continue their journey to the nearest public recharging station.

- B. The vehicle will be recharged by a representative of the service supplier in one of the following two ways, at their sole discretion:
 - 1. Recharging the vehicle with a mobile charging station. It is hereby clarified that the service supplier agrees to supply power to the vehicle to enable it to travel up to 30 km and provided that the (net) recharging time does not exceed 20 minutes.
 - 2. Towing the vehicle to the nearest charging station.
- C. It is hereby clarified that this is purely an emergency service. If the service supplier has been called out to recharge a vehicle which has a sufficient supply of electricity to travel to the nearest public recharging station – **the customer will be charged for the service in accordance with the price list of the service supplier.**
- D. If the service supplier comes to the place of the event and it transpires that it is not possible to operate the vehicle because the battery has died, the service supplier will not be required to tow the customer's vehicle other than if the customer also holds a road services and towing plan with the service supplier. For the sake of avoidance of doubt, if the customer holds a road services and towing plan with the service supplier, the conditions of the aforementioned service plan shall apply.

3. The scope of the service

- A. The service supplier shall supply the service to the customer during the period of the service, in accordance with and subject to the conditions of this service plan.
- B. If the customer requires service, they shall contact the call centre of the service supplier.
- C. The service will be provided around the clock **other than on Yom Kippur** (the service shall be suspended three hours before the fast starts and resume three hours after it ends).
- D. For the sake of avoidance of doubt, the service in accordance with this service plan **does not include any other and/or additional service or anything arising therefrom including payment of the costs of recharging at a mobile charging station or payment of statutory fees.**



- E. The service shall be provided for the motor vehicle only **and the customer shall not be entitled to transfer the right to receive it to any other vehicle.**
- F. The services shall be provided in the State of Israel and the disputed territories (other than Palestinian Authority areas) provided there is no prohibition from entering such territory at the time by any competent authority.
- G. If the service supplier is unable to provide the service for any reason of the control of the service supplier the service supplier shall pay the customer the sum of **NIS _____** in place of providing the service and in such a case there shall be no further complaint against the service supplier in this context.
- H. If the customer obtains the service from any other service supplier without obtaining the prior consent of the service supplier, the service supplier shall be exempt from any liability under this service plan.
- I. A representative of the service supplier shall not recharge any vehicle which to the best of their understanding would involve a safety hazard.

4. Damages to the vehicle as a consequence of provision of the service

- A. The service supplier will compensate the customer for direct damage which occurs to the vehicle as a consequence of a breach of the duty of care by the service supplier, subject to all provisions of the Torts Ordinance (New Version) – 1968.
- B. In the event of any loss or damage as a consequence of the provision of the service, the customer must notify the service supplier in writing as soon as possible.
- C. The customer shall provide the service supplier with the information and documents required by the service supplier in connection with any damage as a consequence of the provision of the service.
- D. The customer shall enable the service supplier's representatives to conduct an immediately inspection of the loss or damage, or any reasonable time by arrangement with the service supplier, and you must provide all reasonable assistance requested of you.
- E. **The customer must not incur any expenses for the repair of damages without the written agreement of the service supplier which will be provided within a reasonable period of time, depending on the circumstances.**



- F. The service provided in accordance with this service plan shall be provided by suitable professional people.
- G. Efficient and accessible communication shall be conducted with the customer.
- H. The insurer shall be responsible for the services provided in the framework of this service plan.

5. The period and validity of the service

- A. The service in accordance with the service plan period runs parallel to the period of insurance stated in the schedule and for as long as the policy is valid, has not been cancelled, and is subject to clause 6 hereunder (“Declarations of the customer and their undertakings”).
- B. This service plan may be cancelled in accordance with the relevant conditions of the policy and in accordance with legal provisions.
- C. Notwithstanding the aforementioned it is clarified that the insurer shall be entitled to cancel the service plan for all customers in the event of terminating the contract between the insurer and the service if the insurer fails to reach an agreement with an alternative service supplier.
- D. Cancellation of this service plan in accordance with the conditions of sub-clause B above shall take effect immediately by notice of the cancellation and the customer shall be entitled to a pro-rata return premium paid for the service plan.

