



Insurance policies

Version 09/2024

| Private and commercial vehicles up to 3.5 ton

Property damage and third-party damage

| Compulsory vehicle insurance policy

In the event of any discrepancies between the Hebrew original and this translation, the Hebrew original shall take precedence.

המהדורה הקובעת הינה המהדורה שכתובה בשפה העברית

Insurance policies

Private and commercial vehicles up to 3.5 ton

(Property damage and third-party damage)

*Compulsory vehicle insurance

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Insurance policy for private and commercial vehicle up to 3.5 ton

(Property damage and third-party damage)

Dear Insured,

This document and the documents attachment thereto, i.e., the insurance proposal, the Policy Schedule and other documents that were attached or that will be attached in the future, constitute the insurance contract (hereinafter: the "**Policy**") made between you and Hachshara Insurance Company Ltd (hereinafter: the "**Company**"). This Policy is a contract made between the Company and the Insured whose name is as stated in the Policy Schedule, according to which the Company agrees, in return for the insurance premiums, to indemnify the Insured for the insurance term for loss or damage caused to the insured Vehicle in consequence of the insured event and as a result of damage to third-party property, and all in accordance with the provisions set forth in this Policy.

The insurance premiums, the insurance term, the deductible, the price list, and the liability limits in accordance with Chapter B are as stated in the Policy Schedule constituting an integral part thereof of this Policy.

The mutual rights and obligations of the Insured and the Company are stated in the Policy. The Insured may select specific chapters of the Policy for the purpose of receiving insurance coverage, or the entire chapters. If you wish to change the scope of coverage, add or renew such coverage and the Company agreed to your request, your request and the additional documents that will be delivered to you shall form part of the Policy.

For your information, personal injuries should be insured separately, in accordance with the provisions of the Motor Vehicle Insurance Ordinance [New Version] 5730 - 1970 and the insurance shall be taken out in a separate policy that includes an insurance certificate.

This Policy is made in accordance with the provisions set forth in the Insurance Contract Law 5741-1981 and the Control on Financial Services (Insurance) Law, 5741-1981 and the regulations enacted thereunder.

"Price List" for the purpose of this Policy is the used and new car prices list of the appraiser Levi Itzhak unless otherwise stated in the Policy Schedule.

Part 1

Definitions

The "Insured"	The Insured whose name is as stated in the Policy Schedule.
The "Company"	Hachshara Insurance Company Ltd.
"Private Vehicle"	As meant by this term in the Traffic Ordinance [New Version] (hereinafter: the " Ordinance ") including a commercial Vehicle, as meant by this term in the Ordinance, weighing up to 3.5 ton, except for a motorcycle.
The "Policy Schedule" and/or the "Schedule"	A document printed from the computer systems of the Company and that includes the specific particulars of the Insurance Contract, such as the name of the Insured, his address, the Policy number, description of the insured risk and coverage, insurance premiums, insurance term, deductible, name of price list, liability limits, printing date and signature of the Company.
The "Vehicles" and/or the "Vehicle"	The Vehicle whose name is as stated in the Policy Schedule including the accessories and assemblies in the basic model of the Vehicle as stated in the specification of the importer and without which it is impossible to purchase the Vehicle, the air-conditioning system in the Vehicle, the protective measures that were installed in the Vehicle following the demand of the Company, the accessories in the Vehicle by virtue of the law or the accessories attached to the Vehicle as stated in the Policy Schedule.
"Insurance Premiums"	The total amount of payments that the Company is entitled to charge from the Insured on the insurance commencement date in connection with this Policy. The Insurance Premiums shall be stated in the Policy as one amount, denominated in Israeli currency, that includes all payments that the Company is entitled to charge from the Insured for the insurance on the insurance commencement date.
The "Price List"	A methodical, professional and independent file of prices and rules, used for the purpose of determining the market value of Private Services of all types, between a voluntary buyer and a voluntary seller, that is regularly published and that can be reviewed at all times.
"Vehicle Value"	The value of a Vehicle that is not listed in the Price List as hereinabove defined shall be set based on a valuation that will be attached to the Policy Schedule.
"Value Added Tax"	As meant by this term in the Value Added Tax Law 5736-1975.
"Index"	The consumer price index published by the Central Bureau of Statistics from time to time.
"Damage reduction"	Deducting a portion of the Insurance Premiums, or performing a similar action, and this is due to the difference between the parts importer's price list quoted by the appraiser in the appraisal and the amount the insurance company would have paid for those parts if they had been purchased from parts suppliers with whom the insurance company contracted or due to a discount given by garage for the total cost of the repair.
"Contract garage"	A garage that contracted with the Insurance Company to provide repair services to an Insured Vehicle or a third party vehicle damaged by an insured vehicle, where the repair is a repair that is covered according to the Policy and in accordance with its terms (according to the list of agreed garages that appears on the Company's website www.hcsra.co.il).

Chapter A Vehicle insurance

1. The insured event

- A. The insured event is loss or damage caused to the Vehicle listed in the Policy Schedule, including the accessories and the assemblies in the basic Vehicle model as stated in the importer specification and without which it is impossible to purchase the Vehicle, the air-conditioning system therein, advanced safety systems installed therein, the protective measures that were installed in the Vehicle at the request of the Company, the accessories installed in the Vehicle by virtue of the law or accessories attached to the Vehicle as stated in the Policy Schedule as a result of one of the risks enumerated hereunder, **provided that the Insured did not decide to waive these coverages**, in whole or in part, pursuant to the provisions of section 1A hereunder:
1. Fire, lighting, explosion, kindling.
 2. Casual collision, overturning and an accident of any kind.
 3. Theft.
 4. Any damage caused in consequence of theft, during theft and during attempted theft.
 5. Flood, storm, snow, hail, volcanic eruption.
 6. Malicious damage; unless you or anyone acting on your behalf caused deliberately the insured event, and in such circumstances the Company shall be exempt from its liability.

A. Waiver of coverages

Notwithstanding the provisions of section 1A above, an Insured may, during the stage of the insurance proposal, and by delivery of express notice that the Company will document, waive only one of the following coverages, provided that this is stated in the Policy Schedule:

1. Insurance coverage for an event of casual collision, overturning and an accident of any kind, as stated in section 1A2 above.
2. Coverage for theft, as stated in section 1A(3) above.
3. Coverage under the entire Chapter A of this Policy.

2. Items that are not covered

Notwithstanding the provisions of section 1 above, **the Company shall not indemnify the Insured for loss or damage to tires**, unless additional parts of the Vehicle were damaged or lost in consequence of the insured event.

3. Mechanical, electrical, or electronic breakdowns

Any mechanical, electrical, or electronic breakdowns that will be caused to the Vehicle are not covered, unless caused in the course of or in consequence of the insured event.

4. Compensation methods

The Company may, at its discretion, select one of the following compensation methods:

Payment for the value of the damage or the loss in cash, repair of the Vehicle, replacement of the Vehicle with a Vehicle of similar type and quality, or a replacement of a part thereof.

5. Calculation of insurance benefits

The insurance benefits that are due to you, the Insured, under this chapter:

1. Will be calculated and paid based on the loss or damage to the Vehicle on the date of occurrence of the insured event, including as a result of a diminution in value.
2. Will include VAT, as hereinabove defined, unless the Insured is entitled to a deduction of input tax.
3. It is clarified that the Company shall be obligated to state in the Policy Schedule whether the Vehicle includes possible additional additions or accessories that are not included in the Vehicle price in accordance with the Price List in the basic Vehicle model as stated in the importer specification and that affect the value of the Vehicle.
4. It is clarified that the value of the Vehicle that is not included in the Price List will be set based on a valuation that will be attached to the Policy Schedule.

6. Vehicle after loss

- A. If the Vehicle suffered total loss, the Company will pay you the entire value of the Vehicle on the date of occurrence of the insured event, or will replace the Vehicle with a Vehicle of similar model and quality. **“Vehicle in total loss”** in this Policy –
1. A Vehicle that was stolen and that was not found in 30 days as of the date it was stolen.
 2. A Vehicle in respect of which a licensed auto appraiser stated that the following holds true with respect to the Vehicle:
 - (a) The Vehicle is decommissioned and the direct damage caused to the Vehicle, except for direct damage caused as a result of diminution in value, is 60% and above with relation to the Vehicle value on the date of occurrence of the insured event, including taxes;
 - (b) The Vehicle can no longer be recovered, and it can only be scrapped;
- A. In this Policy “constructive total loss”** – if a licensed auto appraiser concluded that the rate of the damage that was caused to the Vehicle, except for direct damage that was caused as a result of decrease of the Vehicle value, is at least 50% of its value on the date of occurrence of the insured event, the Company may, subject to the approval of the Insured, compensate the Insured as if the Vehicle suffered total loss.
- B. When the Company pays to the Insured the full value of the Vehicle or replaces the Vehicle with a different vehicle of a similar quality and model as a result of the total loss or the constructive total loss of the Vehicle, the ownership in the remains of the Vehicle shall be transferred to the Company.
- C. After the Insured receives indemnity for total loss or constructive total loss, the Policy shall expire and the Insured shall not be entitled to reimbursement of Insurance Premiums.

7. Total loss in a Vehicle for which no taxes were paid

- A. Notwithstanding the provisions of section 5(a) above, if total loss or constructive total loss was caused to the Vehicle as a result of an insured event covered under this Policy, and not all government taxes for the Vehicle were paid, or VAT was offset in respect of the Vehicle and the Company decided not to repair the Vehicle, the Company shall pay to the Insured Insurance Premiums based on the value of the Vehicle without taxes or without VAT, as the case may be, or will replace the Vehicle with another Vehicle of similar class and model.
- B. However, if the Insured provides to the Company proof that he is not entitled to a repeated exemption from taxes or the setoff of VAT, as the case may be, with respect to another Vehicle that the Insured intends to purchase in lieu of the Vehicle that suffered total loss or constructive total loss, the Company will pay to the Insured insurance benefits based on the value of the Vehicle prior to and until the date of occurrence of the insured event, as if the entire taxes were paid for the Vehicle, or if the Insured replaces the Vehicle with a vehicle of similar class and model.
- C. After payment of the insurance benefits or the replacement of the Vehicle, the Company may receive from the Insured his rights in the Vehicle, except for accessories and assemblies in respect of which the Insured is not entitled to insurance benefits; if the said transfer of rights depends on the payment of any taxes, the Company shall incur the said payment.

8. Partial damage

- A. If the repair of the Vehicle necessitates the replacement of the body or parts thereof, or the replacement of a light in the Vehicle, the said replacement shall be made with a part that corresponds to the replaced part in quality, features and description, and the Company shall incur the full costs of this replacement.
- B. In the event of damage to a part of the Vehicle that is not enumerated in section A above, the liability of the Company shall be as follows:
 - 1. If the Company decided to replace the part that was lost or damaged, the part that was lost or damaged shall be replaced with a part that conforms to that part in its quality, features and description, in addition to the installation expenses.
 - 2. If the Company decided to pay to the Insured the value of the damage or the loss in cash – the amount for payment shall be calculated in such manner that for a Vehicle whose age is up to 9 years, the damage shall be paid based on the value of a part that is similar to the part that was lost or damaged, without deduction of wear, while with respect to a Vehicle whose age does not exceed 9 years, the damage shall be paid based on the real value of the part that was lost or damaged (i.e., with deduction of wear). Installation costs shall be added to the said payments.
- C. Without prejudice to the provisions of the Law Limiting the Use and Registration of Actions in Used Car Parts (Prevention of Thefts) 5758-1998, if the Company decided to replace the part that was lost or damaged with a Vehicle whose age is up to two years on the date of occurrence of the insured event, the part that was lost or damaged shall be replaced with an original or a new part, provided that the said part corresponds to the replaced part in its quality, features and description, and in addition to the installation expenses.

- D. If the Company decided to replace the part that was lost or damaged in a Vehicle to which a manufacturer warranty applies under certain conditions with respect to the manner of repair of the Vehicle, the Company shall act, to the extent possible, in accordance with the said warranty instructions. If the part that was lost or damaged was replaced not in accordance with the certain conditions set out in the manufacturer's warranty and the manufacturer's warranty was voided as a result of a defect in the said replacement, the Company shall be held liable for the said defect.
- E. "Vehicle age" in this section – the period of time that passed since the Vehicle was first registered as stated in the Vehicle license.

9. Coverage for expenses

If the Vehicle is no longer in use as a result of a risk covered under this Policy, the Company shall also incur the reasonable expenses for the purpose of protecting the Vehicle and transferring the Vehicle to the nearest place where the damage can be repaired.

Chapter B

Liability insurance for damage to the property of a third party

10. The insured event

The insured event is the liability of the Insured for damage that will be caused to third-party property as a result of the use of the Vehicle during the insurance term.

11. Compensation limits

(a) The Company will pay in the name of the Insured all sums that the Insured will be obligated to pay to a third party as a result of the occurrence of the insured event, **up to the sum insured as stated in the Policy Schedule with respect to third-party property damage.**

(a1) Notwithstanding the provisions of section 18(b)(1) hereunder, the sums as stated in sub-section (a) above shall also include the following expenses of a third party whose Vehicle was damaged as a result of an accident:

1. In the event the Vehicle is no longer usable as a result of a risk covered under this Policy – reasonable expenses for the purpose of protecting the Vehicle and transferring the Vehicle to the nearest place where it is possible to repair the damage and the expenses in connection with the arrival of the third party to its destination after the occurrence of the accident.
2. Indemnity for proven losses of a third party as a result of payment of the deductible and loss of no claims discount.
3. Compensation for loss of profits when the Vehicle was decommissioned for the purpose of its repair, provided that the decommissioned Vehicle is a commercial Vehicle owned by a third party and used for its business.

(c) The Company shall also incur reasonable trial expenses that the Insured shall be required to pay as a result of the insured event even if the said expenses exceed the sum insured.

(d) Notwithstanding the aforesaid, if the insured event was caused as a result of a malicious act, the Company shall be exempt from its liability.

12. Linkage of the sum insured

The sum insured for the purpose of this chapter will change based on the changes in the Index, between the Index that was published shortly before the insurance commencement date and the Index that was published shortly before the occurrence of the insured event.

13. Handling third-party claims

(a) The Company may, and, after receiving a demand from a third party – shall be obligated to pay to the third party the insurance benefits that the Company owes the Insured, provided that the Company delivered to the Insured written notice as stated in sub-section (a1) hereunder and the Insured did not object as said in the said section; however, any claim that the Company may have against the Insured, the Company may also have against a third party.

- (a1) If a third party demanded from the Company the insurance benefits as stated in section (a) above, the Company shall notify the Insured in writing, in 7 business days as of the date of the demand as said, and if the Insured does not notify the Company regarding his objection to the payment of the insurance benefits, the Company shall pay to the third party the insurance benefits the Company owes to the Insured, to the extent that the Company owes such payment.
- (a2) The Company shall be entitled to conduct by itself or conduct in the name of the Insured the defense in each claim and the Insured shall be obligated to assist the Company, following its request, for the purpose of settling third-party claims.
- (a3) The Company undertakes to work in cooperation with the Insured and make an effort to protect the legitimate interests of the Insured, including his reputation.
- (b) In the event of a claim or claims against the Insured that stem from one insured event or a series of insured events stemming from one source or one cause, and that are covered under this chapter of the Policy, the Company shall be entitled to pay to the Insured the entire sum insured in accordance with this chapter, and after making such payment the Company shall be exempt from handling the said claim or claims, and the Company shall not be held liable in any manner in connection therewith, except for the trial costs ordered by the court or reasonable expenses that were paid in connection with the said claims.

14. Exclusions to the third-party liability in respect of damage to property

The Company shall not be responsible for paying any payment in respect of liability for damage to property that the Insured or the driver of the Vehicle own or for property that is under the supervision and protection of the Insured or under the supervision and protection of the driver of the Vehicle or one of their household members.

Chapter C

General terms and conditions for all Policy chapters

15. Persons eligible to drive the Vehicle:

- (a) Persons who are eligible to drive the Vehicle shall be one or more of the persons as stated in sub-section (b) as stated in the Policy Schedule, and on the condition that they hold a valid driver's license in the State of Israel for driving vehicles of the type of the Vehicle, or held such a license as said on any date in the 120 months that preceded the drive in the Vehicle and satisfy one of the following conditions:
1. The person eligible to drive the Vehicle was not disqualified from receiving or holding a driver's license as said in accordance with legal provisions, a judgment, court decisions or decisions of any other competent authority, except for a decision that was made by virtue of the Execution Law 5727-1967 and the regulations enacted thereunder, and the expiration of a license as a result of failure to pay fees;
 2. The person eligible to drive the Vehicle was not required to comply with one of the following requirements in accordance with the law for the purpose of receiving a driver's license: a theoretical driving test, a practical driving test, medical examinations, including cognitive capacity and drug tests.
- (b) The persons eligible to drive the Vehicle:
1. The Insured;
 2. The person whose name is as stated in the Policy Schedule;
 3. A person driving according to the instructions of the Insured or with his permission;
 4. A person who is at the service of the Insured and drives according to the instructions of the Insured or with his permission;
 5. A person driving with the permission of the Insured and accompanied by a person as enumerated in paragraphs (1) to (4);
 6. A person who has no license as stated in sub-section (a), on the condition that he is accompanied by a qualified driving instructor with a license to teach driving or during an official driving test on behalf of the Ministry of Transport, on the condition that the person is accompanied by a tester on behalf of the Ministry of Transport;

16. Using the Vehicle

The Vehicle shall be used for one or more of the following purposes, as stated in the Policy Schedule:

1. For social and private uses;
2. For the business of the Insured;
3. For the purpose of teaching driving;
4. Taking passengers for pay for the purpose of making profit;

5. Leasing;
6. Trading with the Vehicle;
7. Towing for pay;
8. Competition and performance tests;
9. Agricultural works;
10. Carrying goods for pay;

17. General exclusions to the liability of the Company

- (a) This Policy does not provide coverage for loss, damage or liability that occurred outside the territory of the State of Israel, the Judea and Samaria area and the Gaza Strip area.
- (b) This Policy does not provide coverage to the following:
 1. Consequential loss;
 2. Loss or damage that occurred when the Vehicle was enlisted by the IDF;
 3. Loss or damage that were caused as a result of riots, unless otherwise stated in the Policy Schedule.
 4. A claim stemming from contractual liability.
 5. Loss or damage caused as a result of a driver that was under the influence of dangerous drugs, as meant by this term in the Dangerous Drugs Ordinance [New Version] 5733-1973.
 6. Loss or damage as a result of a war, hostilities, terrorist attacks, military or civil uprising, revolution.
 7. Loss or damage that are the result of non-ionizing radiation, radioactive pollution, nuclear processes and any loss or damage in consequence of nuclear material or nuclear waste.
 8. Loss or damage as a result of an earthquake, unless otherwise stated in the Policy Schedule.

18. Discovery and change in a material matter

- (a) This Policy was issued based on the answers that the Insured gave in the notice that was documented by the Company, to all the questions that the Insured was asked in the proposal that served as basis for the Policy, or in any other manner, as requested from the Insured and based on the assumption that the Insured provided full and honest answers to the questions and did not conceal fraudulently any matter that the Insured knew that it was material to the Company for the purpose of assessing the insured risks, and that the Insured applied measures for the purpose of preventing damage following a demand made by the Company and for the purpose of mitigating the risks insured under this Policy.
- (b) A material matter is a matter in respect of which a question was asked in the insurance proposal or in any other manner that will be documented by the Company and, without prejudice to the generality of the foregoing, also the following matters:

1. The type of the Vehicle, its year of make, its license plate number, its make and model, type of transmission;
2. Exemption from taxes with respect to the Vehicle, if any;
3. Description of the use of the Vehicle and the place in which the Vehicle is ordinarily kept;
4. The type of protection systems installed in the Vehicle.
5. The identity of the permanent owners or the possessors in the Vehicle and their occupations, accidents they were involved in, and traffic violations they were convicted of in the three years that preceded the insurance taken out under this Policy, except for traffic violations in respect of which there is a choice of fines;
6. Damage that occurred to the Vehicle or to a third party in the last three years as a result of risks covered under this insurance, except for during a period in which the Vehicle was not owned by the Insured, and for which a claim was filed, as defined in section 32(c) hereunder.
7. Information regarding previous insurers who provided insurance coverage for the Vehicle.

