

Terms and conditions BMW tire insurance.

Stand: March 2016

Bayerische Motoren Werke Aktiengesellschaft (hereinafter referred to as "BMW AG") has concluded a group insurance policy with Allianz Versicherungs-AG, Königinstr. 28, 80802 Munich, pursuant to the following terms and conditions for the BMW tire warranty insurance. By purchasing a tire marked with a star and obtaining the warranty insurance card, the buyer (hereinafter referred to as the "Insured Person") shall have a claim against Allianz Versicherungs-AG as the risk carrier (hereinafter referred to as the "Insurer") in a loss event.

1. Scope of cover.

Within the framework of the tire warranty insurance, insurance cover is provided in line with the provisions set out below for the tires listed in the warranty insurance card, provided that no other insurance policy or warranty insurance is in place, or has to provide indemnity, for such damage. The insurance cover only applies to the tires marked with a star with a minimum tread depth of 4.5mm at the time of purchase that are purchased from a dealer authorized by BMW AG.

Cover is provided for damage to the insured tires caused directly by:

- a) sharp objects: damage caused, for example, by nails and pieces of broken glass.
- b) direct collision with the curbside while parking, without other components (incl. wheel rims) being damaged.
- c) vandalism.
- d) theft: reimbursement of the costs incurred for the insured tires in the event of the theft of the vehicle or the tires.

2. Inception and end of the insurance cover

2.1. The insurance cover shall begin when the tire is sold by the BMW partner and shall apply for a term of 36 months.

The immobilization of the vehicle shall not affect the insurance cover. The insurance cover shall end in a loss event with the replacement of the damaged/stolen tire.

2.2. The insurance cover shall end early in the event of a sale abroad or to a commercial reseller.

3. Reimbursement in the event of a loss.

3.1. In the event of a loss event specified under 1 occurs during the insurance cover, the Insurer shall provide the Insured Person, via a BMW partner, with a reimbursement on the purchase price for the purchase of new tires marked with a star depending on the insurance year of

the damaged tire. The reimbursement shall be calculated based on the current recommended retail price (RRP) of BMW AG based on the following table:

In the first year	100 %
In the second year	75 %
In the third year	50 %

3.2. The benefits provided in a loss event shall only be provided if new tires marked with a star are purchased from a BMW partner, and the benefits are limited to the damaged/stolen tire(s). No reimbursement shall be provided in pairs. The reimbursement shall be offset against the purchase price; cash payouts are excluded.

In order for the warranty insurance to be effective, the invoice for the initial purchase of the damaged tire(s) must be presented together with the claim report, signed by the customer, and, in the event of theft and/or vandalism, the police case reference must be specified, attaching a copy of the police report. The benefits in the event of a claim shall be processed by the BMW partner on behalf of the Insurer.

3.3. In the event of loss events that occur abroad, please contact the following hotline: +49 (0) 89 200048-048.

4. Exclusions.

4.1. No insurance cover is provided for used or retreaded tires, or for tires that form part of the vehicle's original equipment.

4.2. The Insurer shall not make any reimbursement:

4.2.1. for summer tires with a tread depth of less than 3 mm

4.2.2. for winter tires with a tread depth of less than 4 mm

4.2.3. for rims, the costs of assembly and wheel balancing, wheel balance weights, nuts, valves, gas fillings, other assembly materials and tire pressure sensors.

4.3. The Insurer shall not make any reimbursement for defects:

4.3.1. caused by normal wear-and-tear

4.3.2. caused by willful or malicious acts on the part of the Insured Person, the latter's auxiliary staff or representatives, or by inappropriate use/misuse;

4.3.3. caused by accidents;

4.3.4. caused by hail, lightning strike, as well as by fire or explosion;

4.3.5. caused by design and manufacturing faults, as well as damage for which a third party assumes or is to assume liability in its capacity as manufacturer, supplier, contractor, on the basis of a repair order, warranty or other guarantee, insurance or cost assumption commitment;

4.3.6. caused by war events of any kind, civil war, civil commotion, strike, lock-out, confiscation or other forms of sovereign intervention or by nuclear energy;

4.3.7. that merely result in an impairment of driving comfort without the functionality of the tire being limited. This refers, by way of example, to a gradual loss of pressure, running noises, vibrations or problems with road-holding and the chassis;

4.3.8. resulting from participation in driving events of a racing nature or the associated practice drives;

4.3.9. resulting from the fact that the motor vehicle was subjected to higher axle or trailing loads than those permitted according to the manufacturer's stipulations;

4.3.10. caused by changes to the vehicle's original design (e.g. tuning) or the installation of third-party components/accessories that are not authorized by the manufacturer;

4.3.11. caused by the use of an object that is evidently in need of repair, unless it can be proven that the damage is not related to the need for repair or that the object had been repaired in at least a makeshift fashion with the consent of the Insurer at the time the damage occurred;

4.3.12. caused by excessive abrasion due to the wrong toe or camber settings or the wrong tire pressure, or due to the use of defective shock absorbers (e.g. heel and toe wear/brake plates/erosion);

4.3.13. if the vehicle to which the tires are fitted is used for commercial passenger and/or freight transport (e.g. as a taxi, courier vehicle, self-driven rented car or building site vehicle) or as an emergency vehicle (e.g. police car, ambulance).