6. Declarations and obligations of the customer

- A. **The customer hereby declares that:**
 - 1) The details of the vehicle stated are those which were provided directly by them or via an insurance agent and that these details are accurate.
 - 2) The customer is aware of the fact that this service plan was issued relying on the aforementioned details and subject to them.
 - 3) The service plan and its conditions constitutes a contract between the customer and the service supplier.
 - 4) The vehicle is in working order and can be operated by its battery at the time when the contract with the service supplier takes effect.



- 5) The customer is aware of the fact that an approach to another party for the purpose of receiving service without the prior agreement of the service supplier will not entitle the member to a refund of expenses or part thereof or any other payment even if the customer would have been entitled to the service from the service supplier if the customer would have approached the service supplier.



EXPLANATORY LEAFLET FOR THE INSURED
THE PROCESS OF APPOINTING A LOSS ADJUSTER AND PREPARING AN
ASSESSMENT OF THE LOSS IN THE EVENT OF AN INSURED EVENT
AFFECT THE VEHICLE

Dear Insured,

When executing the insurance contract between you and an insurer from the Migdal Group (hereinafter: “**the company**”), according to which your vehicle is insured (hereinafter: “**the policy**”), we are pleased to provide you with an explanatory leaflet in order to supply general information regarding selecting a loss adjuster and the process of loss adjusting, your rights under the policy as well as regarding the steps you need to take in order to exercise these rights, all in accordance with the provisions of sub-clauses 7A and B of a circular issued by the Commissioner of Insurance no. 8-1-2007 dated 29.4.2007 regarding “Motor Insurance Loss Adjusting (Casco)” (Hereinafter: “**the circular**”).

We recommend reading this explanatory leaflet as soon as you receive it and in any case in the event of a claim covered under the policy.

1. Loss assessment following the occurrence of an insured event

If an insured event occurs which is covered under the policy and your vehicle is damaged, in addition to the duty to notify the company immediately, in order to arrange for the damage to be assessed, you need to select a loss adjuster in accordance with the following options:

- A. Following the occurrence of you event and **before repairing the damage to your vehicle**, you must select an external loss adjuster from a list of external loss adjusters of the company as stated in clause 2 (List of Loss adjusters) hereunder, in order to assess the damage to the vehicle.
- B. If you notify the company that you does not have any preference in receiving service from a specific loss adjuster, the company will select a loss adjuster randomly from the list of external loss adjusters from the same area to ensure that it does not have any preference at any time in selecting a specific loss adjuster over another loss adjuster. The company will provide the details of the external loss adjuster to you immediately, including the details of how to contact him. The company 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 his 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 you, the company and the repair garage.
- E. The company 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 company and the loss adjuster will submit to you on demand, any document and information you request for the purpose of assessing the loss.
- F. The repair quotation and the assessment of the external loss adjuster will be **repair quotations and binding assessments**, other than the submits a written counter-repair quotation and assessment (of any loss adjuster) and advises the adjudicating loss adjuster as detailed hereunder of its desire to appeal the repair quotation or the assessment, no later than one 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 company, as applicable.
- G. You are entitled to appeal the repair quotation or the assessment of the external loss adjuster, provided that you present a counter-repair quotation and advise of your desire to appeal **before repairing the vehicle** or present a counter assessment within not more than one week after you have received 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 company will bear the entire cost of the fee of the external loss adjuster.

2. List of external loss adjusters

- A. “External loss adjuster” – A loss adjuster who is not an in-house loss adjuster and is included in the list of external loss adjusters which the company has prepared.
- B. Our company holds a list of external loss adjusters for each area. For commercial or non-private vehicles exceeding 3.5 tons or motorbikes, the list of external loss adjusters is nationwide. The list of external loss adjusters is for each area with a suitable geographical spread and contains at least one loss adjuster for each 2,000 vehicles which are covered under motor property insurance with the company on the last day of the previous calendar year. The company is 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.
- C. These lists are updated from time to time and can be found in the company internet site: www.migdal.co.il. Similarly, you can obtain an updated list by e-mail or fax on request.