(c) If the Insured failed to provide full and honest answers to questions on material matters, or if the Insured concealed fraudulently from the Company a material matter, or if the Insured did not apply the measures that the Company demanded for the purpose of mitigating the risks insured under this Policy, the Company shall be entitled to cancel the Policy or reduce the scope of its liability, and all in accordance with the provisions of the Insurance Contract Law 5741-1981 (hereinafter: the "Law").

(d) The Insured is obligated to notify the Company during the insurance term regarding any change that occurred in a material matter immediately after the Insured becomes aware of such a change as said. If the Insured fails to notify the Company regarding such a change as said, the Company shall be entitled to cancel the Policy or reduce the scope of its liability in accordance with the provisions of the Law.

(e) The Insured is obligated to provide to the Company, following its request, a claims report, as meant by this term in section 32(c) of this chapter.

19. Double insurance

(a) If the Vehicle was insured against the risks covered under this Policy by more than one insurance company for overlapping periods, the Insured is obligated to notify the Company about the said immediately after the double insurance was taken out or immediately after the Insured became aware of such double insurance.

(b) In double insurance the companies shall be held liable towards the Insured severally for the entire sum insured, and the insurance companies shall incur between them the payment of the insurance benefits based on the ratio between the sums insured.

20. Extension of the insurance

Any extension of the insurance term in accordance with this Policy shall require the consent of the Company and of the Insured.

21. Payment of Insurance Premiums and other sums

- (a) The Insurance Premiums and all other sums due from the Insured to the Company in connection with this Policy shall be fully paid in 30 days as of the commencement date of the insurance term, or as of the date the Company delivered to the Insured the bill for the Insurance Premiums, whichever is later, or on other dates as stated in the Policy Schedule.
- (b) If any amount that is due from the Insured to the Company was not paid on time, the amount in default shall incur annual interest as stated in the Policy Schedule and/or linkage differentials according to the changes in the Index, between the Index that was published shortly before the date set for payment and the Index that was published shortly before the actual payment date.
- (c) If any amount in default was not paid in 15 days as said after the Company demanded from the Insured in writing to make such payment as said, the Company may notify the Insured in writing that the insurance will be canceled after 21 additional days, if the amount in default is not paid earlier; if a beneficiary was designated instead of the Insured, and the designation is irrevocable, the Company may cancel the insurance if it notified in writing the irrevocable beneficiary about the said default and the irrevocable beneficiary did not settle the amount in default in 15 days as of the date he received the said notice.
- (d) The cancellation of the insurance in accordance with this section shall be without prejudice to the obligation imposed on the Insured to settle the amount in default referring to the period until the said cancellation, and the expenses of the Company.

22. Deductible

- (a) Upon the occurrence of the insured event covered under Chapter A of this Policy, except for an insured event that caused total loss or constructive total loss to the Vehicle, the deductible amount set out in the Policy Schedule with respect to each claim and based on the type of the damage that was caused shall be deducted from the insurance benefits, provided that with respect to the deductible of diminution in value the rules set out in sections 1A and 1B hereunder shall apply.
 - (a1) The deductible in the event of diminution in value:
 1. The basic deductible for damage of the type diminution in value in this Policy shall not exceed 1.5% of the sum insured (hereinafter: the "**Basic Deductible**") unless the Insured selected, and signed in the insurance proposal (hereinafter: the "**Diminution in Value Rider**") another type of deductible offered to the Insured by the Company and this was also stated in the Policy Schedule, subject to the following rules:
 2. The deductible for damage of the type diminution in value shall not exceed the highest deductible that was approved to the Company for the purpose of this matter, in accordance with the provisions of the Control on Insurance Business Order (New Insurance Plans and Change of Plans), 5742-1981 (hereinafter: the "**Order**").

3. In return for the deductible for damage of the type diminution in value the Insured shall receive a proper discount in the customary Insurance Premiums in the Company, in addition to other customary discounts and in conformance to the different levels of the deductible that the Company will offer to the Insured, in the manner approved by the Commissioner as part of the approval of the rate according to the Order.
 4. If the Insured did not sign the Diminution in Value Rider in which the Insured selected another deductible that was offered to the Insured by the Company as stated in section (a1) above, the Basic Deductible shall apply to the damage of the type diminution in value, in each insured event, however the Insured shall be entitled to change the rate of the Basic Deductible retroactively as of the insurance commencement date, unless the Insured notifies the Company about the said in 30 days as of the date of receiving the Policy Schedule in which the Basic Deductible was stated. If the Insured notifies about a change as said, the Insurance Premiums shall apply respectively as of the insurance commencement date.
- (b) Upon the occurrence of an insured event covered under Chapter B of this Policy, the Company will pay to a third party all sums that the Insured shall be obligated to pay as stated in section 12 above. The Company will charge from the Insured the deductible amount set out in the Policy Schedule for the insured event and shall not deduct the deductible amount from the amounts paid to the third party.
- (c) Notwithstanding the provisions of sub-section (b) above, if the amount that the Insured is obligated to pay to a third party is equal to the amount of the deductible or smaller than the said amount, the Insured shall incur in person the payment of the third party, and the Company shall not be obligated to pay to the third party any amount.
- (d) Without prejudice to the provisions of sub-sections (a) and (b) above, upon the occurrence of an insured event covered under chapters A and B of this Policy, the Insured shall be obligated to pay one amount of deductible, that will not exceed the higher of the amounts set out in the Policy Schedule.

23. Restoring the scope of coverage to its previous level

After the Company pays the insurance benefits to the Insured as a result of an insured event that occurred during the insurance term, the Company shall return the level of its liability under this Policy to its previous level that existed shortly before the occurrence of the insured event. The Company shall be entitled to collect the Insurance Premiums for returning the insurance coverage to its previous level in a manner that will be calculated as follows:

1. When the insurance benefits were paid in accordance with the provisions of Chapter A of the Policy – as percentage from the amount of the insurance benefits that were paid at a rate permitted by the Commissioner for that Vehicle based on its age and for the remainder of the insurance term as of the occurrence of the insured event and until the expiration of the insurance term in accordance with the Policy as stated in the Policy Schedule.

2. If the insurance benefits were paid to a third party in accordance with Chapter B of the Policy – in the amount of the Insurance Premiums charged for an insurance for the amount that was paid as insurance benefits to a third party in its value on the date of occurrence of the insured event, relative to the insurance term remaining as of the date of occurrence of the insured event and until the expiration of the insurance term in accordance with the Policy as stated in the Policy Schedule.
3. With regard to the said in sub-section (1), the following is the formula for the purpose of calculating the Insurance Premiums for restoring the insurance coverage to its previous level:

$$A \times \frac{B}{E} \times \frac{C}{D}$$

A = annual Insurance Premiums

B = sum claimed with deduction of deductible

C = the number of days remaining as of the date of the damage and until the expiration date of the insurance

D = Vehicle value on the issuance date of the Policy

E = 365

24. Replacing the Vehicle

- (a) If the Insured replaced the insured Vehicle in the Company during the insurance term and purchased another Vehicle, the Insured may, after delivery of notice to the Company and after obtaining the approval of the Company, transfer the coverage provided under this Policy to the replacement Vehicle.
- (b) If the Insurance Premiums for the replaced Vehicle were lower on the replacement date compared to the Insurance Premiums for the replaced Vehicle, the Insured will pay to the Company the difference, relative to the remainder of the insurance term, in 30 days as of the replacement date.
- (c) If the Insurance Premiums on the replacement date were higher for the replaced Vehicle compared to the Insurance Premiums for the original Vehicle, the Company will pay to the Insured the difference, relative to the remaining insurance term, in 30 days as of the replacement date.
- (d) The provisions in sub-sections 1, 2 and 3 above shall not prevent from the Company to demand payment for the purpose of covering its expenses in respect of the transfer of the insurance coverage based on the approved rates of the Company.

25. Decommissioning

- (a) During the insurance term the Insured shall be entitled to notify the Company in advance regarding the decommissioning of the Vehicle and lack of use of the Vehicle for a period that will not fall below 30 (thirty) days and that will not exceed the number of days remaining until the expiration of the insurance term (hereinafter: the "Decommissioning Period").

- (b) If the Insured notified the Company in the manner set out in sub-section (a) above, the Insured and anyone acting on his behalf will not drive the Vehicle during the Decommissioning Period, and if the Insured or anyone acting on his behalf drives the Vehicle, no coverage under section 1(2) of this Policy shall apply.
- (c) The Decommissioning Period will expire on the date set out in the notice of the Insured, and if the said notice did not specify such a date as said, the Decommissioning Period shall expire upon expiration of the insurance term or after receiving a notice from the Insured regarding the expiration of the Decommissioning Period, whichever is earlier.
- (d) After expiration of the Decommissioning Period the Company shall return to the Insured the relative part of the Insurance Premiums for the coverage provided under section 1(2) of this Policy that the Insured paid for the Decommissioning Period.

26. Cancellation of the insurance

- (a) The Insured shall be entitled to cancel the insurance at any time prior to the expiration of the insurance term, at his discretion; the insurance shall be canceled on the date a notice for the purpose of this matter was delivered to the Company or on a later date, following a request made by the Insured; in such circumstances as said the Company shall return to the Insured at the earliest opportunity, and no later than 14 days as of the date the cancellation entered into force, the relative part of the Insurance Premiums that were paid for the period after the cancellation entered into force; such a relative part as said shall be calculated by multiplying the Insurance Premiums that the Company collected by the ratio between the number of remaining days on the cancellation date until the expiration of the original insurance term, and the number of days included during the original insurance term (hereinafter: the "**Relative Part**").
- (b) Without prejudice to the rights of the Company in accordance with the law, the Company may cancel the insurance prior to the expiration of the insurance term, provided that a notice for the purpose of this matter that includes the reasons for the cancellation will be delivered to the Insured in registered mail no less than 45 days prior to the date in which the insurance is canceled.
- (c) If the Company canceled the Policy, the Company shall return to the Insured at the earliest opportunity, and no later than 14 days as of the date the cancellation entered into force, the Relative Part of the Insurance Premiums that were paid.
- (d) All sums that will be returned under this section shall change according to the changes in the Index, between the Index that was recently published before the date of paying the Insurance Premiums and the Index that was published shortly before the return date of the Insurance Premiums. If the Insurance Premiums were paid in installments, each amount will change based on the changes in the Index between the Index that was published shortly before the date of the payment and the Index that was published shortly before the return of the Insurance Premiums.
- (e) Notwithstanding the provisions of this section, a Policy that is charged shall be canceled 30 days after a notice regarding the cancellation was delivered to the charge holder.

27. Claim for insurance benefits

- (a) If an insured event occurred, the Insured or the beneficiary shall be obligated to notify the Company regarding its occurrence immediately after the Insured or the beneficiary became aware of its occurrence.
- (b) A claim for the payment of insurance benefits in accordance with the Policy will be filed to the Company and documented by the Company. The aforesaid shall be without prejudice to the right of the Company to demand that the claim will be filed in writing.
- (c) The Insured or the beneficiary, as the case may be, shall be obligated to deliver to the Company, within a reasonable time after receiving a demand to that effect, the information and the documents that are required for the purpose of inquiring the liability and its scope, and if the Insured does not have the said materials, the Insured is required to help the Company, to the best of his ability, to obtain the said materials. The Insured shall be entitled to file a copy of the said documents digitally and, as a minimum, by email, in a text message and in the online personal account of the Insured.
- (d) Immediately after receiving the notice of the Insured or the beneficiary regarding the occurrence of the insured event, the Company shall perform whatever is necessary for the purpose of inquiring its liability.
- (e) The insurance benefits shall be paid in 30 days as of the date the Company held the information and the documents that are required for the purpose of inquiring its liability, and, with respect to a theft following which the Vehicle was not found in 30 days, in 7 days as of the said date.
- (f) The insurance benefits paid to a third party or that are paid to the Insured, shall change based on the changes in the Index between the Index that was published shortly before the date of occurrence of the insured event and the Index that was published shortly before their actual payment date, and linked interest shall be added to the said payment, according to the rate defined in the definition of "linkage differentials and interest" in section 1 of the Adjudication of Interest and Linkage Law, 5721-1961, as of expiration of a period of 30 days as of the filing date of the claim. It is clarified that this provision shall not derogate from the jurisdiction of the court in accordance with the said law.
- (g) The Company shall be entitled to offset from the insurance benefits paid in accordance with Chapter A of this Policy any specific amount that the Insured owes to the Company in respect of this Policy or any other policy and if there is an actual concern about insolvency in connection with the debt the Company shall be entitled to offset the balance of the Insurance Premiums whose payment date is not yet due or any other financial obligation whose performance date is not yet due.
- (h) Insurance benefits shall not include VAT for an Insured who is entitled to deduction of input tax.

28. Admission without the consent of the Company

If the Insured or a person acting on his behalf paid damages in connection with an insured event covered under this Policy, admitted to liability, offered, promised or undertook to pay such damages as said without obtaining the prior approval of the Company, the Company shall not be bound by these actions.

29. Down payments and undisputed insurance benefits

- (a) Upon the occurrence of the insured event, the Insured or the third party, as the case may be, shall be entitled to receive from the Company a down payment or a financial undertaking that will allow the Insured to receive a service for the purpose of repairing the damage at the expense of sums that will be due from the Company in accordance with the provisions set forth in this Policy.
- (b) Insurance benefits that are not disputed shall be paid in 30 days as of the date the Company receive a claim in writing to pay the insurance benefits, and the said insurance benefits may be claimed separately from the other benefits.
- (c) Any sums that were paid to the Insured or to a third party in accordance with the provisions set forth above, shall be deducted from the final insurance benefits that will be paid. When calculating the deduction, the amounts that will be deducted will change based on the changes in the consumer price index between the Index that was published shortly before their payment and the Index that was published shortly before the payment date of the final amount of the insurance benefits.
- (d) The full and final payment of the insurance benefits for an event of damage covered under Chapter A shall be made after the Insured provided reasonable proof demonstrating that he repaired the damage to the Vehicle.

30. Limitation

The limitation period of a claim for insurance benefits under this Policy is three years as of the date of occurrence of the insured event, unless another period was set out in accordance with the law. The claim for insurance benefits in consequence of damage covered under Chapter B of this Policy will not become time-barred as long as the third-party claim against the Insured did not become time-barred.

31. Subrogation

- (a) If the Insured is entitled, as a result of the occurrence of the insured event, also to compensation or indemnity towards a third party not by virtue of an insurance contract, the said right shall be subrogated to the Company, from the time the Company paid to the Insured or to a beneficiary insurance benefits, and according to the rate of the insurance benefits that the Company paid.
- (b) The Company shall be entitled to exercise any right that was subrogated to the Company under this section in a manner that shall impair the right of the Insured to collect from the third party any compensation or indemnity exceeding the insurance benefits that the Insured received from the Company.

- (c) If the Insured received compensation or indemnity from the third party that was due to the Company under this section, the Insured shall be obligated to transfer the said amount to the Company.
- (d) If the Insured made a settlement, waiver or any other action that impairs a right that was subrogated to the Company, the Insured shall be obligated to compensate the Company for the purpose of this matter. If the Company received compensation or indemnity from the third party that was due to the Company under this section, the Company shall update the Insured about the said in 15 days.
- (e) The Company will not apply this section if the insured event was caused inadvertently by a third party from whom a reasonable insurer would not have claimed compensation or indemnity, because the said person is a relative, or on the grounds of employer-employee relationship maintained between them.

32. Insurance history

- (a) After a period of 11 months as of the insurance commencement date – in a one-year insurance or upon expiration of the insurance term – in an insurance shorter than one year, the Company will send to the Insured an insurance history report that will specify whether the Insured filed, until the said date, a claim or claims for each insurance year for the Vehicles that are insured under the Policy. The insurance history report will specify each insured event for which the Insured filed a claim as said, including the number of the insured Vehicle, the date of occurrence of the insured event, the amount that was paid, the type of coverage, the type of the claim (self-damage or third party), the type of risk that is covered and for which the insurance claim was filed, whether the Company received compensation or indemnity from a third party as a result of the claim, and the rate of compensation or indemnity that was received (hereinafter: the “Subrogation Rate”) and the rate or the amount of the diminution in value that was set, in the period of the three years that preceded the date of the report or during the period in which the Insured was an insured of the Company, whichever is shorter.
- (b) If a first claim was filed after expiration of a period of 11 months as to the insurance commencement date, the Company will deliver a corrected report immediately after the filing of the claim.
- (c) “**Claim**” in this section – a claim for which insurance benefits were paid, pursuant to section 27 above, with deduction of deductible for an amount exceeding ILS 5,000.
- (d) Notwithstanding the provisions of sub-section (c), an insurance history report will not include a claim for which the Subrogation Rate is 75% and above; if the Company received subrogation for such a rate as said within one year after the delivery of the insurance history report, the Company will send a correction report immediately after receiving the subrogation; if the Company receiving subrogation at such a rate as said on a later date, the Company will update its insurance history report in any report that is required in accordance with the instructions set forth by the Commissioner, and shall present the said report to the Insured following his demand.

33. Notices

A notice of the Insured or the beneficiary to the Company shall be delivered to the Company in one of the following methods:

1. The address of the Company, as stated in the title of the Policy, or any other address in Israel as notified by the Company to the Insured or to the beneficiary from time to time.
2. In the office of the insurance agent listed in the Policy – according to his address as stated in the Policy, or any other address in Israel as notified by the insurance agent as said or the Company to the Insured or to the beneficiary from time to time.
3. In any other method that the Company will notify the Insured from time to time.

Chapter D Extensions and additional coverages

(It is hereby agreed that the coverage under each of the sections as stated in this Chapter shall be in effect only if stated expressly in the Policy Schedule)

34. Legal defense insurance

Coverage is in effect only if stated expressly in the Policy Schedule.

A. Definitions

1. **"Fees"** shall mean: attorney fees for the purpose of conducting litigation that will not exceed the minimum set out in the Bar Association Rules (Minimum Recommended Rates), 5760-2000 or legal provisions that shall come in their place up to the liability limit set out in the Policy Schedule of Right coverage.
2. **"Defense expenses"** shall mean: fees, document stamp duties, costs of copying transcripts, witnesses fees, expert fees in the manner prescribed by the court or in accordance with the law and that the Insured incurred with the approval of the Company in connection with the litigation, **except for any penalty, compensation or fine imposed in the sentence.**
3. **"Legal proceedings"** shall mean: the commencement of a criminal proceeding on the grounds of a traffic violation, including administrative petitions for revocation and renewal of a driver's license, **except for indictments that have a choice of a fine.**
4. **"Accident"** shall mean: a road accident in which any person and/or property were harmed, and that occurred in the course of and in consequence of the traffic use made with the insured Vehicle, and whose consequences are covered under this Policy.