Please note: You have to adjust these terms of insurance with your local insurer.

4.4. Furthermore, no reimbursement shall be made for defects that are causally linked to the fact that:

4.4.1. the damage was caused by willful intent or gross negligence on the part of the Insured Person, the latter's auxiliary staff or representatives;

4.4.2. unsuitable tires were used for the vehicle.

4.5. No cover is provided for tires belonging to vehicles that are registered in the name of a car dealership or a dealer authorized by BMW AG (e.g. demonstration cars).

5. Scope of application and transferability.

The insurance cover applies to the Federal Republic of Germany. If the vehicle is temporarily located outside of the Federal Republic of Germany, the insurance cover shall apply within the signatory states of the European Economic Area (limited to the sovereign territories of geographical Europe and Cyprus), as well as Switzerland, Monaco, Andorra and San Marino for trips lasting no more than 12 weeks. Insurance cover is also provided for a vehicle registered in one of the signatory states of the European Economic Area (including Switzerland) if the tire(s) is/are bought in one of the countries listed in Appendix 3, irrespective of the place where the buyer has his/her permanent residence, and in the event of a claim, the costs are submitted to the BMW dealership organization/branch in the country listed in Appendix 3 in which the tire(s) was/were bought.

6. Obligations.

The Insured Person or BMW AG shall inform the Insurer via a BMW dealership of any replacement tires purchased (approximate date). Furthermore, the Insured Person shall take all possible measures to minimize the damage. Instructions from the Insurer must be followed, provided these are reasonable.

If BMW AG or the Insured Person breaches an obligation with willful intent after the occurrence of the insured event, the Insurer shall have no duty to indemnify. If BMW AG or the Insured Person acts in breach of an obligation by gross negligence, the Insurer is entitled to reduce its benefits. The reduction is based on the severity of fault. The benefits shall not be reduced if BMW AG or the Insured Person furnishes proof that it did not act with gross negligence. The Insurer shall still have a duty to indemnify in cases of willful intent and gross negligence if BMW AG or the Insured Person proves that the breach of obligation was not the cause of the occurrence or establishment of the insured event, nor of the establishment or scope of the Insurer's duty to indemnify. This shall not apply where BMW AG or the Insured Person has breached the obligation maliciously.

7. Data protection.

In the event of a claim, BMW shall record personal data relating to the insured person and shall pass this data on to the Insurer so that the claim can be settled. For information on the data recorded, or for information on amendment, deletion or objections, please contact the following hotline: +49 (0) 89 200048-048.

8. Knowledge of the Insured Person.

The knowledge and/or fault of the Insured Person is considered to be equivalent to the knowledge and/or fault of BMW AG.

9. Disposition by the Insured Person.

The Insured Person is authorized (by way of derogation from §§ 43 et seq. of the German Insurance Contract Act (VVG) to assert claims against the Insurer under the group insurance policy itself and without the consent of BMW AG.

Customer satisfaction is something we attach a great deal of importance to. If you are not, however, satisfied, please get in touch with us. You can call +49 89 2000 48 000, send an e-mail to garantie@allianz-warranty.com or write to Allianz Versicherungs-AG, 10900 Berlin. This will give us an opportunity to find a solution for you and improve the service we provide.

In order to ensure that we can process your inquiry quickly and in full, please provide the following information: name, address, telephone/fax number, claims number and your specific inquiry. We will, of course, do everything we can to resolve your inquiry confidentially, as quickly as possible and to your satisfaction.

Alternatively, you also have the option of using the ombudsman procedure with the insuranceschutzombudsman für Versicherungen e. V., Postfach 10 15 006 Berlin, website www.insuranceschutzombudsman.de. We shall participate in the ombudsman procedure before this Arbitration Board.

Please note that only consumers can initiate the complaints procedure. Further-more, the value in dispute cannot exceed EUR 100,000. You are not obliged to accept the ombudsman's decision, irrespective of the outcome. You still have recourse to courts of law. If the ombudsman's decision is in your favor, we are bound by this decision provided that the value in dispute does not exceed EUR 10,000. In the case of complaints made via an insurance intermediary or advisor, you can turn to the ombudsman irrespective of the value in dispute. The ombudsman replies to each and every complaint and makes an unbinding arbitration proposal in suitable cases.

If you, as a consumer, took the insurance policy out electronically (e.g. via a website or by e-mail), you can use the online dispute resolution platform set up by the European Commission to lodge your complaint (website: www.ec.europa.eu/consumers/odr/). Your complaint will be passed on to the Ombudsman für Versicherungen e. V. from there.

As an insurance undertaking, we are subject to the supervision of the German Federal Financial Supervisory Authority (BaFin), sector: insurance supervision, Graurheindorfer Str.108, 53117 Bonn, e-mail: poststelle@bafin.de, website: www.bafin.de. You can also contact BaFin if you wish to lodge a complaint.

Please note: You have to adjust these terms of insurance with your local insurer.