3. Mechanism of the adjudicating loss adjuster

- A. The Insurance Companies Association and the Loss Adjusters Association will compile a list of adjudicating loss adjusters, who will assess the damage in any case of a dispute between two repair quotations or two assessments. The list will contain a reasonable number of loss adjusters in an appropriate geographical spread, and will be accessible by the public, including via the internet.
- B. If you or the company advises of their desire to appeal the repair quotation or the assessment as stated in clauses 1 (F) or 2 (G) above, a random **adjudicating loss adjuster** from the list of adjudicating loss adjusters will be appointed.
- C. The adjudicating loss adjuster will not be an in-house loss adjuster or external loss adjuster of the insurer. The adjudicating loss adjuster will provide his 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 his fee and the cost of your counter-repair quotation or counter-assessment will



be split between you and the company, taking into account the results of the appeal. The cost of the repair quotation or the counter assessment of the company will be paid for by the company.

- E. The adjudicating loss adjuster will be selected randomly from the list of adjudicating loss adjusters stated in clause 3A above by the joint Insurance Companies Association and Loss Adjusters Association (“the call centre”). The telephone number of the call centre is: 1-700-700-888.

4. **Selecting another loss adjuster**

You are entitled to select “another loss adjuster” (any loss adjuster who is not an “internal loss adjuster” or an “external loss adjuster”) **and this on condition that you enable a loss adjuster acting for the company to inspect the vehicle before its repair.** In such a case, the company 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 clause 1 in sub-clause (F). The provisions of this sub-clause do not derogate from the right of you to obtain a refund for the cost of the fees of the other loss adjuster, provided that you have this right.

5. **Prohibition of influencing the loss adjusters, the assessment process and repairing the vehicle**

It is prohibited for you, the company, the insurance agent, the 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 you, including:

- A. May not impose any restrictions on you in approaching the loss adjuster directly. In this regard, a request of the company that your approach to the loss adjuster is made solely after you contact the company will be considered as a restriction. It is clarified that this directive does not derogate from your duty to notify the company of you insured event immediately upon becoming aware of the occurrence of the event and of your right to indemnity payments in accordance with the provisions of section 22 of the Insurance Contract Act – 1981.
- B. Any involvement of any party other than the external loss adjuster in the process of assessing the loss is prohibited. This company may submit general information to the loss adjuster prior to preparing the assessment, such as information regarding the insurance cover, details of the policy, the policy conditions, extensions and the like. The company is not



entitled to instruct the external loss adjuster regarding declaring the vehicle to be a total loss or to give him instructions which are inconsistent with his function as a loss adjuster.

- C. After the repair quotation has been submitted, you (and the company) are entitled to raise comments before the external loss adjuster solely on technical matters related to the repair quotation that do not contain anything that might influence the professional judgement of the loss adjuster. In this regard, “comment on a technical matter” – means a comment regarding incorrect use of language, erroneous calculation, accidental omission, erroneous addition of anything and the like. If the adjuster finds that the comment which has been made is justified, he will state the comment and update the repair quotation in writing. The loss adjuster will also submit the updated quotation to the repair garage, to you and to the company attaching an explanation regarding the differences between this repair quotation and the previous quotation. The provisions of this sub-clause do not derogate from the right of either party to appeal the repair quotation in accordance with the mechanism stated in sub-clauses 1 (F) and 2 (G) above.
- D. The loss adjuster will not be given any instructions which restrict his 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 to his function as a loss adjuster, with specific reference to:
 - 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 your rights and in accordance with his professional judgement.