B. Coverage

1. The Company shall provide to the Insured, at its expense, an attorney for the purpose of providing legal defense in legal proceedings that commenced against the Insured as a result of an accident and shall incur the defense expenses in respect of these proceedings, **up to the liability limit set out in the Policy Schedule of this coverage**, and shall undertake to engage in maximum cooperation with the Insured and protect the legitimate interests of the Insured, including his reputation.
2. The Company may decide not to provide an attorney for the Insured. In such circumstances as said – the Insured shall be entitled to appoint an attorney at his discretion and subject to the prior approval of the Company regarding the coverage for defense expenses, and the Company shall indemnify the Insured for the fees and the defense expenses that the Insured will actually pay to his attorney, and in any event for an amount that will not fall below the fees that the Company would have paid to the said attorney if the Company had provided the said attorney to the Insured, **up to the liability limit set out in the Policy Schedule for this coverage.**

3. The Company shall be entitled to demand from the Insured transcripts, expert opinions, testimonies, decisions, judgments, or any other material that the Insured or the attorney will have in connection with the legal proceedings that are conducted or in connection therewith. The Insured shall order the attorney to make available such materials as said for the review of the Company following his demand.

C. Extension of coverage

1. The Insured shall be entitled to request from the Company to expand the coverage provided under this chapter **and in a liability limit as stated in the Policy Schedule for this coverage**, also to fees and defense expenses in an appeal. The Insured shall attach to its request a detailed and reasoned opinion by an attorney, according to which the attorney is of the opinion that there are objective grounds and reasonable prospects that the appeal will be granted.
2. The Company shall be entitled, at its sole discretion, to approve or dismiss such a request as said for the expansion of the coverage under this chapter **and in the liability limit as stated in the Policy Schedule for this coverage**, also to the fees and defense expenses in the appeal.
3. It is hereby declared and agreed that the prior and written approval of the Company regarding the filing of the appeal as said shall be a precondition for the liability of the Company under this extension.

D. Exclusions

The Company shall not be obligated to pay any payment, if:

1. At the time the accident occurred the driver was under the influence of a dangerous drug, as meant by this term in the Dangerous Drugs Ordinance [New Version] 5733-1973.
2. In consequence of gross negligence accompanied with a mental state of recklessness or carelessness, that caused the insured event. For the purpose of this matter, "gross negligence" shall mean a behavior deviating from the standard of behavior of a reasonable Insured. Notwithstanding the aforesaid, this exclusion shall not apply if the negligence of the Insured only contributed in part to the occurrence of the insured event.

E. Liability limit

The liability limit for this extension – according to the liability limits that were stated expressly in the Policy Schedule for an insured event and for the insurance term.

F. Deductible

The Insured shall incur the deductible in respect of the coverage provided under this section the Insured, as stated in the Policy Schedule.

35. No driving on Saturdays and Jewish holidays

Coverage is in effect only if stated expressly in the Policy Schedule.

If the Insured received a discount in accordance with this section, the Company shall not be held liable for loss or damage or liability under this Policy, that occurred or that

were caused during the period the insured Vehicle was driven on a Saturday or on one of the Jewish holidays and on times and dates that are not customary according to Jewish law, unless the driving of the insured Vehicle was necessary as an “emergency trip that is required for the purpose of saving lives.”

36. Cancellation of deductible in a contract garage

Coverage is in effect only if stated expressly in the Policy Schedule.

It is hereby agreed that damage that was caused to the insured Vehicle only and/or damage to the Insured and to a third party, if the insured Vehicle is repaired in one of the contract garages of the Company, and the amount of the damage exceeds the deductible amount as stated in the Policy for self-damage as hereinabove defined – the Insured shall be exempt from the payment of the deductible both for self-damage and for third-party damage except for in circumstances of diminution in value.

37. Cancellation of deductible under Chapter B

Coverage is in effect only if stated expressly in the Policy Schedule.

The Company shall incur the deductible that the Insured is obligated to pay subject to the following conditions:

1. The insurance coverage under this rider refers only to claims that the Company paid pursuant to Chapter B of this Policy concerning: “liability insurance for third-party damage” and that exceed the deductible amount as stated in the Policy Schedule. **This extension shall not apply to claims whose amount is lower than the said deductible.**
2. **This extension shall not apply to claims that were dismissed by the Company.**
3. **This extension shall apply solely to one claim during the insurance term.**
4. The aforesaid shall be subject to the other terms and sections of the policy, the sums insured and the deductible amounts in accordance with the addition set out in this Chapter, will change based on the changes that will occur in the Index, between the Index known on the insurance commencement date and the index known on the date of occurrence of the insured event.

38. Vehicle value addition (limited up to 10% in the first year, and up to 15% in the second year, as of the date the Vehicle was first used on the road)

Coverage is in effect only if stated expressly in the Policy Schedule.

1. If the insured Vehicle was damaged and the damage is “total loss” in consequence of the occurrence of the insured event, and the damage is covered under the Policy – the Company shall pay to the Insured, in addition to the insurance benefits in accordance with the Policy, an amount that will make whole the entire purchase price of a new Vehicle managed by the same manufacturer and of the same model and type, including special additions to the Vehicle, if included in the insurance under the primary policy, **provided that the amount that will be added for the purpose of making whole the purchase price of a new Vehicle will not exceed 10% in the first year in which the Vehicle was used on the road, and 15% in the second year after the Vehicle was first used on the road, with relation to the value of the insured Vehicle on the date of occurrence of the insured event, according to the Price List.**

2. Upon the occurrence of such circumstances as stated in sub-section (1), and in case it is impossible to purchase a new Vehicle by the same manufacturer and of the same model and type in the State of Israel on the payment date of the insurance benefits – the Company shall pay to the Insured, in addition to the insurance benefits in accordance with the Policy, an amount to make whole an amount for the purchase of a new Vehicle of a similar type according to the assessment of the auto appraiser, in accordance with the terms set forth in the primary policy, **provided that the rate of addition of the insurance benefits shall not exceed 10% of the price of the Vehicle in the first year in which the Vehicle is on the road, and 15% in the second year the vehicle is on the road, according to the Price List.**

“Total loss” for the purpose of this section – as stated in Chapter A, section 6A of the Policy only, and the provisions of section 40 “Decrease of total loss to 50%” shall not apply to the “Vehicle value addition.”

3. If no additional premium was paid for this additional coverage as said, coverage shall be in effect only if all of the following conditions are satisfied in respect whereof:
 - A. The Vehicle did not suffer damage at a rate of 50% or above in the past.
 - B. The Vehicle did not suffer damage during the insurance term, including diminution in value, at a rate exceeding 10% of its value.
 - C. The Vehicle is a firsthand vehicle and imported regularly.
 - D. The Vehicle is privately owned.
 - E. The Vehicle is not exempt from taxes.
 - F. The Vehicle is not owned by a company/leasing/rental/lease/authority/ other.

39. Automatic replacement after damage that was repaired in a contract garage – for first damage only during the insurance term

Coverage is in effect only if stated expressly in the Policy Schedule.

Exemption from payment of Insurance Premiums for automatic restoration of the insurance coverage to its previous state.

In an insured event in which damage was caused to a Vehicle that is under coverage, other than loss and/or theft – the scope of liability of the Company under this Policy shall be restored to its previous level after the occurrence of the insured event, and the Insured shall not be obligated to pay Insurance Premiums for restoring the coverage to its previous level.

Exemption from payment of Insurance Premiums for restoring coverage to its previous level is for one insured event only – the first insured event that occurred during the insurance term, and on the condition that the repair was performed in a contract garage of the Company (unless otherwise stated in the Policy Schedule).

With respect to the second insured event and above during the insurance term, the restoration of the insurance coverage to its previous level shall be subject to the payment of Insurance Premiums for restoring the insurance coverage to its previous level in accordance with the provisions set forth in sections (1) and (2) in section 23 in Chapter C of the Policy.

40. Reduction of total loss to 50%

Coverage is in effect only if stated expressly in the Policy Schedule.

In the event the rate of the damage caused to the Vehicle exceeds 50% of the Vehicle value, shortly before the occurrence of the insured event, the Company shall compensate the Insured as if the Vehicle suffered total loss. **This extension shall not be in effect with respect to a Vehicle that was purchased without taxes when the Vehicle owner is not entitled to a repeated exemption from taxes.**

41. Charge clause

Coverage is in effect only if stated expressly in the Policy Schedule.

Following the request of the Insured, any compensation, if due under this Policy, shall be paid to the bank (that is entitled to payment) whose information is as stated in the Policy Schedule according to the rate of benefit at the time of occurrence of the loss or the damage, taking into consideration the provisions set forth in the Policy regarding the cancellation of the Policy, and the cancellation of the insurance shall be in effect only on the condition that a written cancellation notice is delivered to the said bank (that is entitled) no less than 30 days prior to the cancellation.

42. Side mirrors and lights breakdown

Coverage is in effect only if stated expressly in the Policy Schedule.

1. Definitions

The following terms shall have the meaning assigned beside them below solely for the purpose of this extension:

- 1.1. "Mirrors"** the outside mirrors of the Vehicle (including the mirror cover and the mirrors assembly, including cameras as replacement of a mirror – without the screen) provided that the said components are an integral part of the Vehicle according to the specification of the Vehicle manufacturer.
- 1.2. "Lights"** – headlights and taillights of the Vehicle (including signaling lights and brake lights); provided that the said components are an integral part of the Vehicle according to the specification of the Vehicle manufacturer.
- 1.3. "Component"** – a mirror or a light, as hereinabove defined.
- 1.4. "Event"** – a damage event (as hereinafter defined) to one or more of the components covered under this extension, during the insurance term.
- 1.5. "Damage"** – a breakdown (including a penetrating crack) in a component that occurred during the insurance term, as a result of an accident event (as hereinafter defined).

It is hereby clarified that scratches and/or non-invasive cracks through the thickness of the component and/or fading and/or wear of the component are not covered under this extension.

- 1.6. "Accidental Event"** – casual harm to a component by a tangible and external cause whose occurrence could not have been anticipated.

- 1.7. The "Insurance Coverage"** – replacement and/or repair of the damaged component.
- 1.8. The "Insured Vehicle"** – a private and commercial Vehicle, up to 3.5 ton, whose information is registered in the Policy Schedule subject matter of this extension.
- 1.9. The "Service Provider"** – as defined in the Policy Schedule.
- 1.10. The "Insured"** – the Insured and/or the Policyholder in which this extension was issued, and the person possessing the Vehicle and/or using the Vehicle with his permission or on behalf of the Policyholder.
- 1.11. The "Services Center"** – the service center that the Company or the service provider or anyone acting on their behalf will operate, as defined in the Policy Schedule.
- 1.12. The "Insurance Term"** – the period as stated in the Policy Schedule for this extension, and in any event the insurance term of this extension shall expire on the expiration date of the insurance term in the Policy; if the Policy Schedule does specify such a period as said, the insurance term for this extension shall be the Policy insurance term.

2. Scope of coverage

- 2.1.** If damage was caused to a component as a result of an Accidental Event during the Insurance Term, the Insured shall be entitled to a repair and/or replacement of the component that was damaged, by a Service Provider, up to an amount of damage of ILS 5,000, unless otherwise stated in the Policy Schedule. The component that was damaged will be repaired or replaced with a part that corresponds to the replaced part in terms of its quality, specifications, and description.
- 2.2.** If the Service Provider cannot find a compatible light/mirror within a reasonable time, the Insured shall be entitled to select one of the following two options: (1) to wait the necessary period of time for the purpose of finding a light/mirror that are compatible, from the Service Provider; (2) to receive from the Company, whether by himself or by anyone acting on its behalf, financial compensation based on the prices of such components in a price list customary in the market – multi-cut of the mirror and/or the light, new, including installation costs and VAT, however for an amount that will not exceed ILS 2,000 (the deductible will be deducted from this amount).
- 2.3.** Without prejudice to the eligibility of the Insured to indemnity as stated in section 2.3 above, it is clarified that the Insured shall not be entitled to any payment from the Company, if the Insured decided to repair the damage that is covered under to extension not by the Service Provider.

3. Activating the insurance coverage

- 3.1. The Insured will contact the service center in any event of damage to a light and/or a mirror (except for the exclusions set out in this coverage).
 - 3.1.1. The service shall be provided and performed in accordance with the terms of the coverage within the dates as stated hereunder:
 - 3.1.2. If the Insured notifies the service center in advance regarding the malfunction, the type and the model of the Vehicle, the chassis number and the license number and the type of the light and/or the mirror that was damaged – the date in which the Insured will take the Vehicle to the Service Provider will be set after receiving the replacement light and/or mirror, and the repair shall be performed on the same day, to the extent possible.
 - 3.1.3. In any other event – the service shall be completed in 2 workdays as of the date the Vehicle was brought to the Service Provider. “Workdays” for the purpose of this section – Sun. – Thurs. (including) from 08:00 to 16:00 except for official holidays in Israel.
- 3.2. The Service Provider will inspect, at its discretion, any damage prior to approving the performance of the repair, provided that in the event of approval for the performance of the repair the period of the repair will not exceed the service dates as stated above.

4. Deductible

- 4.1. In any event this coverage is activated, the Insured shall pay deductible in the following amounts:
 - A. For the first event during the insurance term for the insured Vehicle – an amount of ILS 300.**
 - B. For a second event during the insurance term for the insured Vehicle – an amount of ILS 330.**
 - C. From the third event onwards during the insurance term for the insured Vehicle – an amount of ILS 370.**
- 4.2. If the Insured requested to perform a repeated repair of a specific component in 6 months as of the date of the previous repair of the said component, and the cause for the repeated repair is an act and/or omission of the Service Provider – the Insured shall not be obligated to pay the deductible for such a repeated repair.
- 4.3. The deductible shall change according to the ratio between the Index that was published shortly before the insurance commencement date and the index that was published shortly before the payment of the deductible by the subscriber. “Index” for the purpose of this matter – the consumer price index published by the Central Bureau of Statistics.

5. Exclusions

This extension does not provide coverage for damage or an event or a liability that were caused or that stemmed, whether directly or indirectly, as a result of one or more of the following causes:

- 5.1. Damage to a component that was not completely full and/or functioning and/or in working order prior to and until the occurrence of the Accidental Event and/or that was not properly assembled.
- 5.2. Damage that was caused deliberately by the Insured and/or anyone acting on its behalf and/or by whoever received permission from him to use the Vehicle.
- 5.3. Scratches and/or fading and/or wear of a component.
- 5.4. Theft of the entire Vehicle.
- 5.5. Damage to the Vehicle that was imported to Israel under private import, provided that the damage is not to a component that is imported regularly to Israel.
- 5.6. Damage to components not included in the technical specification of the manufacturer of the Vehicle or the official importer, provided that the damage is not to a component that is imported regularly to Israel.
- 5.7. Short-circuits, electrical and/or mechanical mechanisms and motors that do not stem directly from an Accidental Event
- 5.8. Damage as a result of a natural disaster (including an earthquake).
- 5.9. Damage caused as a result of a driving test and/or driving performance tests.
- 5.10. War, hostilities, terrorist attacks or any event that entitles the Vehicle owner to compensation in accordance with the provisions of the Property Tax and Compensation Fund Law 5721-1961.
- 5.11. Damage that was caused while the Vehicle was enlisted to military service and/or used by the military and/or by the defense forces.
- 5.12. Vehicle that is used for the purpose of carrying passengers for in return to pay.

6. General terms and conditions

- 6.1. This extension is subject to the entire terms and limitations set out in the Policy, unless modified expressly in this extension.
- 6.2. The entire amounts as stated in this coverage include VAT.

43. Electrical installations

1. Definition:

“Electrical installations” – that are not an integral part of the importer specification and that were installed in the Vehicle by the Insured and/or at his request.

Coverage is in effect only if stated expressly in the Policy Schedule.

2. The insured event

Loss or damage to the insured property, as a result of one of the risks as stated hereunder, up to the sum insured as stated in the Policy Schedule.

3. The insured property

Sound and audio system (audio system, tax (including LCD), fixed car phone, communication device, satellite system listed by the Insured in the proposal form or in any other manner and that were stated in the Policy Schedule that is installed permanently in the insured Vehicle.

4. The insured risks:

- (1) Fire, lighting, explosion, kindling.
- (2) Casual collision, overturning and accident of any kind.
- (3) Any damage to the insured property that was caused in consequence of an accident, and during an attempt to steal the Vehicle, **except for the theft of the insured property itself.**
- (4) Flood, storm, snow, hail, volcanic eruption.
- (5) Theft of the insured property in consequence of forced break-in to the Vehicle.
- (6) Malicious act; **however if the insured event was caused deliberately by the Insured, any member of his household or by anyone acting on their behalf – the Company shall be exempt from its liability.**

5. Indemnity methods

The Company may, at its discretion, repair the device or parts thereof, or replace them, or pay in cash for the value of the loss or the damage.

6. Exclusions

Coverage under this Chapter does not include loss or damage caused to the following:

- (1) To electronic and/or electrical devices that are not installed permanently in the insured Vehicle
- (2) To an antenna, speakers, subwoofer, tapes, CDs, discs, communication devices, USB, equalizers, GPS systems, cellular devices and remote controls, unless otherwise stated in the Policy Schedule.
- (3) In consequence of theft that was performed not by the use of force or violence at the time of entering the Vehicle, or that the Vehicle does not have external marks indicating that such force or violence were used as said.
- (4) As a result of a fire stemming from an electrical, electronic, or mechanical breakdown, including self-kindling.

7. Scope of insurance benefits (indemnity value)

The insurance benefits that are due to the Insured under this section shall be calculated and paid based on the value of the loss or damage on the date of occurrence of the insured event with deduction of the deductible as stated in the Policy Schedule, and in any event shall not exceed the sum insured as stated in the Policy Schedule.

8. Deductible

The Insured shall incur the deductible in accordance with the provisions set forth in the Policy Schedule in respect of this coverage.

9. Underinsurance

If the sum insured as stated in the Policy Schedule by the name of the electrical device (the "Sum Insured") is less than the value of the said device, the liability of the Company shall decrease by a relative rate that is equal to the ratio between the Sum Insured and the value of the insured property at the time of making the insurance contract.

Each device that is part of the insured property, is subject separately to this condition.

44. Theft of keys

Coverage is in effect only if stated expressly in the Policy Schedule.

1. The insured event:

In the event the keys to the Vehicle insured under this Policy are stolen, the Company shall indemnify the Insured for the amount that the Insured actually paid to a auto locksmith, for the purpose of unlocking the Vehicle door, to the extent required, and for the amount that the Insured actually paid to the locksmith for the purpose of preparing a replacement key, including the cost of the work for the replacement of the locks, up to the liability limit as stated in section 2 hereunder.

2. Liability limits:

The liability of the Company for insurance benefits paid under this section shall not exceed the amounts that were actually paid by the Insured, and in any event shall not exceed an amount of ILS 1,500 per event, and ILS 2,500 for the insurance term, with deduction of deductible in the amount of ILS 350 per event, unless otherwise stated in the Policy Schedule.

3. Exclusions:

The Company shall not pay for the following:

- A Other expenses, except for the expenses as stated in section 1.
- B Expenses associated with loss or theft of the keys of another vehicle other than the Vehicle insured under this Policy.

4. Terms of insurance coverage:

In the event of theft, coverage under this section is conditional on the delivery of an official police report regarding the theft, within a reasonable time as of the date of occurrence of the event.

45. **Bumpers**

Coverage is in effect only if stated expressly in the Policy Schedule.

1. **Definitions**

"Bumpers"	A bumper, according to the definition provided by the Vehicle manufacturer as stated in section 2.3(1).
"Breakdown"	A breakdown and any damage (except for theft) that penetrates through the bumper(s) of any kind, including a bump.
"Bump"	A dent and/or squashing of the bumper bar.
"Coverage"	Repair of the bumper or the replacement of the bumper with a new bumper in the manner decided by the professional manager of the garage.
The "Vehicle"	The Vehicle as stated in and subject to the provisions set forth in section 2.2 and that the company manufacturing this Vehicle has an official representation in Israel, was import in standard import by the said Agency and/or there are bumpers for this Vehicle in Israel, and that will be insured within the framework of and in accordance with the Policy.
The "Service Recipient"	The Insured or anyone acting on behalf of the Insured.
The "Service Provider"	As stated in the Policy Schedule.
"Price List"	The Price List of the Service Provider for the repair of a breakdown/bumpers.

2. **Essence and scope of coverage**

- 2.1. The service subject matter of this extension shall be provided and/or performed by the Service Provider and/or in the service stations without limitation on the number of queries made by the Insured during the insurance term, subject to the deductibles as follows:
- 2.2. Private and commercial vehicle of up to 3.5 ton – deductible in the amount of ILS 350 (three hundred and fifty new Israeli shekels) for a "breakdown" and subject to the provisions of section 2.4 hereunder.
- 2.3. The extension is provided for the insurance term, unless the insurance term is canceled even earlier.
- 2.4. Coverage under this extension shall be provided for unforeseeable damage to the Vehicle bumper, subject to the following conditions:
 - 2.4.1. Coverage shall apply solely to **exterior and interior plastic parts that are part of the bumper and that are required for the purpose of restoring the bumper to its previous state, solely according to the manufacturer's specification**, such as: bumper molding, front fascia, plastic honeycombs and other internal fortifications, as long as they are made from plastic,

polystyrene for the protector, side fascia, fog covers, main fascia, all types of sensors and cameras, different decorative elements (as long as this are original from the factory, and are not a local addition), underbody spoiler, sensors without a control unit, license plate bracket, supporting elements (including headlight bracket support).

- 2.4.2. Coverage shall not apply to components such as: headlights, fog lights in the protector, daylight lights (LED and non-LED), manufacturer emblems, decorative elements from nickel to the engine hood, linings, bottom engine case guards, front sheet metal – fiber, protectors of bottom cooling system and/or different air intakes that are situated under/behind the protector, cooling units, condensers, metal parts of the Vehicle and/or chassis tips, rear sheet metal elements, top bridges, vertical metal elements, front metal elements, parts that are not made of plastic, different control and command units.
- 2.4.3. The calculation of the liability shall be based solely on the prices of the parts including VAT, according to the price lists of the importers that are published in different digital media (M.R.M. importer websites etc.). **No price quotations from external service providers shall be accepted.**
- 2.4.4. The service under this section shall be provided even if damage to the other parts in the Vehicle was caused in that event, provided that the total amount of the damage in the body of the Vehicle including the bumper does not exceed an amount of ILS 9,000 (nine thousand new Israeli shekels) including VAT.
- 2.5. The bumper that will be repaired will be a replacement bumper with a standard mark. If the Service Provider and/or the service station cannot find a compatible bumper within a reasonable time as said, the Insured shall be entitled to monetary compensation in the amount of the replacement bumper, according to the Service Provider price list and up to the amount of ILS 3,500 including VAT.
- 2.6. If the Service Provider and/or the service station are asked to perform in the Vehicle a repeated repair of the same bumper as of the date of the repair and the repeated repair includes parts that were replaced and/or the repeated repair stems from an act and/or omission of the Service Provider and/or the service station, the Service Provider and/or the service station shall incur the full costs of the repair and the Insured shall not be obligated to pay for the parts that were replaced in the previous repair and/or for the work and/or the deductible as stated in section 2.1 above.
- 2.7. The decision whether or not to repair or replace the bumper shall be made at the sole discretion of the Service Provider.
- 2.8. In the event of a dispute regarding the compatibility of the component to the Vehicle, the parties shall refer this dispute to an appraiser whose identity shall be agreed between the parties.

3. Exclusions

Within the framework of this extension, no service shall be provided for loss or damage or liability that occurred or that were caused as a result of all of the following or any thereof:

- 3.1. Damage caused while driving the Vehicle in a competitive sport.
- 3.2. Damage as a result of flooding or a flood or a natural disaster (including an earthquake).
- 3.3. The service shall be provided to the Insured based on the license plate number as stated in the Policy Schedule.
- 3.4. The Insured shall not be entitled to any payment if the Insured decided to receive the service subject matter of this extension not by the Service Provider, as hereinabove defined. This section shall apply also if the service recipient acted in good faith.
- 3.5. No coverage under this extension shall be provided in the event of a state of war (whether or not a war has been declared), or a quasi-war, or compulsory enlistment for military service, an earthquake and any other force majeure that do not enable the performance of the service.
- 3.6. Damage to bumper/bumpers that were not fully intact before they were damaged and/or a bumper and/or bumpers that were not properly assembled.
- 3.7. Damage to a bumper/bumpers that do not constitute part of the original technical specification and the finish level of the model in the manner set out by the manufacturer.
- 3.8. Damage to a bumper/bumpers that was/were defective before this extension entered into force.
- 3.9. Damage caused maliciously by the Insured and/or anyone acting on its behalf and/or by anyone who received permission from the Insured to use the Vehicle.
- 3.10. Coverage does not include electrical short-circuits, wiring and/or activation mechanisms.
- 3.11. Damage and/or defect in the other parts of the Vehicle that prevent and/or that hinder the ability to assemble the bumper/bumpers that was/were damaged.
- 3.12. Damage as a result of an event for which the Insured is entitled to compensation from the State in accordance with the laws of the State of Israel.
- 3.13. Consequential loss of any kind.

4. Receipt of the service

- 4.1. In any event of a breakdown to the bumper (except for the extraordinary conditions as stated above) the Insured shall contact the service center of the Service Provider as stated in the Policy Schedule for the purpose of receiving the service.
- 4.2. The service shall be provided and performed in accordance with the terms of the extension and in the following dates:
 - A In 5 workdays as of the date the Vehicle was brought to the service station.
 - B "Workdays" for the purpose of this section are Sun. – Thurs. (including) from 08:00 to 16:00.
- 4.3. The Insurer shall be entitled to inspect any damage prior to granting its approval for the performance of the repair and demand, in any reasonable circumstances, the approval of the police, if the police was involved and/or the opinion of an appraiser in respect of the damage(s) at his discretion, provided that in the event that such approval was granted, it shall not exceed the dates set out for the performance of the service as stated above.

5. Additional repairs

In the event of damage and/or damages that are not covered and/or excluded expressly under the Policy and/or in this extension (hereinafter: "Excluded Repairs") and the Insured requested from the service station to make such repairs, the Service Provider and/or the service station shall be entitled to perform the Excluded Repairs and charge payment in respect whereof based on a price quotation that was delivered to the Insured in advance and that was approved by the Insured. After completing the Excluded Repairs, the Service Provider shall deliver to the Insured invoice and receipt based on the price quotation.

6. Effect of the extension and effect of the undertaking

- 6.1. Coverage under this extension is stipulated on the condition that the Insured contacted the Service Provider or one of the service stations and received the service only from that station.
- 6.2. This extension is subject to all other conditions and limitations of the Policy unless modified expressly herein.
- 6.3. The service under this extension is stipulated on the condition that on commencement of the service period the Vehicle bumper has no defects and/or cracks.
- 6.4. The Service Provider shall provide services to an Insured who claims he is part of the subscribers and who does not have the Policy with him against payment by a postdated check for 30 days, or by credit card. The said amount shall be returned to the service recipient in 30 days as of the date of proving eligibility to the service.

7. Liability of the Company

The Company shall be held liable for the service that is provided under this extension.

46. Windshields breakdown

Coverage is in effect only if stated expressly in the Policy Schedule.

1. Definitions

“Windshields”	Front, rear and side windshields of the Vehicle.
“Breakdown”	A breakdown and a crack that penetrate through the thickness of the windshield.
The “Service”	The replacement of broken windshields with new, replacement windshields unless otherwise stated in the Policy Schedule.
The “Vehicle”	A private and commercial vehicle up to 3.5 ton whose year of make is up to a maximum of 20 years prior to the present year and that the Company that manufactures it has a licensed dealership in Israel by which the Vehicle was imported.
The “Service Provider”	The service provider whose information are as stated in the Policy Schedule.
The “Price List”	The price list of the Service Provider for the purpose of repairing windshields breakdown and the replacement of windshields, that is in effect as of the date of the event.
The “Center”	The service center of the Service Provider whose information is as stated in the Policy Schedule.

2. Scope of coverage

- A. The service under this extension shall be provided and/or performed by the Service Provider, as stated in the Policy Schedule, in the event of windshields breakdown to the Vehicle, **without deductible** and subject to the terms of the extension as stated hereunder.
- B. The period of the service under the extension shall be for the insurance term set out in the Policy, i.e.: for the period as stated in the Policy Schedule. In the event the Policy expires prior to the date set out in the Policy Schedule (on the grounds of cancellation or exhaustion of the Policy) the service period shall expire on the actual termination date of the Policy (hereinafter: the **“Service Period”**).
- C. The Service provided under this extension is stipulated on the condition that upon commencement of the Service Period the windshields in the Vehicle are in working order, without any defect and/or crack. With regard to an extension that was purchased no less than one month after the Vehicle insurance commencement date – the service is stipulated on the condition that one of the service stations of the Service Provider provided their written approval regarding the working order of the Vehicle windshields on the service commencement date.
- D. In any event of windshield breakdown (except for the events excluded hereunder), the Insured or anyone acting on its behalf shall contact the Center whose

information appears in the Policy Schedule, that shall refer him to one of the nearest service stations to his whereabouts for the purpose of receiving the Service.

- E. The services shall be provided throughout the country, in the territory of the State of Israel, and in the Judea and Samaria areas (except for the areas of the Palestinian Authority) to which entrance is not prohibited and restricted at the time by any competent authority, **except for the “windshields to your home” extension (as long as an additional extension in the schedule is purchased) as stated hereunder that will not be provided in areas south to the Arabah intersection, in areas east to Ma’aleh Adumim and in the areas of the Palestinian Authority.**
- F. The Service shall be provided and performed in accordance with the terms of the extension and within the following periods:
 - 1. In 12 hours of work as of the time the Vehicle was brought to the service station, and in any event until the end of the workday after the day in which the Vehicle was brought to the service station.
 - 2. “Workdays” for the purpose of this section shall mean – Sun. – Thurs. (including) from 07:30 until 16:30, and in the Tel Aviv and center areas, until 17:30; on Fridays and eves of holiday from 07:30 until 14:00.
- G. The Insurer, by the Service Provider, shall be entitled to inspect any damage prior to granting its approval for the performance of the repair, and demand the approval of the police for the damage/damages at its discretion, and on the condition that in the event that the service is approved, the Service Provider shall not deviate from the timeframe for the performance of the service as stated above.
- H. The undertaking of the Company in accordance with this extension is for the installation of a replacement windshield of the same quality and standard of the broken windshield, and that is in compliance with the requirements laid down in any law, regulation, and standard mark on behalf of any competent authority in accordance with the law. In any event in which the Vehicle cannot supply a windshield as stated above, the Service Provider may, at its sole discretion:
 - (1). manufacture such a windshield, within a reasonable time; or
 - (2). replace the broken windshield that was damaged with a new, “original” windshield i.e. – a windshield manufactured by the Vehicle manufacturer or manufactured by a manufacturer authorized to manufacture for the Vehicle manufacturer, and on which the emblem of the Vehicle manufacturer is branded; or
 - (3). to pay monetary compensation to the Insured based on the costs of the Service Provider according to the price list of the Vehicle importer on the date of occurrence of the damage.

Coverage under this extension shall not apply upon the occurrence of the events defined under the title “exclusions” in section 3.

- I. If the said insured event also includes damage to the windshields or damage covered under the Policy or damage that was caused by a third party also to the body of the Vehicle – the service station shall not start with the performance of the service unless it receives an undertaking from the service recipient not to file a claim against the insurance company or the third party in respect of the said insured event.
- J. If the Service Provider on behalf of the Company is required to perform in the Vehicle a repeated repair for the windshield, in 12 months as of the date of the previous repair, and the repeated repair stemmed from an act and/or omission of the Service Provider or anyone acting on its behalf, or that the repeated repair refers to parts or work that were performed in the previous repair – the Service Provider shall incur the full costs of the repair, and shall not charge from the Insured any payments in respect of the repair, including for the parts, if the parts were replaced in the previous repair, or with any deductible.

3. Exclusions to the performance of the service

- A. Notwithstanding the aforesaid, coverage under this extension shall not apply to the following:
 1. Breakdown to the windshield that was caused deliberately by the Insured or anyone acting on its behalf.
 2. A breakdown in the windshield that was caused by the Insured or anyone acting on his behalf in consequence of gross negligence accompanied with a mental state of recklessness or carelessness, and that caused the occurrence of the insured event. "Gross negligence" for the purpose of this matter shall mean a behavior deviating from the standard of behavior of a reasonable Insured. Notwithstanding the aforesaid, this exception shall not apply when the negligence of the Insured or anyone acting on his behalf contributed only in part to the occurrence of the insured event
 3. Repair of a breakdown in special windshields, including bulletproof windshields and windshields that deviate from the standard of the vehicle manufacturer, windshields of a Vehicle that were not imported by the official Vehicle importer and that did not receive a certificate of compliance, Sun Roof windshields, unless an extension was purchased pursuant to section 6 "Sun Roof windshields service extension, roof windshields and box windshields.
 4. Electrical breakdowns in the windshields and/or in mechanisms, including as a result of use, wear or a manufacturing defect, and sensors, rubbers, nickel parts and accessories related to the windshield.
 5. Any damage that is the result of a war, hostility, terrorist attack, earthquake, nuclear event or radioactive event, and any damage for which the compensation is paid under the State laws.
 6. Loss or damage caused as a result of participation in riots and disorderly conduct.

7. Different scratches in the windshield.
 8. Windshield breakdown that occurred as a result of or during the use of the Vehicle in a competition and/or a test and/or driving capacity.
 9. Windshield breakdown that occurred in consequence of the occurrence of the insured event that also caused damage to the body of the Vehicle.
 10. Breakdown to a windshield that was not fully intact, or that was not properly assembled before it was broken.
 11. Damage to the windshields of the Vehicle that were not imported by the authorized and licensed dealership in Israel unless the Service Provider granted its approval to cancel this exception and this was stated in the Policy Schedule.
 12. Loss or damage caused when the Vehicle was enlisted in the IDF.
- B. In addition, no coverage under this extension shall be provided in any event that is part of the general exclusions as stated in the chapter "General terms for all Policy chapters."

4. General terms and conditions

- 4.1. Coverage under this extension is stipulated on the condition that the Insured approached one of the service stations and received the service from this service station. For the avoidance of doubt, in any event in which a repair is performed in a garage that is not listed in the list of the licensed service stations of the Service Provider – the Insured shall not be entitled to any compensation for the repair and/or the windshield.
- 4.2. This extension is subject to the entire terms and limitations of the Policy unless modified expressly in the extension.

5. Extension – "windshields to your home" service

If this extension was listed expressly in the Policy Schedule, subject to the terms of the extension subject matter of section 46, and the terms of the extension set out in this sub-section 2-4 hereunder – the Insured shall be entitled to contact the center and request and receive the service under the "windshields to the home" track in any place where the Vehicle is in, according to his decision.

Performance of the service

The service shall be provided, to the extent possible, during a workday, as defined in sub-section 2E above, in which the Insured requested to receive the service, and in 8 hours of work at the latest on the day following the date of receiving the request of the Insured.

Limitations to coverage

This extension shall not apply upon the occurrence of the following events

- 5.1. In a Vehicle other than a private and commercial vehicle up to 3.5 ton and in motorcycles.

- 5.2. In the event of extreme weather conditions in the area where the service was requested, including during rain or hail or snow storms that do not enable the performance of the service in the area.
- 5.3. If the service was requested in an area where riots or disorderly occur, and these do not enable the performance of the service in the area.
- 5.4. If the performance of the service requires the use of special equipment or special instruments that cannot be taken from the area of the service station, or if the performance of the service requires use or connection.
- 5.5. In areas south to the Arabah intersection, in areas east to Ma'aleh Adumim and in the areas of the Palestinian Authority.
- 5.6. Upon the occurrence of the events as stated in sub-section 3 above.

6. Extension – “Sun Roof windshields” service

Coverage is in effect only if stated expressly in the Policy Schedule.

If this extension was stated expressly in the Policy Schedule, subject to the terms of the extension subject matter of section 46, the Insured shall be entitled to Sun roof windshields coverage subject to the following limitations:

Limitations to coverage

This extension shall not apply upon the occurrence of the following events:

- 6.1. In the event there are extreme weather conditions in the area in which the service was requested, including during rain, hail or snow storms that do not enable the performance of the service in the area.
- 6.2. If the service was requested in the area where riots or disorderly conduct occurred, that do not enable the performance of the service in the area.
- 6.3. If the performance of the service requires the use of special equipment or special instruments that cannot be taken outside the service station, or if the performance of the service requires use or connection.
- 6.4. In the areas of the Palestinian Authority.
- 6.5. Upon the occurrence of the circumstances as stated in sub-section 3 (general exclusions to the performance of the service) above, except for the Sun Roof exception.
- 6.6. Coverage shall not be provided to the extent that the entire roof of the Vehicle is made from glass.
- 6.7. Coverage shall not be provided to the roof mechanisms.
- 6.8. Coverage shall not be provided for the sealant rubbers of the roof.

Without payment of the deductible

47. Road and towing services

Coverage is in effect only if stated expressly in the Policy Schedule.

A. Definitions

“Vehicle”	The Vehicle whose information is as stated in the Policy Schedule and that was insured within the framework and in accordance with the Policy.
“Service Provider”	The service provider whose information is as stated in the Policy Schedule.
“Service Recipient”	The Insured who purchased the coverage under the Policy and whoever holds the Vehicle and/or who will use the Vehicle with his permission and/or on behalf of the Insured.

B. Scope of coverage

The Insured shall be entitled to receive the following services for the Vehicle for no consideration and in an unlimited number of his queries during the period of coverage, and subject to the terms of the coverage hereunder:

1. Towing the Vehicle - in accordance with the following conditions and the other conditions of this extension:

- 1.1. The Vehicle will be towed from any area in the State of Israel, to any place in the State of Israel, subject to the provisions of section B.4. hereunder.
- 1.2. The need to tow the Vehicle stems from the fact that the Vehicle cannot be used for driving in consequence of a road accident, or in the event of a Vehicle that was found after theft, or in the event of a malfunction stemming from the Vehicle.
- 1.3. A representative on behalf of the Service Provider cannot start the Vehicle, or perform in the Vehicle a road repair in a place that will enable to start the Vehicle.
- 1.4. The Vehicle is on the road and can be towed immediately by a standard towing truck.

For the purpose of this condition, “road” shall mean – an asphalt road or a road that was paved for the traffic of private vehicles, an organized parking space or a private parking space.

- 1.5. The Service Provider will not tow the Vehicle from a garage or a radius of 50 meters from a garage.
- 1.6. The Service Provider will not provide the service if the need to perform the service stems from a service that was provided by an unauthorized service person.

- 2. Starting the Vehicle, to the extent possible.**
- 3. Minor road repairs that do not require service in a garage** (spare parts shall be provided at the expense of the Insured).
- 4. Vehicle rescue** – minor rescues from places that are near the road, as a result of a road accident, if the Vehicle was found after theft, or in the event of a malfunction stemming from the Vehicle and that can cause the **shutdown of the Vehicle, subject to the following conditions:**
 - (1). The duration of the rescue does not exceed 20 minutes.
 - (2). It is possible to perform the rescue by a standard tow truck and the equipment in the tow truck, without the assistance of other tow trucks or auxiliary tools. It is emphasized that a rescue stemming from a reason that is not as stated above, such as the sinking of the Vehicle, shall be provided to a subscriber in return for pay in accordance with the provisions of Chapter D – “Additions for Pay” as stated hereunder.