6. Due disclosure

- A. The company must submit to you, 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 company must submit the final loss report to you 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 you event, including a verbal description of the damage;
 - 3) A monetary assessment of the damage, including depreciation, due to you event and the manner of calculating them, including: Parts which need to be used to repair the damage and a description of the part, the number of hours labour required to repair the damage, including details of the time required for each of the different repair clauses, the hourly, labour costs, the manner of calculating the value of the vehicle for the purpose of calculating the depreciation, the manner of calculating the value of the vehicle in the event of a total loss and any other factual information on which the assessment is based.
 - 4) Details of the individual preparing the assessment and his signature in accordance with legal provisions.
- B. If you wish to receive the aforementioned documents by e-mail, please advise the company of your address.



MIGDAL INSURANCE COMPANY LTD.

STATUTORY MOTOR BODILY INJURY INSURANCE POLICY

(In accordance with 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 pay indemnity on the occurrence of an insured event during the period of insurance.

1. DEFINITIONS FOR THE PURPOSE OF THIS POLICY –

- “The policyholder”** – One who enters into a contract 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”** – Migdal Insurance Company Ltd.
- “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, 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.
- “Bodily injury” *** – Death, illness, injury or bodily or mental 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.



- “Injured party” *** – Anyone 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.
- “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.
- “Road accident”*** – An event in which bodily injury is caused to an individual due to the use of a motor vehicle for transportation purposes; a road accident will also be considered as 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 a road accident will not be considered to 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.
- “The Insurance** – The Motor Vehicle Insurance Ordinance [New



Ordinance”	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 accordance with section 9 of the Insurance Ordinance or in accordance with regulation 7 of the Supervision of Financial Services Regulations (Insurance) (Statutory Motor Bodily Injury Policy Conditions) – 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.

* N.B. The binding definition is the definition appearing in the Road Accidents Victims Compensation Law on the occurrence date of the insured event.

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 section 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 insurer will be liable to make payment in accordance with this policy provided that the insured event occurs within the boundaries of the State of Israel or within the boundaries of the territories detailed in section 3 (C) of the Insurance Ordinance, subject to the provisions therein, however without derogating from the generality of section 2 (A1) of the Compensation Law.

6. PERMITTED USES

- A. The liability of the insurer in accordance with this policy applies solely if the vehicle was used by the insured for one or more of the following uses at the time of the occurrence of the insured event:
 - 1) Social, domestic and pleasure purposes or for the business of the insured, other than the uses detailed in clauses (2) – (4) hereunder;



- 2) Commercial use in the context of an annual safety and exhaust emission 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;
 - 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;
 - 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;
- B. Notwithstanding the provisions of sub-clause (A), this policy does not cover use of the motor vehicle based on a car hire agreement if the hirer leases the vehicle in the context of a business venture, other than if this use is stated expressly in the certificate of insurance; in this regard “hire agreement” excludes an operational leasing agreement or financial leasing agreement.**
- C. Notwithstanding the provisions of sub-clause (A), this policy does not cover the use of a competitive sports vehicle in respect of which a competitive sports vehicle license has been issued, other than use of the vehicle as aforementioned during motor sports on a linking stage or during non-motor sport driving which is permitted in accordance with section 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 section 6 of the said law.**

7. PERSONS PERMITTED TO DRIVE THE VEHICLE

- A. Only the policyholder, the owner of the vehicle, the legal keeper of the vehicle and any individual using the vehicle with the permission of any individual who is permitted to drive the vehicle.**
- B. Notwithstanding the provisions of sub-clause (A), if it is stated in the certificate of insurance that the said certificate has been issue 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 persons whose names are stated in the certificate of insurance and only the persons whose names are stated in the certificate of insurance are permitted to drive the vehicle.