C. General terms and conditions

1. The Service Provider shall provide to the Insured services as stated above (hereinafter: the “**Vehicle Services**”) for 24 hours a day, in each day of the year, except for Yom Kippur (subject to security limitations as stated in section B.4)). On the eve of Yom Kippur, no services shall be provided 3 hours prior to the start of Yom Kippur, and after Yom Kippur the Vehicle services shall resume 3 hours after the end of Yom Kippur.
- 2. The services shall be provided in throughout the country within the territory of the State of Israel and in the areas of Judea and Samaria and the Gaza Strip (except for the Palestinian Authority areas) to which entrance is prohibited and limited at the time by any competent authority in Israel.**
3. The service vehicle will arrive to the Insured Vehicle within a period of time that will not exceed 5 hours from the date of delivery of the entire information for the purpose of performing the service, unless another arrangement was reached with the Insured.
4. The Vehicle services shall be provided to the Insured or anyone acting on its behalf.
5. For a series of events that are related by one causal connection, the Insured shall be entitled only to one towing for no consideration, or one start of the Vehicle motor for no consideration. In the event of a dispute, the issue shall be referred to the decision of a licensed auto appraiser. In the event the auto appraiser decides that there was no causal connection between the events – the Service Provider shall incur the auto appraiser’s fees. In the event the auto appraiser decides that there was a causal connection between the events – the Insured shall incur the auto appraiser’s fees. The Insured shall pay deferred payment until the auto appraiser gives his decision.

6. The Vehicle services as stated in Chapter A above for a loaded Vehicle or a Vehicle that cannot be operated in consequence of a puncture or punctures shall be provided in return for pay, in accordance with Chapter D.
7. Towing services shall be provided on the condition that there is direct access to a standard tow truck.
8. Vehicle motor starting services, to the extent provided, shall be provided on the condition that there is a direct access to the vehicle repair services car.
9. The Insured shall incur the full cost imposed on the service vehicle for the purpose of entering a parking lot in return for pay, with the addition of processing fees that will not exceed ILS 15.
10. Service for 4X4 vehicles, except for rescue services and towing services in an unpaved road, shall be provided in accordance with the terms set forth in the services agreement as stated above. The rescue and/or the road and towing services in an unpaved road for a 4X4 vehicle shall be provided to the Insured in return for payment in accordance with Chapter D, and the arrival time of the service car shall depend on the circumstances of the case.
11. Service Provider shall solely select the type of the service that is necessary out of the Vehicle services.

D. Ordering and receiving the service

1. The Vehicle services shall be provided to the Insured after the Insured or anyone acting on his behalf provided the entire information that is required for the purpose of performing the service to the Service Provider, in one of the service centers of the Service Provider as stated in the Policy Schedule in which its extension was purchased.
2. If the information of the insured Vehicle does not appear in the records of the Service Provider as having an extension that is in effect – the Service Provider shall not be obligated to provide Vehicle service for no consideration to the subscriber Vehicle, as long as the Insured did not present a valid extension confirming that the Insured is entitled to receive vehicle services, and another document enabling the identification of the Insured.
3. The Service Provider shall provide vehicle services to anyone claiming he is an Insured of the Service Provider, and did not present a document demonstrating that he is eligible to receive such services – against payment of the service expenses in the premises, based on the price list of the Service Provider.
4. The amount that will be charged as stated in section 3 for the service shall be returned to the Insured in 30 days as of the date the following documents are provided to the office of the Service Provider:
 - (1). A photocopy of a valid document or the insurance policy entitling the Insured to receive the services of the Service Provider and that were valid on the date of performance of the service.
 - (2). A receipt for the amount that was charged from the Insured.

5. If the Insured ordered any service, and the Service Provider acted for the purpose of performing the service, however eventually the service was not provided for reasons stemming from the Insured and that do not depend on the Service Provider – the Insured shall be charged with payment if the Insured orders from the Service Provider the same service again for the same circumstances according to the price list of the Service Provider.
6. The Service Provider may, at its discretion and on the dates that the Service Provider will see fit, and for the purpose of shortening the period of time until the service is provided, notify the Insured regarding the option to order the same service that was ordered from the Service Provider and in accordance with the extension, from any other entity that will be selected by the subscriber and under its responsibility, against an amount that the Service Provider will pay to the Insured, that is equal to the price of the Service Provider for the service, if the service was provided by him, according to the rates of the Service Provider. This shall be done against presentation of an invoice regarding payment for the order of the service from another service provider **and subject to the following conditions:**
 - (1). The service is included in the services that are provided to the subscriber for no pay.
 - (2). The Insured notified the Service Provider (before ordering the service from the other entity) regarding the need to cancel the performance of the service by the Service Provider.

E. Additional payment

In addition to the services provided to the Insured as stated above, and that are provided for no additional payment in addition to the Insurance Premiums in respect of an extension, the Insured may receive, in return for the payment that will be paid at the time of performing the service, the following services, unless otherwise stated in the Policy Schedule:

1. Auto locksmith services in the event of a breakdown/loss of key/remote control/keypad starter (immobilizer key) of the Vehicle, or if these items they were left in the Vehicle.
2. Service for the supply of fuel, to the extent that it is possible to fuel the Vehicle – in the event that the Vehicle is stuck without fuel, and for the purpose of enabling the Vehicle to arrive to the nearest gas station. The fuel price shall be added to the price of the service.
3. Towing a loaded Vehicle or providing a service to a Vehicle that is inoperable as a result of a puncture and/or damage to the tire(s).
4. Towing a Vehicle from one garage to another, or to any requested destination, subject to the provisions of section B.2.
5. Towing a Vehicle that was removed from the road by a competent authority, or a Vehicle that did not pay its annual license.

6. Any action that is required for the purpose of facilitating the towing of the vehicle by a standard tow truck, such as the removal of the Vehicle from the parking lot etc.
7. Split towing service – if the Insured decided to split the towing service – the towing shall be performed for a malfunction in the service within the framework of the terms of the Insured, and continuation of the towing service shall be deemed as additional service for pay, that will include a discount at a rate of 20% of the price list of the Service Provider.
8. Replacement of bulbs in the Vehicle, if the proper bulb exists in the inventory of the service car.
9. The storage and security services of the Vehicle in one of the parking lots of the Service Provider. The transfer of the Vehicle to the parking lot and its return are under the responsibility of the subscriber.
10. Rescues stemming from a reason not included in section A'1 D'4, such as sinking of the Vehicle etc.
- 11. Service for charging an electric vehicle or towing the Vehicle to the nearest charging station, as follows:**
 - A. Charging an electric vehicle**
 1. Charging the vehicle – a service recipient who was stuck with his Vehicle without charging will receive from the Service Provider charging for his Vehicle of up to 15 minutes.
 2. The Vehicle services shall be provided at the earliest opportunity and according to the circumstances of the case.
 - B. The towing of the Vehicle that is eligible to the service is subject to the following conditions:**
 1. The Vehicle will be towed from any place in the State of Israel, up to a distance of 35km; service shall not be provided in the areas of the Palestinian Authority and the Gaza Strip.
 2. The Service Provider cannot provide charging services to the Vehicle receiving the service.
 3. The Vehicle is on the road and can be towed immediately. A road means an asphalt road or a road that was paved for the traffic of vehicles with 4X2 transmission in an organized parking space, or a private parking space.
 4. The towing services shall be provided on the condition that there is direct access to the service car.

The Service Provider shall solely select the type of the services that is necessary payment of the vehicle services as said.

C. Service to an electric vehicle will not be provided in the following cases:

1. Service to the vehicle that cannot be charged as a result of malfunctions in the batteries.
2. Service to a vehicle that is in the garage or in its nearby area.
3. If the need for the service stems from a service that was provided by an unauthorized service provider in the Vehicle.
4. Towing service to a Vehicle loaded with goods and/or cargo.
5. Towing a Vehicle that is in a roofed parking lot.
6. Towing a vehicle that cannot be towed in consequence of a puncture or punctures in the tires.
7. Service to a vehicle whose doors cannot be opened and its hood cannot be opened as a result of a malfunction that requires service by a locksmith.
8. Service to the Vehicle that cannot be operated in consequence of damage to a remote control, keys, and keypad starter (immobilizer).
9. The service recipient shall incur the full cost that will apply to the service car for the purpose of entering a parking lot/parking lot for pay/ or access from a toll road for the purpose of performing the service.
10. Calling a taxi for the driver and the passengers in the Vehicle.
11. Towing the Vehicle for a distance of 36km and above according to the "Roads" Price List (the first 35km as part of the service contract and in return for deductible).
12. Charging the Vehicle, starting from the 16th minute, according to the Road Price List (the first 15 minutes as part of the services contract and against deductible).
13. Third service and above during the period of the service.
14. The Vehicle is in a house or in the regular place where it is parked, or in a place where it is possible to charge the Vehicle.

F. Cancellation of the extension/replacement of the Vehicle

1. It is clarified that the cost of the extension is part of the Insurance Premiums for the Policy in which the extension was purchased. Accordingly, in the event of exhaustion of the Policy (in the event of loss and/or theft) the Insured shall not be entitled to reimbursement of the Insurance Premium also with respect to the extension component, in respect of this extension.
2. The provisions of the Policy regarding cancellation shall apply also to this extension.

G. Protection of the Vehicle and completion of the service

1. The Insured shall be responsible for protecting his Vehicle until receiving the Vehicle services. The Insured shall be held liable for any damage or loss caused to the Vehicle or its content until the service car arrives to the insured Vehicle and the service starts.
2. The Service Provider shall be responsible for the protection of the Vehicle from the start of the service and until the completion of the service by the Service Provider. "Completion of the towing service" shall mean – bringing the Vehicle to the place requested by the Insured. If the Insured decided to leave the keys in the Vehicle and/or ordered the Service Provider to leave the keys in the Vehicle until the completion of the service – the Insured shall be held liable in connection therewith, for all intents and purposes. "Completion in the performance of the service" for the purpose of this section shall mean – bringing the Vehicle to the place requested by the Insured.
3. The Service Provider shall leave the insured Vehicle in the place requested by the Insured, and the Insured shall be responsible for receiving and protecting the Vehicle from this time henceforth, whether or not anyone received the Vehicle.
4. If it is impossible to bring the insured Vehicle for a reason stemming from the Service Provider, during the hours of work, to a garage to which the Insured requested to tow the Vehicle – the Service Provider shall ensure that the Vehicle is protected and that the Vehicle will be brought to the garage on the following day (except for Saturdays and holidays). The Service Provider shall incur the Vehicle storage expenses in such circumstances as said.
5. In the event it is impossible to bring the insured Vehicle for a reason not stemming from the Vehicle during the hours of work to the destination that the Insured requested to tow the Vehicle, and the Insured decided to use the second storage and the towing services of the Service Provider – the said services shall be provided to the Insured who requested such services in return for pay.

H. Damage

1. The Company or the Service Provider on its behalf shall compensate the Insured for any direct damage caused to his Vehicle as a result of the vehicle services that were provided and subject to the provisions set forth in any law. The Insured shall permit to the Service Provider to inspect the Vehicle prior to its repair, and no later than 14 days as of the date of occurrence of the damage.
2. Upon the occurrence of any damage or loss as a result of the performance of the Vehicle services, the Insured shall be obligated to notify the Service Provider about the said at the earliest opportunity.
3. The Insured is obligated to provide to the Service Provider, at the earliest opportunity, a written report regarding the entire damage, articles or property items that were damaged, as argued by the Insured.

4. The Insured shall be obligated to permit to the representatives on behalf of the Service Provider to conduct an immediate inspection or at any reasonable time that will be set by the Service Provider of the damage or the loss, and provide any reasonable assistance under the circumstances of the case and that will be required in connection therewith, including the provision of relevant information.
5. The Insured shall not pay any expense for the purpose of repairing the damage without obtaining the written approval of the Service Provider on behalf of the Company, on the condition that such approval is granted within a reasonable time and no later than 7 days, depending on circumstances.

I. The extension period and effect of the undertaking made under this extension

The service period under the extension shall be in effect for the insurance term in accordance with the Policy, i.e.: for the period as stated in the Policy Schedule. In the event the Policy expires prior to the date as stated in the Policy Schedule (on the grounds of its cancellation or the exhaustion of the Policy) the service period shall expire on the actual expiration date of the Policy (hereinafter: the “**Service Period**”).

For the avoidance of doubt, it is clarified that the extension cost is part of the Insurance Premiums in respect of the Policy in which the extension was purchased. Accordingly, in the event of exhaustion of the Policy (loss and/or theft) the Insured shall not be entitled to a return of the premium also with respect to the extension component in respect of this extension.

J. General terms and conditions

1. A request from another service provider to receive the service without obtaining the prior and written approval of the Service Provider shall not entitle the Insured to reimbursement of expenses or any part thereof, or any payment, even if the Insured was entitled to the service from the service provider the Insured contacted.
2. All amounts that are relevant in this extension are based on the relevant price list of the Service Provider as of the date of performing the service.
3. The Insured shall return to the Service Provider the expenses of the service(s) that were provided to him if it is found, retroactively, that he was not entitled to the service(s) in consequence of the shortening of the effect of the extension or the cancellation of the extension.
4. The Insured shall perform his entire undertakings as stated in this extension.
5. If the Insured ordered a service, and the Service Provider concluded that there was no need for the service in light of the fact that the Vehicle could be operated prior to the performance of the service – the Insured shall be charged with payment based on the price list of the Service Provider and with a 20% discount thereof in respect of a futile service.

K. Liability of the Company

The Company shall be held liable for the service that is provided under this extension.

48. Priority Service in the event of a road accident

Coverage is in effect only if stated expressly in the Policy Schedule.

1. Definitions

“Vehicle”	The Vehicle whose information is as stated in the Policy Schedule and that was insured within the framework and in accordance with the Policy.
The “Service Provider”	The Service Provider whose information is as stated in the Policy Schedule.
The “Service Recipient”	The Insured who purchased the coverage under the Policy and whoever possesses the Vehicle and/or uses the Vehicle with his permission and/or on behalf of the Insured.

A. Scope of coverage

The Insured shall be entitled to the following services, for no consideration, and without limitation on the number of queries during the coverage period, and subject to the terms of this extension hereunder:

1. A representative on behalf of the Service Provider arrived to the insured Vehicle that was involved in the road accident for the purpose of releasing the customer and for the purpose of continuing the service provided to the Vehicle (subject to the provisions of section 8).
2. Taking the customer from the place of the accident, by a representative on behalf of the Service Provider or by a taxi, to the requested destination, **for a distance of up to 250km.**
3. Continuation of service for the purpose of towing the Vehicle to the requested destination.
4. Storing, protecting and towing the Vehicle to the garage, if the service is performed during hours other than regular business hours.

B. General terms and conditions

1. The service provided under this coverage can be provided **subject to security limitations** for a period of 24 hours a day, in each day of the year, except for Yom Kippur. Services shall not be provided on the eve of Yom Kippur 3 hours prior to the start of Yom Kippur, and the road services shall resume 3 hours after the end of Yom Kippur, in accordance with and subject to the provisions set forth in section 7 hereunder.
2. All services that are provided to the insured Vehicle shall be provided according to the extension of “road and towing services” of the Service Provider as stated in the extension.
3. **“Priority Service” shall be provided throughout the country for insured events except for areas outside the area of the State of Israel, the areas of Judea and Samaria and the Gaza Strip area.**
4. **“Priority Service” shall be provided only if Israel Police is not involved or, alternatively – if the Insured received from Israel Police the required approvals for the purpose of performing the Vehicle services.**

5. For the avoidance of doubt, the service shall be provided only from the place of the accident, and not from police parking lots, storage lots used by the police, the house of the Insured and garages.
6. "Priority Service" shall be provided to the Insured in one hour from the time of receiving the entire relevant information in the digital call center of the Service Provider, **except for the following events in which no service can be provided:**
 - (a) On the day after holidays, Saturdays, and statutory holidays.
 - (b) Service shall be provided in areas outside cities with the addition of the time of the trip from the nearest city.
 - (c) In events stemming from a force majeure, and subject to traffic nuisances and security limitations.
7. "Priority Service shall be provided only if the service was ordered shortly after the time of occurrence of the accident.
8. The Insured shall be entitled only to one "Priority Service" for no consideration for the same event.

C. Ordering and receiving the service

In accordance with the "road and towing services" extension.

D. Cancellation of the extension/replacement of the Vehicle

In accordance with the "road and towing services" extension.

E. Protecting the Vehicle and completing the performance of the service

1. The Insured shall be responsible for protecting his Vehicle until receiving the priority service. Any damage, loss or deficiency caused to the insured Vehicle or contents thereof until the representative on behalf of the Service Provider arrives to the Vehicle and the start of the service shall be under the responsibility of the Insured and not the Service Provider.
2. The Service Provider on behalf of the Company shall be responsible for the protection of the Vehicle as of the start time of the service and until the completion of the service by the Service Provider. "Completion of the service" shall mean bringing the insured Vehicle to the place requested by the Insured. If the Insured ordered the representative on behalf of the Service Provider to leave the Vehicle keys in the Vehicle after completion of the service – the Insured shall be held liable for the purpose of this matter, for all intents and purposes.
3. The Vehicle shall be entitled to leave the insured Vehicle in the place that was requested by the Insured, and the Insured shall be responsible for receiving and keeping the Vehicle, whether or not there is a person present to receive the Vehicle, and on the condition that the Vehicle was brought during the customary hours of work.
4. If the insured Vehicle cannot be brought to a garage or to the place where the Insured requested to tow the Vehicle during the regular hours of work – the Service Provider shall protect the Vehicle and bring the Vehicle to its destination on the following day (except for Saturdays and holidays). The Service Provider on behalf of the Company shall incur the storage and guarding expenses of the Vehicle in such circumstances as said.

F. Damage

In accordance with the provisions of Chapter G in the “road and towing services” extension.

G. Extension period and effect of the undertaking under this extension

In accordance with the provisions of Chapter H in the “road and towing services” extension.

H. Declarations and undertakings of the Insured

In accordance with the provisions of Chapter I in the “road and towing services” extension.

In addition to the said, the Insured shall indemnify the Service Provider for its expenses for the purpose of providing “Priority Service” in 30 days as of the date of receiving his demand, if it transpires that he was not entitled to the Priority Service that he ordered.

I. Liability of the Company

The Company shall be held liable for the service that is provided under this extension.

49. Replacement Vehicle

Terms of extension (driver’s age, driving experience) shall be provided subject to the Service Provider (the Vehicle leasing company) Coverage is in effect only if stated expressly in the Policy Schedule.

1. Definitions

“Vehicle”	The Vehicle whose information is as stated in the Policy Schedule and that was insured within the framework and in accordance with the Policy.
The “Service Provider”	The Service Provider whose information is as stated in the Policy Schedule.
The “Service Recipient”	The Insured or anyone acting on behalf of the Insured.

2. Scope of coverage

The Insured shall be entitled to **one** of the following coverage tracks in accordance with the provisions set forth in the Policy Schedule for no consideration and without limitation on the number of his requests during the coverage period, and subject to the terms set forth in this extension hereunder:

In the event of an accident and/or theft (to an Insured under full or partial coverage or in third-party coverage) in accordance with the following terms and the other terms set forth in the extension:

A. In the event of an accident:

1. In the event of an accident as a result of which the insured Vehicle is taken to the garage for the purpose of its repair, the Service Provider on behalf of the Company shall provide to the Insured an undertaking for financing the costs for a replacement vehicle in a leasing company, to which the Insured shall be referred by the Service Provider (hereinafter: the “Leasing Company”) based on the terms of his eligibility and the other terms of the coverage as stated hereunder.

2. The number of days of eligibility to the replacement vehicle shall be based on the number of days that are required for the purpose of repairing the insured Vehicle, according to the appraiser's report, and shall be calculated in the following manner, up to a limit of 7 eligibility days (or another eligibility limit that was set out in the Policy Schedule):
3. The cost of the repair work of the Insured Vehicle (without spare parts), divided by the price of an 8-hour workday in the garage (according to the rates of the association of garage owners for an hour of work that are in effect at the time of the repair) with deduction of 3 days (or any other number of days that was set out in the Policy Schedule as "deductible").
4. In the event of an accident, and if the damage to the Vehicle was defined by the appraiser as total loss, the replacement vehicle shall be provided for a period of 7 days, unless otherwise stated in the Policy Schedule.

B. In the event of theft:

1. In the event of theft of the insured Vehicle, the Service Provider shall provide to the Insured a replacement vehicle as of the 8th day (unless otherwise stated in the Policy Schedule) following the notice that was delivered to the police and to the insurance company regarding the theft of the Vehicle, and until the date the Vehicle is found or the date in which the insurance company pays the compensation – whichever is earlier, however for a period that shall not exceed 23 days (unless otherwise stated in the Policy Schedule).
2. The Insured undertakes to return the replacement vehicle to the Leasing Company immediately after the date in which the Insured received notice that the Vehicle was found or after the Insured received compensation from the insurance company, whichever is earlier, and in any event no later than expiration of a period of 23 days.
3. If it transpires that the Vehicle of the Insured that was stolen was found after it was also involved in an accident – the Insured shall be entitled to a replacement vehicle, in the manner set out in paragraph A above.

C. In the event of theft (for an Insured under third-party coverage only) - in accordance with the following terms and the other terms of the services contract:

1. In the event to theft of the insured Vehicle, the Service Provider shall provide to the Insured a replacement vehicle as of the 8th day (unless otherwise stated in the Policy Schedule) as of the date of the notice that was delivered to the police and to the insurance company regarding the theft of the Vehicle, and until the date the Vehicle is found, however for a period that will not exceed 14 days (unless otherwise stated in the Policy Schedule).
2. The Insured undertakes to return the replacement vehicle to the Leasing Company immediately after the Insured received notice that the Vehicle was found, and in any event no later than a period of 14 days.

3. Limitations

- 3.1. The Insured is not entitled to more than one replacement vehicle service for no consideration, in respect of an event or a series of events stemming from one cause. In the event of dispute, the issue shall be referred to the decision of a licensed auto appraiser. In the event the appraiser concludes that there was no causal connection between the events – the Service Provider shall incur the appraiser's fees. In the event the appraiser concludes that there was causal connection between the events – the Insured shall incur the appraiser's fees. The Insured shall make deferred payment until the appraiser delivers his decision.
- 3.2. The total leasing days that shall be provided during the insurance term shall not exceed 30 days (unless otherwise stated in the Policy Schedule).
- 3.3. The eligibility days for each event shall be provided continuously and may not be split.
- 3.4. If the Insured was referred to the Leasing Company by the Service Provider, and did not exercise his eligibility to the replacement vehicle within a reasonable time after the occurrence of the insured event – his eligibility to the replacement vehicle with respect to the said event shall expire.
- 3.5. For the avoidance of doubt, receipt of the replacement vehicle shall be possible only if 14 days as of the date of occurrence of the event did not lapse yet.

4. Activation of coverage – receipt and return of the replacement vehicle

An Insured who is entitled to a replacement vehicle as stated above, shall receive the replacement vehicle in accordance with the following provisions:

- 4.1. Eligibility to a replacement vehicle under this extension is conditional on the existence of the insured event (an accident or theft) that is covered under the insurance policy.
- 4.2. The Insured shall present in one of the offices of the Service Provider confirmation from the insurance company regarding his eligibility to the service, together with an appraiser's report (in the event of an accident)/confirmation of notice to Israel Police (in the event of theft), confirmation of notice delivered to the insurance company and an identity card.
- 4.3. In the event of an accident, the Insured shall receive from the Service Provider a referral to the Leasing Company that will specify the number of days in which the Insured is entitled to the replacement vehicle.
- 4.4. In the event of a theft, the Insured shall receive a referral to the Leasing Company for a period of 10 days. If the Vehicle of the Insured is not found until expiration of the period of 10 days as said, the Insured shall receive from the Service Provider a referral for additional days until the expiration date of his eligibility to the replacement vehicle as stated above and subject to his declarations regarding failure to find the Vehicle prior to receiving each referral.

- 4.5. The Insured shall receive the replacement vehicle from the Leasing Company (after providing a referral letter) in 48 hours from the time the documents were presented to the Service Provider, and after receiving a referral letter as stated above.
- 4.6. For the purpose of realizing his eligibility, the Insured shall be required to sign a lease contract with the Leasing Company in the customary form in the Leasing Company at the time, including the deposit of a deposit and/or a guarantee and/or a credit card, according to the customary practice in the Leasing Company.
- 4.7. The Insured shall be subject to the entire rights and obligations that are imposed on an ordinary lessee from the Leasing Company, except for the issue of the payment for the number of leasing days that the Insured is entitled to from the Service Provider.
- 4.8. The replacement vehicle that the Leasing Company shall provide to the Insured shall be of group B (unless otherwise stated in the Policy Schedule) and shall be delivered to the Insured in one of the main branches of the Leasing Company in Holon, Jerusalem, Haifa, Be'er-Sheva and Ben-Gurion Airport (according to the decision made by the Insured when receiving the referral letter from the Service Provider) and during regular business hours. If the Insured decided to receive the replacement vehicle in Ben-Gurion Airport – the Insured shall incur the airport tax in accordance with the demands made by the Leasing Company and the customary rates in the Leasing Company at the time.
- 4.9. The Insured shall incur in person the entire fuel costs of the replacement vehicle, traffic tickets, toll road payments in accordance with the lease agreement.**
- 4.10. The Insured shall return the replacement vehicle to the Leasing Company upon expiration of the eligibility period, as stated in the lease agreement.
- 4.11. The Insured shall incur all payments that are demanded by the Leasing Company in respect of a delay in returning the replacement vehicle.
- 4.12. The Service Provider shall be entitled, at its discretion and on the dates that it will see fit, to notify the Insured regarding the option to order the “replacement vehicle” service that the Vehicle was entitled to in accordance with the extension from any other entity that the Insured will select and under its responsibility, against an amount that the Service Provider will pay him for an amount of ILS 100 for each day of eligibility (up to the limit of eligibility days as stated in the extension above).

5. Modified replacement vehicle

Coverage is in effect only if stated expressly in the Policy Schedule.

- 5.1. Subject to the entire terms set forth in the extension, the replacement vehicle that the Leasing Company shall provide to the Insured shall be a modified vehicle. “Modified vehicle” for the purpose of this section shall mean – a vehicle designated for carrying disabled persons that includes gas/braking mechanisms and a wheelchair lift for entry and exit of disabled persons.

5.2. If the Service Provider is unable to find a modified replacement vehicle as required, the Company shall compensate the Insured, whether by himself or by anyone acting on his behalf, in an amount based on the customary market prices of vehicle lease as said on the specific dates the Insured is entitled to such compensation, according to the terms of the service, however in an amount that will not exceed ILS 150 including VAT for a private vehicle and ILS 250 for a commercial vehicle for each day of eligibility according to the type of the replacement vehicle that was purchased in the Policy Schedule and up to the full period of the days the Insured is entitled to as stated in the Policy Schedule.

6. Services not included in the extension

- 6.1. If the Insured decided to replace the type of the replacement vehicle the Insured is entitled to receive within the framework of the extension (in the manner as stated in the Policy Schedule) to another group and/or another model – the Insured shall incur the difference in the costs between the cost for the group and the model that were approved within the framework of the extension and the group and the model that the Insured selected.
- 6.2. The Insured shall be entitled to purchase additional leasing days exceeding the eligibility limit, at his expense, and according to the rates of the Service Provider and the terms set forth by the Leasing Company.

7. Extension period and effect of the undertaking made under this extension

The services period in accordance with the extension shall correspond to the insurance term in accordance with the Policy, i.e., for the period as stated in the Policy Schedule. In the event the Policy expires prior to the date as stated in the Policy Schedule (on the grounds of cancellation or exhaustion of the Policy) the service period shall expire on the actual coupon date of the Policy (hereinafter: the “**Service Period**”).

For the avoidance of doubt, it is clarified that the extension cost is part of the Insurance Premiums paid for the Policy in which the extension was purchased. Accordingly, in the event of exhaustion of the Policy (loss and/or theft) the Insured shall not be entitled to reimbursement of the Insurance Premiums also with respect to the extension component in respect of this extension.

8. The provisions of the Policy regarding cancellation shall apply also to this extension

9. General terms and conditions

- 9.1. A replacement vehicle in accordance with the terms set forth under this coverage shall be provided only for a driver on behalf of the Insured who is 24 years of age and above and who has a valid driver’s license for more than two years.

- 9.2. The extension is individual and nontransferable. An application to another service provider for the purpose of receiving the service without obtaining the prior and written approval of the Service Provider shall not entitle the Insured to reimbursement of expenses or a part thereof, or any other payment even if the Insured was entitled to receive the service from the service provider to which the Insured applied.
- 9.3. The Insured returned to the Service Provider the expenses of the services that were provided to the Insured, if it transpires that the Insured was not entitled to the service(s) in consequence of shortening of the term of the extension or cancellation thereof.
- 9.4. The Insured is aware that the entire amounts that are relevant to this extension are based on the relevant price list of the Service Provider as of the date of performance of the service.

10. Liability of the Company

The Company shall be held liable for the service that is provided under this extension.

50. Convertible roof and panoramic roof

Coverage is in effect only if stated expressly in the Policy Schedule.

1. Definitions

“Convertible Roof”	A hard- or soft-top retractable roof.
“Glass windshield roof”	The entire windshield of the Vehicle roof is made from glass (panoramic roof).
“Breakdown”	A breakdown and a crack that penetrate through the thickness of the windshield.
“Tear”	A tear in the outer part of the Vehicle roof that penetrates the thickness of the roof.
The “Service”	Replacement of the broken roof frame and/or the broken roof windshield with a new roof frame and/or a new roof windshield.
“Frame”	The outer frame of a retractable Vehicle roof.
The “Vehicle”	Private and commercial vehicle up to 3.5 ton whose year of make is up to 20 years as of the present year, and that has a licensed dealership in Israel on behalf of the company manufacturing it, and by which the Vehicle was imported, unless otherwise stated in the Policy Schedule.
The “Service Provider”	The Service Provider whose information is as stated in the Policy Schedule.
The “Price List”	The price list of the Service Provider for the replacement of the frame of the roof/and/or a breakdown in the windshield of the roof that is in effect as of the date of the insured event.
The “Center”	The service center of the Service Provider whose information is as stated in the Policy Schedule.

2. Scope of coverage

- A. The service under this extension shall be provided and/or performed by the Service Provider as defined in the Policy Schedule in the event of a breakdown to the roof windshield and/or a tear in the Vehicle roof frame in return to payment of deductible in the amount of ILS 700 and subject to the terms of the extension set out hereunder.
- B. The amount of coverage is limited up to the amount of ILS 25,000 and limited to 2 events a year.

Service under this extension is stipulated on the condition that upon commencement of the coverage period the frame of the Vehicle roof and the Vehicle roof windshield are intact and without any defect and/or crack and/or tear. With regard to an extension that was purchased one month or more after the Vehicle insurance commencement date – the service is stipulated on the condition that the Insured provides written confirmation regarding the working order of the roof and the windshield of the Vehicle roof on the commencement date of the service period, issued by one of the service stations of the Service Provider.

3. Activating the coverage

- A. In any event of damage to the Vehicle roof, including the windshield of the Vehicle roof (except for the events excluded hereunder), the Insured or anyone acting on his behalf shall contact the Center whose information is as stated in the Policy Schedule, that will refer the Insured to the nearest service station to his whereabouts, for the purpose of receiving the service.
- B. The services shall be provided throughout the country within the territory of the State of Israel and in the areas of Judea and Samaria (except for the areas of the Palestinian Authority) to which entry is prohibited and restricted at the time by any competent authority, except for the “windshields to your home” extension as stated hereunder and that will not be provided in areas south to the Arabah intersection, in areas east to Ma’aleh Adumim and in the areas of the Palestinian Authority.**
- C. Service shall be provided and performed in accordance with the terms of the extension and within the following periods:
 - 1. Supply of the parts to the service station, to the extent that there are part in the inventory of the importer in the country, no later than 7 workdays as of the date the Vehicle was brought to the service station.
 - 2. Completion of the repair up to 48 hours from the supply time of the parts.
“Workdays” for the purpose of this section shall mean – Sun. – Fri. (including), except for official holidays in Israel. “Hours of work” for the purpose of this section shall mean – Sun. – Thurs. (including) from 07:30 to 16:30.
- D. The Insurer, by the Service Provider, shall be entitled to inspect any damage prior to granting approval for the performance of the repair, and demand the approval of the police in respect of the damage/damages at its discretion, and on the condition that if the Insurer approves the performance of the service, the Service Provider shall not exceed from the timeframe for the performance of the service as stated above.

- E. The undertaking of the Company in accordance with this extension is to replace the roof frame and/or a glass roof windshield, with a replacement frame/windshield of the same quality and standard of the roof frame and/or the roof windshield that was damaged, and that is in compliance with the requirements laid down in any law, regulation, and standard mark on behalf of a competent authority and in accordance with the provisions set forth in any law. In any event in which the Service Provider cannot supply a windshield as stated above, **the Service Provider shall be entitled, at its sole discretion, to present to the Service Recipient one of the following options:**
1. To manufacture such a roof frame and/or windshield within a reasonable time; or
 2. To replace the roof frame and/or the broken roof windshield that was damaged with a new, "original" windshield i.e., a windshield and/or a roof frame manufactured by the manufacturer of the Vehicle or manufactured by a manufacturer who is authorized to manufacture for the manufacturer, and on which the emblem of the Vehicle manufacturer is branded; or
 3. To pay to the Insured compensation based on the costs charged by the Service Provider according to the price list of the Vehicle importer on the date of occurrence of the damage, with the addition of disassembly and assembly costs however in an amount that will not exceed ILS 25,000.
- F. Coverage under this extension shall not apply upon the occurrence of the events listed under the title "exclusions" in section 5 hereunder.
- G. If the said insured event caused damage to the roof windshield and/or to the roof frame, and the damage is covered under the Policy, or damage that was caused by a third party, also to the body of the Vehicle – the service station shall not commence with the performance of the service however only if it receives an undertaking from the Service Recipient not to file a claim against the insurance company or the third party in respect of the said insured event.
- H. If the Service Provider on behalf of the Company is required to perform in the Vehicle a repeated repair in the windshield in 12 months as of the date of the previous repair, and the repeated repair stems from an act and/or omission of the Service Provider or anyone acting on its behalf, or the repeated repair includes parts or work that were performed in the previous repair – the Service Provider shall incur the full costs of the repair and shall not charge from the Insured any payments in respect of the repair, including for parts, if the said parts were replaced in the previous repair, or with any deductible.

4. Extension period and the effect of the undertaking made under this extension

The service period under the extension shall correspond to the insurance term in accordance with the Policy, i.e., for the period as stated in the Policy Schedule. In the event the Policy expires prior to the date as stated in the Policy Schedule (on the grounds of cancellation or exhaustion of the Policy) the service period shall expire on the actual expiration date of the Policy (hereinafter: the "**Service Period**").

For the avoidance of doubt, it is clarified that the extension costs is part of the Insurance Premiums in respect of the Policy in which the extension was purchased. Accordingly, in the event of exhaustion of the Policy (loss and/or theft), the Insured shall not be entitled to a return of premiums also with respect to the extension component in respect of this extension.

5. Exclusions

- A. Notwithstanding the aforesaid, coverage under this extension shall not apply to the following:
1. Breakdown in the windshield and/or a tear that was caused deliberately by the Insured or anyone acting on his behalf.
 2. A breakdown in the windshield and/or a tear that was caused by the Insured or anyone acting on his behalf in consequence of gross negligence accompanied with a mental state of recklessness or carelessness, and that caused the occurrence of the insured event. "Gross negligence" for the purpose of this matter shall mean a behavior deviating from the standard of behavior of a reasonable Insured. Notwithstanding the aforesaid, this exception shall not apply when the negligence of the Insured or anyone acting on his behalf contributed only in part to the occurrence of the insured event.
 3. The repair of a breakdown in the windshields and/or in a special roof, including a bulletproof windshield and/or a roof and/or a roof protected against stones and a windshield and/or a roof deviating from the standard of the Vehicle manufacturer, windshields and/or the roof of a Vehicle that were not imported by the licensed automobile importer and that did not receive a certificate of working order, Sun Roof windshields.
 4. Electrical breakdowns in roofs/windshields and/or mechanisms, including as a result of use, wear or manufacturing defect, and sensors, rubbers, nickel elements and accessories related to the windshield and/or the roof.
 5. Any damage as a result of a war, hostilities, terrorist attacks, earthquake, nuclear or radioactive event, and any damage for which compensation is paid in accordance with the State laws.
 6. Loss or damage caused as a result of participation in disorderly conduct and riots.
 7. Different scratches in the windshield and/or on the roof.
 8. Breakdown in the windshield and/or in the roof that occurred as a result of or during the use of the Vehicle in a competition and/or a test and/or driving capacity.
 9. Breakdown in the windshield and/or in the roof that occurred as a result of the occurrence of the insured event in which damage to the body of the Vehicle also occurred.
 10. Breakdown in the windshield and/or in the roof that was not completely intact before it was broken, or that was assembled properly.

11. Loss or damage that were caused when the Vehicle was enlisted to the IDF.

B. In addition, no coverage under this extension shall be provided in any event that is considered as part of the general exclusions as stated in the Chapter "General terms and conditions for all Policy chapters."

6. General terms and conditions

6.1. Coverage under this extension is stipulated on the condition that the Insured arrived to one of the service stations and received the service from this service station. For the avoidance of doubt, in any event in which a repair is performed in a garage that is not listed in the list of the authorized service stations of the Service Provider – the Insured shall not be entitled to any compensation in respect of the repair and/or the windshield.

6.2. This extension is subject to the entire terms and limitations set out in the Policy, unless modified expressly therein.

7. The Company

The Company shall be held liable for the service provided under this extension.

51. Attorney – legal services provided for property damage claims in connection with the Vehicle against a third party

Coverage is in effect only if stated expressly in the Policy Schedule.

A. The coverage

1. At the request of the Insured who intends to file a damage claim from the party that caused damage to the insured Vehicle, the Insurer shall provide to the Insured legal services for no consideration by the Service Provider, who will provide the following services to the Insured:

- (1) The Service Provider will conduct negotiations with the party that caused damage or its insurers, until reaching a settlement agreement and receiving compensation that the Insured finds acceptable.
- (2) Should the parties fail to reach an agreed settlement, to the extent that the claim and its amount fall under the jurisdiction of the Small Claims Court, the Service Provider shall prepare a statement of claim that will be filed in the Small Claims Court and will guide the Insured prior to the hearing in court. The Service Provider will not appear for a hearing in the Small Claims Court. "Service Provider" – a law firm whose identity will be as stated in the Policy Schedule for the purpose of this coverage.

B. Terms of coverage:

- (1) The Insured shall be obligated to notify the Insurer regarding the occurrence of the insured event and his desire to realize the additional coverage in accordance with this section, and fill in a claim form.
- (2) The Insured shall provide to the Service Provider all relevant documents that the Service Provider requires for the purpose of substantiating his cause of action.

C. The Insurer shall not be held liable in any manner in anything related to failure by the Service Provider to meet the expectations of the Insured from the legal proceedings.

D. Limitations

The Insured shall not be entitled to any reimbursement for legal services that were provided in claims against third parties, that were provided by any attorney who is not part of the Service Provider as stated in the Policy Schedule.

Explanatory sheet regarding your rights in connection with car appraisals

We hereby respectfully present to you relevant information from Insurance Circular no. 2007-1-8 on Car Appraisal (property and third-party) issued by the Insurance Commissioner.