- C. 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.**

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. Notwithstanding the provisions of sub-clause (A) –**

- 1) The insurer will not be exempt from liability in accordance with this policy if the driver of the vehicle held a valid driving license as stated in sub-clause (A) above at any time during the 24 months that preceded the occurrence date of the road accident, provided that at the time of the occurrence of the insured event they have not been disqualified from obtaining or holding such a driving license in accordance with the directives of any legislation, legal verdict, court decision or decision of any other competent authority.
- 2) If the use of the motor vehicle was for advanced practical driving lessons in accordance with regulation 213 A of the Transportation Regulations or if it was undergoing an annual safety and exhaust emission test by the Licensing Authority (hereinafter – 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 safety and exhaust emission 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 determined in comparison to the premium which would have been determined 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 section 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 notice 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 notice 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 notice of an aggravation of the risk.

10. NOTICE 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 notice from the insured or from another party of the occurrence of an insured event, the insurer must act immediately to clarify its liability and must notify the insured whether it accepts liability for coverage of the insured event; a copy of the insurer's notice 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 section 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 section 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, the 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 notice to the insurer, to cancel the policy at any time prior to the expiry of the period of insurance.
- B. If the policy is cancelled at the request of the policyholder, the policyholder shall return the original certificate of insurance to the insurer as a precondition to the cancellation taking effect. If the original certificate of insurance has been lost, stolen or destroyed, the policyholder shall provide the insurer with a written declaration signed before the insurer or the ins agent concerning the circumstances of the loss, theft or destruction and shall state whether the vehicle is still owned or kept by them (hereinafter: “the declaration”).
- C. Cancellation of the policy by the policyholder will take effect on the date on which the original certificate of insurance is returned to the insurer or on the date on which the declaration is submitted to the insurer.
- D. If the policy is cancelled in accordance with this clause, the insurer will refund the 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. 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. Interest and indexation increments to the Consumer Price Index shall be added to the return premium as stated in sub-clause (D) between the latest index published before the inception date of the period of insurance and the latest index published before the date when the return premium is 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.

16. CANCELLATION OF THE POLICY BY THE INSURER

- A. The insurer is entitled to cancel the policy at any time prior to the expiry of the period of insurance due to fraud on the part of the policyholder or due to the non-disclosure of facts that were inquired about prior to the issue of the policy; the policy will be cancelled by written notice 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. If the policyholder receives cancellation notice, they shall return the original certificate of insurance to the insurer immediately after the cancellation takes effect however not returning the certificate of



insurance as aforementioned does not prevent the cancellation of the policy taking effect.

- B. If the insurer cancels the policy, it shall pay a return premium to the policyholder as soon as possible and not later than 14 days from the date when the policyholder returns the original certificate of insurance to the insurer being the pro-rata share of the premium paid, and if the original certificate of insurance has been lost, stolen or destroyed – no later than the date when the policyholder provides the insurer with a written declaration signed before the insurer or the insurance agent concerning the circumstances of the loss or destruction as aforementioned.
- .C. The pro-rata amount 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 notice 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



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

19. PRESCRIPTION

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

20. NOTICES

- A. Notices to the insurer from the policyholder or to the injured party must be submitted to one of the following addresses:
 - 1) The office of the insurer as stated in the certificate of insurance or to any other address in Israel that the insurer notifies the policyholder or the injured party of in Israel;
 - 2) The address of the insurance agent whose name is stated in the certificate of insurance.
- B. Notices from the insurer to the policyholder must be sent in writing to the address of the policyholder as stated in the certificate of insurance or to any other address that the policyholder notifies the insurer of in Israel.
- C. The provisions of this clause do not negate the requirements of clauses 15 or 16 in respect of cancellation of the policy nor do they derogate from them.

21. CLAIMS REPORT

- A. One month prior to the expiry of the period of insurance or immediately after its expiry if it expires in an unforeseen manner, the insurer must



send a claims report to the policyholder containing details of all of the claims that have been made up until the same date, if made (hereinafter – **“claims report”**).

- B. In the claims report the insurer must provide details of all of the claims that have been made in the three years that preceded the date on which the report is sent, or which have been made in the period in which the policyholder was covered by the insurer, the shorter of the two periods, together with details of the drivers involved in the accidents.
- C. If a claim has been made during the course of the month prior to the expiry of the period of insurance, the insurer must send an update to the claims report.



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