Assessment of damage and appointment of an appraiser

1. Assessment of damage after the occurrence of the insured event

- A. After occurrence of the insured event and prior to the repair of the damage to the Vehicle, the Insured shall be entitled to select an auto appraiser out of the list of external auto appraisers for the purpose of appraising the damage caused to the Vehicle (as stated in section 2 hereunder).
- B. In the event that the Insured notifies the Company that he has no preference regarding a service from a specific appraiser, the Company shall select for the Insured an appraiser out of the list of external appraisers in the relevant district, and the selection shall be made in a random manner that will ensure that there shall be no preference at any time in the selection of a specific appraiser over another appraiser. The Company shall deliver to the Insured the information regarding the external appraiser immediately, including the relevant information that is required for the purpose of engaging with the appraiser.
- C. The appraiser shall prepare the repair proposal and the assessment according to his professional opinion and in accordance with the provisions set forth in any law, including the provisions set forth in the Commissioner circular and the relevant instructions of the Ministry of Transport.
- D. After completing the repair proposal or the assessment, the appraiser shall deliver a copy of the said documents to the Insured, to the Company and to the garage.
- E. The Company and the appraiser shall document and keep the entire materials related to the damage assessment including any correspondence, proposed repair and assessment that is related to the claim file and the repair of the Vehicle for a period of three years as a minimum. The Company and the appraiser shall deliver to the Insured, after receiving a demand from the Insured, any document and information that the Insured will demand regarding the assessment.
- F. The repair proposal of the external appraiser shall be the determining repair proposal and assessment unless the Company presented in writing a counter repair proposal or assessment (by any appraiser) and announced its wish to appeal the repair proposal or the assessment with an umpire appraiser as stated hereunder, no later than one workday as of the date of preparing the repair proposal by the external appraiser and its delivery to the Company, or in one week as of the date the assessment is delivered to the Company, as the case may be.

- G. The Insured shall be entitled to appeal the repair proposal or the assessment of the external appraiser, provided that the Insured presents a counter repair proposal and announces his wish to appeal prior to the repair of the Vehicle or presents a counter assessment no later than one week after the Insured received the assessment of the external appraiser.
- H. In the appeal on the assessment of the external appraiser before an umpire appraiser, the Insured may appeal only the matters that were not as stated in the repair proposal, with respect to the matters that were included in the repair proposal however that were changed in the assessment, or the matters that could have been inquired only during the repair of the Vehicle.
 - I. The Company shall incur the entire costs of the external appraiser; alternatively:
 - J. The Company shall afford to the Insured an option to select another appraiser and the Company shall be entitled to stipulate this selection on the condition that the Insured shall allow the appraiser on behalf of the Company to inspect the Vehicle prior to its repair. If the Company is interested, the Company shall dispatch an appraiser on its behalf for the purpose of inspecting the Vehicle no later than one workday as of the date of receiving the repair proposals of the other appraiser. This assessment shall not be deemed as the determining assessment as stated in sub-section (f). The provisions of this sub-section shall be without prejudice to the right of the Insured to receive reimbursement for the fee costs of the other appraiser, to the extent that the Insured is entitled to such reimbursement.

2. List of external appraisers

- A. The Insured may use the list of appraisers for each district in proper geographic distribution (hereinafter: the "**List**" or the "**External Appraisers List**") that is displayed in the following website: www.hcsra.co.il.
- B. The List will include as a minimum one appraiser for every 2,000 vehicles that were insured in vehicle property insurance in the Company on the last year of the previous calendric year, when additional appraisers may be added to this list at any time.
- C. In any event, the number of appraisers in each district shall not be less than seven.
- D. In addition, the Insured may use an additional list of external appraisers for vehicles other than the following: private and commercial vehicle up to 3.5 ton or motorcycles. It is clarified that these lists may be based on not just on district, provided that at least five appraisers are listed in each of the lists.

3. Umpire appraiser mechanism

- A. The Israel Insurance Association and the Israel Adjusters Association shall compile a list of umpire appraisers who will assess the damage in any event of a dispute between two repair proposals or two assessments. The List will include a reasonable number of appraisers in a proper geographic distribution and shall be available to the public, including online.
- B. If the Insured or the Company announces their wish to appeal the repair proposal or the assessment as stated in sections P'1 (f-g) the umpire appraiser shall be selected randomly from the list of the umpire appraisers. The umpire appraiser shall not be an in-house appraiser or an external appraiser of the Company.

- C. The umpire appraiser shall submit his opinion no later than one workday after he received the repair proposals or seven days as of the date he received the assessments of the two appraisers.
- D. The fees of the umpire appraiser shall be determined in advance. The umpire appraiser shall also decide on the manner of division of his fees and the costs of the counter repair proposal or the counter repair proposal of the Insured, taking into consideration the results of the appeal. The Company shall incur the costs in connection with the repair proposal or the counter assessment of the Company.

4. Influence on appraisers, the assessment procedure and repair of the vehicle

An insurer, an insurance agent, an Insured, a garage or any other relevant entity shall not influence (except for the communication of relevant information) the independent, professional judgment of an appraiser who prepares an assessment for the Insured, including:

- A. The Insured shall not be limited in any manner from contacting the appraiser directly. For the purpose of this matter, the Company shall not demand from the Insured to contact an appraiser subject to first query made to the Company, and such a demand as said shall imply a limitation. It is clarified that this provision shall not derogate from your duty to notify the Company about the insured event immediately after you became aware of the occurrence of the insured event and your right to insurance benefits in accordance with the provisions of section 22 of the Insurance Contract Law 5741-1981.
- B. The involvement in the assessment process of any entity except for the external appraiser is prohibited. This provision shall not prevent from the Company to provide to the appraiser information prior to the preparation of the assessment, such as information regarding insurance coverage, information about the Policy, the terms of the Policy, extensions etc.
- C. After delivery of the repair proposal, the Insured and the Company shall be entitled to present to the external appraiser any comments on technical matters only relating to the repair proposal and that does not affect in any manner the professional judgment of the appraiser. "Comment on a technical matter" for the purpose of this matter shall mean a comment regarding a clerical error, miscalculation, incidental omission, addition of information by mistake etc. The appraiser shall deliver the updated repair proposal to the garage, to the Company and to the Insured, together with an explanation regarding the differences between this repair proposal and the repair proposal made in accordance with the mechanism defined in section P'1 (f-g) above.
- D. The appraiser shall not receive any instructions that will limit his professional judgment, including when defining the Vehicle as being in a state of "total loss" even if the gross damage to the Vehicle is less than 60%.
- E. No tasks that are not in conformance to the position of the appraiser shall be assigned to the appraiser, and in particular:
 - (1) No one shall demand from the appraiser to refer Insureds to a contract garage or other specific garages;
 - (2) No one shall demand from the appraiser to sign forms for the purpose of inspecting the Vehicle after the repair;

- F. An insurance agent, a garage, an appraiser, or any other entity shall not pay any commission of any kind, including any benefit, to the other, in connection with this arrangement.
- G. An insurer, an insurance agent, a garage or an appraiser shall not provide or receive a commission or any benefit, including by way of discounts in deductible, provision of a replacement vehicle etc. within the framework and following the appointment process of the appraiser.
- H. An insurance agent that is involved in the process for the election of the appraiser shall act in such manner as said for the purpose of exhausting the rights of the Insured only and at his professional discretion.

5. Due disclosure

- A. Section 31B satisfies the requirement to provide to the Insured, on the signing date of the insurance contract, an explanation that will include general information regarding the appointment of the appraiser and the assessment procedure regarding the rights granted to the Insured in accordance with the Policy, and steps that the Insured is required to take for the purpose of exercising these rights.
- B. The updated list of external appraisers shall be available to the Insured and to the public, *inter alia*, in the internet website of the Company, and shall be delivered to the Insured at any time following his demand, by fax and email.
- C. In the event the Insured notifies the Company regarding the occurrence of the insured event, the Company shall inform the Insured regarding the date of occurrence of the insured event that the Insured shall be entitled to elect an external appraiser or another appraiser and will explain to the Insured about the difference between the two, and shall inform the Insured regarding the procedure in which the Insured can receive the list of external appraisers and this explanation, and will offer to the Insured to receive the updated list of the external appraisers and the explanation by fax and email.
- D. Prior to the repair of the Vehicle, the Company shall provide to the Insured all repair proposals that reached the Company and any other relevant document that was delivered to the Company in connection with the assessment. In addition, the Company shall deliver to the Insured the final report of the appraiser shortly after its completion. The said reports shall include all of the following, *inter alia*:
 - (1) A description and identification of the Vehicle subject matter of the assessment;
 - (2) Description of the physical damage that was caused as a result of the occurrence of the insured event, including a verbal description of the damage;
 - (3) A financial assessment of the damage, including diminution in value, as a result of the occurrence of the insured event, and the manner of their calculation, including:

The spare parts that should be used for the purpose of repairing the damage with an indication of their catalogue number or an indication and a

description of the spare parts: new/used/renovated/original/replacement, name of the manufacturer, country of manufacture, name of the importer and any other identifying information and detail.

The price of the spare parts, the number of hours of work that are required for the purpose of repairing the damage, including information regarding the hours that are required for each of the different repair items.

The prices of hours of work.

The manner of calculation of the value of the Vehicle regarding the diminution in value and the manner of calculating the diminution in value.

The calculation method of the value of the Vehicle in the event of total loss and any additional factual information on which the assessment is based on.

Information regarding the assessment and his signature in accordance with the provisions of the law.

- E. If the Insured agrees, the Company shall be entitled to deliver to the Insured the documents as stated in sub-section (d) by its internet website or by delivery of an email to the Insured.

Calculating insurance benefits in the event of total loss and constructive total loss

The price list, the meaning of the special features and their effect on the calculation of insurance benefits for private and commercial vehicle up to 3.5 ton

1. General

- 1.1. The price list that is used for the purpose of determining the value of the Vehicle for the calculation of insurance benefits upon the occurrence of the insured event is the Levi Itzhak Price List for used and new cars, that was published shortly before the date of occurrence of the insured event unless otherwise stated in the Policy Schedule (hereinafter: the "Price List").
- 1.2. The Price List includes information regarding special features that affect the value of the Vehicle, such as: number of previous owners, accidents history, distance in km and more (hereinafter: the "Special Features").
- 1.3. In the event of total loss or constructive total loss, the Special Features will affect the basic Vehicle value according to the Price List. "Basic Vehicle value" does not include additions and accessories that are not included in the basic package, even if purchased from the manufacturer. The Insured is required to notify the Insurer regarding the existence of additional additions and accessories as said, and insure them separately.
- 1.4. The insurance benefits will be decreased or increased based on the rates that are registered in the Price List with respect to each Special Feature. See the examples below.
- 1.5. It should be noted that the Insurance Premiums that are specified in the Policy Schedule were not affected by the Special Feature of the Vehicle, that affect its value in the event of total loss as stated in sections 1 and 2 above.

2. The following are two examples of a decrease/increase in the calculation of the Vehicle value:

A. Private vehicle Toyota Auris 1798cc year of make 2019			
Feature	Feature information	Percentage of change	Amount
Basic car value	Automatic gear		ILS 90,000
Previous owners	Leasing company	-22%	-ILS 19,800
Number of powers	1	0	0
Car market value			ILS 70,200
B. Private vehicle, Seat Leon, year of make 2020			
Feature	Feature information	Percentage of change	Amount
Basic car value	Automatic		ILS 100,000
Number of kilometers	3,000	+9%	ILS 9,000
Number of owners	1	0	0
Car market value			ILS 109,000

The rates as stated above are presented as an example only, and are true in the Levi Itzhak Price List as of October 2021. The rates as stated in the Price List that was published shortly before the occurrence of the insured event shall apply to the payment of the insurance benefits.

Explanatory page regarding the repair of the vehicle in a garage that is not a contract garage of Hachshara Insurance Company Ltd. (the "Company")

(Full disclosure to the Insured about cost reduction of spare parts in the event of accident)

We are honored to bring to your attention that Section 61 (a) of the Insurance Contract Law, 1981 (hereinafter - "**the Law**"), states that an Insurer shall not be liable for insurance benefits for damage that the Insured could have prevented or reduced by taking reasonable measures or measures that the insurer ordered for the insured to resort to them.

Therefore, if you choose to repair your vehicle at a garage that is not contract garage (in accordance with the list displayed on the company's website: www.hcsra.co.il), you must submit to the Company, **before repairing the vehicle**, a detailed repair proposal prepared by the vehicle appraiser who inspected your vehicle, which includes catalog number of the relevant spare parts (the "**Repair Proposal**"), and this for the purpose of examining the reasonableness of the repair proposal.

For your information, the servicing garage that is not contract garage can repair your vehicle according to the cost of available spare parts identical to their cost in the Company's arrangements as they will be valid from time to time ("**cost of spare parts in the Company's arrangements**") or to receive the available parts directly from parts suppliers who have contracted with the Company ("**cost of spare parts of a company Supplier**").

For your information, if the repair proposal or the actual repair at the maintenance garage that is not contract garage include costs that exceed the cost of parts in the Company's arrangements and/or the cost of the parts of the Company's supplier (hereinafter together: "**the cost of the parts to the Company**") - the Company will deduct from the insurance benefits the gap between the cost of the parts in the repair proposal and/or in the actual repair and the cost of the parts to the Company plus the fees as detailed below.

Please note, if the garage that is not contract garage agrees to repair the vehicle in accordance with the settlement costs incurred by the Company - the amount of the deductible that will be charged will be the deductible in accordance with the deductible charged by the Insured who repairs his vehicle at contract garage (reduced deductible).

To the extent that the Insurer provided spare parts to the repair garage that is not contract garage for the price of the parts, the repair garage will be entitled to receive a commission from the net price of the parts as follows: for original parts - 15%, for replacement parts - 25% and for used parts - 25% unless otherwise agreed with the garage.

For any questions and/or clarifications on this subject, as well as with anything required for high-quality and professional treatment, please contact the Company's **customer service hotline at *3453**.

Part 2 Compulsory vehicle insurance policy

Compulsory vehicle insurance policy (September 2021 version)

In accordance with the provisions of the Motor Vehicle Insurance Ordinance [New Version] 5730 - 1970

This Policy is a contract made between the Company and the Policyholder, stipulating that the Company agrees, subject to the terms set forth in this Policy, to pay insurance benefits upon the occurrence of the insured event during the insurance term.

1. Definitions in this Policy:

The "Policyholder"	Whoever engaged with the Company in this Policy and whose name is listed in the certificate of insurance as the Policyholder.
The "Insured"	The Policyholder, the Vehicle owner, who possesses the Vehicle in accordance with the law, and anyone using the Vehicle with the permission granted by any thereof.
The "Insurer"	Hachshara Insurance Company Ltd.
The "Commissioner"	As meant by this term in the Insurance Contract Law 5741-1981.
The "Vehicle"	The motor vehicle whose information is as stated in the certificate of insurance.
The "Compensation Law"	The Road Accident Victims Compensation Law 5735-1975.
The "Insured Event"	A road accident in which the Vehicle was involved, when it was used by the Insured for the purpose of performing one or more of the purposes insured under the term of the Policy, and in which the casualty suffered personal injury, and an event in respect of which the liability is covered under section (3b) of this Policy.

<p>“Road Accident”</p>	<p>An event in which a person suffered personal injury in consequence of the use of a motor vehicle for transportation purposes: a road accident shall also be deemed as an event that occurred as a result of the explosion or the kindling of the vehicle that were caused by a component in the vehicle or from another substance that is essential for the operation of the vehicle, even if occurred by a cause outside the vehicle, and an event that occurred in consequence of harm to a vehicle that parked in a prohibited place or an event that was caused as a result of the use of the mechanical power of the vehicle, provided that during the time of use as said the vehicle did not change its original purpose; however, an event that was caused as a result of an act committed deliberately for the purpose of causing personal injury or damage to the property of the said person and the damage was caused by the act itself and not by its impact on the act on the use of the motor vehicle shall not be deemed as a road accident.</p>
<p>“Personal injury”</p>	<p>Death, disease or physical, mental, or intellectual impairment, including harm to a device that is necessary for the functioning of one of the body parts that was attached to the body of the casualty during the occurrence of the road accident.</p>
<p>“Use of a motor vehicle”</p>	<p>Driving a vehicle, entering or exiting from a vehicle, parking a vehicle, pushing or towing or providing a service to a vehicle – on the road or a repair in the vehicle made by the user of the vehicle or by another person not within the framework of his work, including rolling down or overturning of the vehicle or disconnection or fall of any part of the vehicle or its cargo while driving and disconnection or fall as said from a standing or parking vehicle, not during the performance of a service by a person in the vehicle within the framework his work, and except for the loading or unloading of cargo when the vehicle is standing.</p>
<p>“Casualty”</p>	<p>A person who suffered personal injury in a road accident, unless the damage was caused as a result of a hostile act, as meant by this term in the Victims of Hostile Acts (Compensation) Law 5730–1970.</p>
<p>For your information, the binding definition is the definition used in the Compensation Law on the date of occurrence of the insured event.</p>	
<p>“The Insurance Ordinance”</p>	<p>The Motor Vehicle Insurance Ordinance [New Version] 5730 – 1970.</p>
<p>“Insurance benefits”</p>	<p>The sums that the Company is obligated to pay for a personal injury that was caused to the casualty after the occurrence of the insured event in accordance with the terms set forth in this Policy.</p>

“Certificate of insurance”	A certificate that the Company issued pursuant to section 9 of the Insurance Ordinance or section 7 of the provisions set forth in the Control of Financial Services (Insurance) (Conditions of a Compulsory Motor Vehicle Insurance Contract) Regulations, 5770-2010, constituting an integral part of this Policy.
“Insurance Term”	The period commencing on the insurance commencement date as stated in the certificate of insurance, however not earlier than the date in which the certificate of insurance was stamped with the stamp of the bank, and that expires at midnight on the expiration date of the insurance as stated in the certificate of insurance. “Bank stamp” for the purpose of this matter, including a stamp that was issued by an insurer in coordination with a bank, and in respect of which the Commissioner, as meant by this term in the Control on Financial Services (Insurance) Law, 5741-1981 confirmed that it satisfies the objects of the Insurance Ordinance.

2. Interpretation:

A term that was not defined in section 1 shall have the meaning assigned thereto on the date of occurrence of the insured event, in the Compensation Law or the Insurance Ordinance, as the case may be.

3. Liability of the Company:

Subject to the terms of this Policy, the Insurer shall be held liable in accordance with the provisions of section 3 of the Insurance Ordinance as follows:

- A. Any liability that the Company might owe in accordance with the Compensation Law.
- B. Any other liability, not in accordance with sub-section (a) that the Insured might owe as a result of a personal injury caused to a person by the use of the motor vehicle or in consequence of the use of the motor vehicle.
- C. Personal injury caused to the Insured in a road accident.

4. Deductible:

- A. The Insurer shall be entitled to deduct the deductible amount from a driver whose name is listed in the certificate of insurance if all the conditions regarding deductible are satisfied, in accordance with the provisions of the Motor Vehicle Insurance Regulations (Deductible) (Temporary Provision), 5769-2008, and in this regard that the Policyholder purchased a policy that includes a provision regarding deductible, that the said selection was documented by the Company and that the certificate of insurance stated that the Policy includes a provision regarding deductible in accordance with the said Regulations

- B. The deductible amount that the Company shall be entitled to deduct from the insurance benefits, upon the occurrence of an insured event covered under this Policy, and upon fulfillment of the conditions set out in sub-section (a), shall be calculated based on the type of the damage that was caused and shall not exceed ILS 25,000 for damage other than pecuniary damage, and 7 workdays for loss of earnings.

5. Territorial application:

The liability of the Company under this Policy applies if the insured event occurred in the territory of the State of Israel or in the areas and the territories as stated in section (3c) of the Insurance Ordinance, subject to its provisions, however without prejudice to the generality of section (2A) of the Compensation Law.

6. Permitted purposes of use:

- A. The liability of the Company under this Policy shall apply only if the Insured used the Vehicle at the time of the occurrence of the insured event for one or more of the following purposes:
1. Social, private, or business purposes of the Insured that are not included in paragraphs (2) to (4) hereunder.
 2. A business purpose of a driving test on behalf of the Licensing Authority ("test") and a business purpose of teaching driving, other than practical training in driving pursuant to Regulation 213A of the Traffic Regulations, provided that the said purposes were stated expressly in the certificate of insurance.
 3. A business purpose of carrying passengers in the Vehicle in return for payment, wages, or any other consideration, provided that the purpose was stated expressly in the certificate of insurance.
 4. A business purpose of rescue or towing of a motor vehicle in return for payment, wages, or any other consideration, provided that the purpose was stated expressly in the certificate of insurance.
- B. Notwithstanding the provisions of sub-section (a), this Policy does not provide coverage for the use of a motor vehicle based on a lease agreement if the lessor leased the Vehicle for his occupation, unless this purpose was stated expressly in the certificate of insurance; "lease agreement" for the purpose of this matter – except for an operating lease agreement or a bargaining contract following a lease (financial leasing).
- C. Notwithstanding the provisions of sub-section (a), this Policy does not provide coverage for the use of a competitive vehicle that received a competition license except for the use of such a vehicle during sports driving in a connecting segment or during a drive other than sports driving that was permitted under section (12D) of the Sports Driving Law, 5766-2005 (hereinafter: the "Sports Driving Law") and that does not cover use of motor vehicle for motor sports purposes in a race performed in violation of the provisions set forth in the Sports Driving Law; for the purpose of this sub-section: "competitive vehicle," sports driving" and "connecting segment" – as meant by these terms in the Sports Driving Law, and "competitive vehicle license" – as meant by this term in section 6 of the said Law.

7. Persons eligible to drive the Vehicle:

- A. Only the Policyholder, the Vehicle owner who possesses the Vehicle in accordance with the law and anyone using the Vehicle with the permission of any thereof shall be entitled to drive the Vehicle.
- B. Notwithstanding the provisions of sub-section (a), if a certificate of insurance that was issued for a motorcycle or a Vehicle under the classification of "taxi" in the Vehicle license states that the liability of the Company shall cover driving in the Vehicle only to the person whose name is listed in the certificate of insurance, only the person whose name is listed in the certificate of insurance as said shall be entitled to drive the Vehicle.
- C. If a person who is not permitted to drive the Vehicle in accordance with the provisions of this sub-section drove the Vehicle, the Company shall be exempt from its liability under this Policy.

8. License - driving:

- A. The Insurer shall be exempt from its liability under this Policy if the person driving the Vehicle did not have a valid driver's license in Israel for the purpose of driving the vehicle such as the insured Vehicle, and in a motorcycle – holder of a driver's license in the proper classification for the engine size or its capacity; for the purpose of this sub-section, violation of any of the terms set forth in the driver's license shall not be deemed as driving without a valid driver's license.
- B. Notwithstanding the provisions of sub-section (a).
 - 1. The Company shall not be exempt from its liability under this Policy if the driver of the Vehicle held a valid driver's license as stated in sub-section (a) at any time in the 120 months that preceded the date of occurrence of the road accident, provided that one of the following held true at the time of the occurrence of the insured event:
 - (a) The driver of the Vehicle was not disqualified from receiving or holding a driver's license as said in accordance with legal provisions, a judgment, decisions by the court or a decision by any other competent authority.
 - (b) The driver of the Vehicle did not have to comply in accordance with the law with one of the following requirements for the purpose of receiving a driver's license: a theoretical driving test, a practical driving test, medical examinations, including cognitive capacity and drug use test.
 - 2. If the motor vehicle was used for the purpose of receiving practical driving training, pursuant to Regulation 213A of the Traffic Regulations or a driving test on behalf of the Licensing Authority (hereinafter: "Test"), the Company shall not be exempt from its liability under this Policy, provided that the driver of the Vehicle is a driving student accompanied by a qualified and licensed driving teacher with driving teacher license or that the person driving the Vehicle during the Test is accompanied by a certified examiner on behalf of the Ministry of Transport.

9. Duty of disclosure and its breach:

- A. If the Company presented to the Policyholder, prior to the conclusion of the insurance contract, a question in a matter that can affect the willingness of a reasonable insurer to make the insurance contract, or a question that requests information that can influence the calculation of the rate of the Insurance Premiums (hereinafter: "Underwriting Question"), the Policyholder shall be required to answer the Underwriting Question in a full and honest manner.
- B. The Underwriting Questions and the answers provided by the Policyholder to the said questions shall be documented by the Company and shall be stated in an appendix that will be attached to the certificate of insurance (hereinafter: the "Rider") in the form as ordered by the Commissioner; if the Company did not act in accordance with the provisions set forth in this sub-section, the Insured shall not be entitled to the reliefs set out in sub-section (c).
- C. If the Policyholder gave an answer to an Underwriting Question that was not full and honest at the time it was given, and as a result of such an answer Insurance Premiums that are lower than the Insurance Premiums that would have been set if the Policyholder had provided a full and honest question, or that the Policyholder who provided such an answer as said agreed to make the insurance contract even if he had not agreed to make such a contract if the answer that was given was full and honest, and the insured event occurred before the insurance contract was rescinded, the following provisions shall apply:
 - 1. If the Policyholder was injured as a result of the occurrence of the insured event, the Policyholder shall pay to the Insurer liquidated damages for an amount equal to the compensation due to the Policyholder as a result of loss other than pecuniary loss pursuant to section 4a(3) of the Compensation Law however for an amount that will not exceed ILS 10,000.
 - 2. Without prejudice to the provisions of paragraph (1), the Policyholder shall pay to the Insurer liquidated damages in the amount of ILS 2,500 for each casualty other than the Policyholder that will receive compensation by the Company in consequence of the occurrence of the insured event, however for an amount that shall not exceed half of the amount of compensation paid to each casualty as said, provided that the total liquidated damages amount in accordance with this paragraph will not exceed ILS 10,000.
- D. The Insurer shall be entitled to offset from the insurance benefits that are due to the Policyholder for loss other than pecuniary loss in consequence of his injury in an accident the amounts of the liquidated damages, pursuant to sub-section (c), provided that the Insurer delivers to the Policyholder a notice of setoff that will specify the reasons of the Company for which the Insurer intends to offset the said amounts.
- E. The Insurer shall not be entitled to liquidated damages in accordance with the provisions of sub-section (c) if it knew or could have known, at the time of making the insurance contract, that the answer of the Policyholder to the Underwriting Question, as stated in the Rider, was not full and honest, or that it caused that the answer of the Policyholder was not full and honest.

- F. The Insurer shall not be entitled to any relief or remedy, except for liquidated damages in accordance with the provisions of sub-section (c), to the extent that the Insurer is entitled to such damages as said in accordance with the provisions set forth in the said sub-section, in anything related to the duties of disclosure and notification of the Policyholder, including with respect to one of the following:
1. Failure to provide due disclosure of information that was the subject matter of the questions the Policyholder was asked about.
 2. Concealment of information by the Policyholder.
 3. The Policyholder gave an answer that is not true.
 4. The Policyholder failed to deliver notice regarding aggravation of the risk.

10. Notice regarding the occurrence of the insured event and inquiry of the liability of the Insured:

- A. If the insured event occurred, the Insured shall notify the Insurer regarding its occurrence at the earliest opportunity after becoming aware of its occurrence.
- B. The Insured shall provide to the Insurer, within a reasonable time after he received a demand for the purpose of this matter, the information and the documents that are required for the purpose of inquiring the liability and its scope, and if the Insured does not have the said documents, the Insured shall help the Insurer to obtain the said documents.
- C. After the Company received a notice from the Insured or from any other source regarding the occurrence of the insured event, the Company shall perform immediately any action that is required for the purpose of inquiring its liability and shall notify the Insured whether it decided to acknowledge his liability for the purpose of providing insurance coverage for the insured event. A copy of the notice of the Company will also be delivered to the casualty and to any third party who claimed insurance benefits from the Company in respect of the insured event.

11. Handling third-party claims:

- A. The Company shall be entitled to handle any claim or legal proceedings that were filed or that might be filed against the Insured or conduct in the name of the Insured and the Company shall be entitled to commence a legal proceeding in the name of the Insured that is required for the purpose of protecting the rights of the Company.
- B. The Insurer shall have full discretion in conducting the proceedings set out in sub-section (a) and in the settlement of each proceeding as said, including by way of a settlement in the name of the Insured, provided that this shall not impose on the Insured a liability that will not be covered by the Company, except for the liquidated damages as stated in section (9c).
- C. The Insured shall be obligated to cooperate with the Company for the purpose of performing and exercising the authorities of the Company as stated in this section.

12. Immediate payment:

The casualty shall be entitled to receive from the Company immediate payment on account of his claim under circumstances and the conditions set out in section 5 of the Compensation Law and the regulations enacted thereunder.

13. Exclusions to the insurance under this Policy:

A. Without prejudice to the provisions of this Policy, the Company shall not be obligated to pay insurance benefits according to the Policy to the following casualties:

- 1. Whoever caused the road accident deliberately.**
- 2. Whoever satisfies the conditions set forth in section 7(a) of the Compensation Law and drove the Vehicle without receiving permission from the owner of the Vehicle or whoever possessed the vehicle in accordance with the law, and whoever is in the Vehicle while knowing that the Vehicle is driven as said.**
- 3. Whoever used the Vehicle or who used the Vehicle for the purpose of committing a criminal offense for which a punishment of imprisonment for a period exceeding three years (an offense of the types felony).**

D. The Company shall not be obligated to pay any payment in accordance with the Policy as a result of liability in a contract other than the Policy.

14. Death of the Policyholder:

- A. If the Policyholder passed away, ownership in the Policy shall be transferred to the heir entitled to the Vehicle, and the heir shall be deemed as the Policyholder.
- B. If, after the death of the Policyholder, the Vehicle was insured in an insurance policy in addition to this Policy that was issued in accordance with the requirements laid down in the Insurance Ordinance, this Policy shall be canceled on the date the additional insurance entered into force as said, and the Company shall return to the heir of the Vehicle the relative part of the Insurance Premiums that were paid; such relative part as said shall be calculated by multiplying the Insurance Premiums that the Company charged by the ratio between the number of days remaining on the cancellation date until the expiration of the original insurance term and the number of days in the original insurance term.

15. Cancellation of the Policy by the Policyholder:

- A. The Policyholder shall be entitled, by delivery of notice to the Insurer, to cancel this Policy at any time, even prior to the expiration of the insurance term.
- B. The Policyholder shall attach the following to the notice regarding the cancellation of the Policy as stated in sub-section (a):
 1. If the Policyholder owns or possesses the Vehicle – a written declaration to the Insurer confirming that the Policyholder is still the owner or the possessor of the Vehicle (hereinafter: the “Declaration”) that will specify the date in which the cancellation will enter into force; if no such date was stated as said, the cancellation of the Policy shall enter into force on the delivery date of the Declaration.

2. If the Policyholder does not own and does not possess the Vehicle – confirmation according to which the ownership in the Vehicle was transferred to another, and one of the following three:
 - (a) A copy of a document confirming the delivery of notice to the possessor of the Vehicle regarding the cancellation of the Policy; such a notice as said may be delivered by mail, over the phone or in a digital medium; the cancellation of the Policy shall enter into force in three workdays as of the delivery date of the notice;
 - (b) A copy of a document regarding the delivery of notice to the possessor of the Vehicle regarding the cancellation of the Policy and a copy of the response of the possessor of the Vehicle confirming that he holds another policy; the cancellation of the Policy shall enter into force on the delivery date of the cancellation notice;
 - (c) Confirmation that the use of the Vehicle was insured in another compulsory vehicle insurance; the cancellation of the Policy shall enter into force on the delivery date of the cancellation notice or the issuance date of the other policy, whichever is later.
- C. If the Insurer ascertained that a notice was delivered to the possessor as stated in sub-section (b)(2)(a) and (b), the Insurer shall be exempt from its liability under the Policy; if the Insurer desires to deliver a notice to the possessor as stated in the said paragraphs, the notice will include the license number of the insured Vehicle and the date in which the cancellation will enter into force; the Insurer shall not withhold the cancellation of the Policy on the grounds that it was unable to ascertain that such a notice was delivered as said.
- D. If the Policy was canceled in accordance with this section, the Company shall return to the Policyholder at the earliest opportunity, and no later than 14 days as of the date the cancellation entered into force, the Insurance Premiums that were paid, less the following amounts:
 1. For a period of up to seven days in which the Policy was in effect, including if the Policy did not enter into force – 5% of the annual Insurance Premiums.
 2. For a period exceeding seven days – 5% of the annual Insurance Premiums, in addition to 0.3% of the annual Insurance Premiums for each insurance day as of the 8th day.
- E. Notwithstanding the provisions of sub-section (d), if the Policyholder canceled the Policy in consequence of theft of the insured Vehicle, the transfer of the ownership in the Vehicle to another person, the decommissioning of the Vehicle or the death of the driver whose name is stated as the sole driver in the certificate of insurance, the Company shall return to the project manager the relative part from the Insurance Premiums that were paid. The relative part as said shall be calculated by multiplying the Insurance Premiums that the Company charged by the ratio between the number of days remaining on the cancellation date and until the expiration of the original insurance term, and the number of days included in the original insurance term.

- F. The entire amounts that will be returned in accordance with this section will change based on the changes in the Index between the Index that was published recently before the payment date of the Insurance Premiums and the index that was published shortly before the return date of the Insurance Premiums.
- G. The Policyholder shall be entitled to a refund of the Insurance Premiums in accordance with this section even if a claim for the payment of insurance benefits was filed on the grounds of an insured event that occurred prior to the cancellation date of the Policy.

16. Cancellation of the Policy by the Company:

- A. The Insurer shall be entitled to cancel the Policy prior to the expiration of the insurance term as a result of fraud committed by the Policyholder or as a result of failure to provide due disclosure of information that the Policyholder was asked prior to the issuance of the Policy. The Policy shall be canceled by delivery of written notice that will include the reasons for the cancellation (hereinafter: the "Cancellation Notice") and shall be delivered to the Policyholder in person against a proof of delivery or will be delivered to the Policyholder in registered mail, and all no less than twenty-one days prior to the date in which the Policy is canceled. If the Policy was delivered in registered mail, the date in which the Policyholder signed the proof of delivery shall be deemed as the date of delivery of notice.
- B. If the Company canceled the Policy, the Policyholder shall return at the earliest opportunity, and no later than 7 days prior to the date in which the Policy is canceled, the relative part of the Insurance Premiums that were paid.
- C. The relative part as said shall be calculated by multiplying the Insurance Premiums that the Company charged by the ratio between the number of days remaining, by the cancellation date until the expiration of the original insurance term, and the number of days included in the original insurance term.
- D. If ownership in the Vehicle was transferred to another person (hereinafter: the "New Owner") prior to the delivery date of the Cancellation Notice by the Company as stated in sub-section (a), and the Company knew about the transfer of the ownership prior to the delivery of the Cancellation Notice, the Policy shall not be canceled, unless the Cancellation Notice is delivered both to the Policyholder and to the New Owner. Such notice as said shall be delivered in person or in registered mail against proof of delivery, and the signing date of the recipient on the proof of delivery shall be deemed as the delivery date of the notice.
- E. Linkage differentials to the consumer price index shall be added to the amount of the Insurance Premiums that were returned in accordance with sub-section (b) as of the index that was published prior to the insurance commencement date and until the index that was published shortly before the return of the Insurance Premiums.
- F. The Policyholder shall be entitled to a refund of the Insurance Premiums under this section even if a claim for the payment of insurance benefits was filed in consequence of the occurrence of the insured event that occurred prior to the cancellation date of the Policy.

17. Jurisdiction:

Claims under this Policy shall be filed and heard before the competent court in Israel.

18. Double insurance:

- A. If the Vehicle was insured in an additional insurance policy that was issued in accordance with the provisions set forth in the Insurance Ordinance, the Policyholder will notify to the Insurer about the said immediately after the double insurance was taken out or immediately after becoming aware of the said.
- B. In double insurance the Company shall be held liable towards the Insured severally and jointly among themselves, and shall incur the payment of the insurance benefits in equal parts.

19. Limitation:

- A. The limitation period of a claim by virtue of this Policy is seven years as of the date of the occurrence of the insured event.
- B. The limitation period may be extended in accordance with the provisions set forth in the Limitation of Actions Law, 5718-1958.
- C. If an insured event occurred in the areas and the territories as stated in section (3c) of the Insurance Ordinance, the limitation period shall be set in accordance with the governing law in the said areas and territories.

20. Notices:

- A. The Policyholder or the casualty shall deliver a notice to the Insurer to one of the following addresses:
 - 1. The address of the office or an address in a digital medium for the purpose of contacting the Company as stated in the certificate of insurance, or any other address in Israel as notified in writing by the Company to the Policyholder or to the casualty.
 - 2. The office address of the insurance agent whose name is listed in the certificate of insurance.
- B. A notice of the Company to the Policyholder shall be delivered in writing to the address of the Policyholder as stated in the certificate of insurance or to any other address as notified by the Policyholder in writing to the Insurer.
- C. The provisions of this section shall not qualify the requirements laid down in sections 15 and 16 regarding the cancellation of the Policy or derogate therefrom.

21. Claims report:

- A. One month prior to the expiration of the insurance term, or immediately after its expiration, unless the insurance term expired unexpectedly, the Company shall deliver to the Policyholder a claims report that will specify the entire claims that were filed until that date, to the extent that such claims were filed (hereinafter: the "Claims Report").

- B. In the Claims Report the Company will specify with respect to each of the claims that were filed in the three years that preceded the delivery date of the Claims Report or that was filed during the period in which the Policyholder was insured by the Company, whichever is shorter, the information regarding the driver who was involved in the accident.
- C. If a claim was filed during the month prior to the expiration of the insurance term, the Company will deliver an update of the Claims Report immediately after the filing of the claim.

22. Decommissioning

- A. The Policyholder or whoever requests a policy for the use of a motor vehicle pursuant to sub-section (e), shall be entitled to notify the Insurer in advance, in writing or in any other manner, regarding the decommissioning of the Vehicle for a period of no less than 30 consecutive days (in this section – the Decommissioning Request); the Company will document the Decommissioning Request.
- B. The Company shall deliver to the Policyholder a new certificate of insurance as stated in sub-section (e); if the decommissioning was stated in the certificate of insurance, as stated in sub-section (e), the Vehicle shall not be used or parked, as stated in the definition of “use of a motor vehicle” in section 1, and the liability of the Company shall be limited pursuant to sections 3 and 6 in such manner that it shall not apply to the said uses.
- C. The Policyholder shall be entitled to cancel the decommissioning policy by delivery of notice to the Insurer; the decommissioning period shall expire on the date as stated in the said notice, provided that the decommissioning expiration date is not retroactive.
- D. If the decommissioning policy was canceled pursuant to sub-section (c), the Company shall return to the Policyholder the relative part of the Insurance Premiums for coverage provided under sections 3 and 6 and in accordance with the provisions of the said section, with deduction of the Insurance Premiums for the decommissioning coverage; such reimbursement as said shall be paid for a decommissioning period of 30 days or longer.
- E. In the new certificate of insurance that the insurer will deliver to the Policyholder, as stated in sub-section (b), the Company shall state, in the title of the certificate of insurance, in the line under the line stating “Motor Vehicle Insurance Ordinance [New Version] 5730 – 1970 (hereinafter: the “Insurance Ordinance”) the following: “The Vehicle is decommissioned – the Vehicle will not be used for driving or parking”; the said words will be printed in a font that is three times larger than the font used in the remaining part of the certificate, and highlighted in a double frame or in another manner as approved by the Commissioner for a specific insurer, and the name of the driver who is entitled to drive the Vehicle and his identity card number will not be stated.



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