



MACHINERY INSURANCE

Terms and conditions No. B6-01

Effective as of 8.12.2009

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bta
VIENNA INSURANCE GROUP

These terms and conditions constitute a part of the insurance contract entered into with AAS BTA Baltic Insurance Company Eesti filiaal, registration code 11223507, (hereinafter referred to as BTA), the object of which are construction, agricultural, forest, road building, etc., machines or equipment (hereinafter referred to as the Machine). In issues not regulated with these terms and conditions, the Parties shall be guided by the insurance policy (hereinafter referred to as the Policy), the Law of Obligations Act and other acts of law.

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1. INSURED OBJECT

- 1.1.** The insured object shall be the Machine indicated in the Policy in its complexity before the insured event along with its additional mechanisms if these are indicated in the Policy.
- 1.2.** The insured object shall not be any equipment and components installed on the Machine following its first sale by violating the requirements of the manufacturer or acts of law.

2. FORMS OF INSURANCE CONTRACT AND INSURED EVENTS

- 2.1.** This Insurance Contract for Machinery has been concluded as an **overall risk insurance contract**.
 - 2.1.1.** With the **overall risk insurance agreement** an insured event shall be any unexpected and unforeseeable damage to the Machine, including natural disasters, fire, vandalism, theft, robbery, except for the cases excluded in clause 2.2. Events listed in clause 2.2 are not insured events and the insurer shall never pay indemnity if such events occur.
 - 2.1.2.** **Supplementary insurance**, set out in clauses 2.3 to 2.5, shall be insured events only with special agreements indicated in the Policy. If the respective special agreement is not indicated in the policy, the insurance contract does not include extended coverage. If the Insurer shall be released from the obligation to indemnify damage in part or in full, he shall also be released from the obligation to indemnify an insured event covered by extended coverage.
- 2.2.** The following is not an insured event in all-risks coverage and will not be indemnified:
 - 2.2.1.** damage occurred outside the territory indicated in the Policy, including damage caused to the Machine outdoors if the insured object is not meant for outdoor use;
 - 2.2.2.** damage resulting from a technical or electrical failure of the Machine, mechanical cracking or breaking of the Machine or its parts;
 - 2.2.3.** loss indemnifiable under a contract of compulsory insurance (e.g. motor third party liability insurance) or for which a third party is liable (e.g. manufacturer, importer, reseller, installer, lessor, maintainer, etc.) either under a contract or law, including as the provider of warranty;
 - 2.2.4.** damage resulting from the participation of the Machine in road traffic, unless there is a special agreement on it in the Policy;
 - 2.2.5.** damaging of the special painting on the Machine (company logo, advertisement, picture, etc.);
 - 2.2.6.** damage caused by explosions resulting from expansion of gases and fluids in combustion engines, boilers and pressure vessels;
 - 2.2.7.** damage caused to the Machine by water when the Machine was used (driven or started) in an area of too deep water or snow, including damage caused by water, snow, mud in the engine or other equipment;

- 2.2.8.** damage caused to the Machine by its legal possessor or by the theft or robbery of parts removed or disassembled from the Machine with the possessor being aware thereof;
- 2.2.9.** damage caused to the Machine during maintenance or repairs as well as the cost of regular maintenance and technical inspection of the Machine and the cost of the equipment, part(s) replaced during the maintenance or repairs and costs relating to the washing and cleaning of the Machine;
- 2.2.10.** damage resulting from the fact that the insured object is not in use;
- 2.2.11.** damage resulting from a minor external deficiency of the insured object, which does not affect its functioning, e.g. scratches, dents on painted, enamel and polished surfaces, etc.;
- 2.2.12.** costs of the government and local governments, including those of the Rescue Board, related to the removal of environmental pollution and expenses resulting from the requirements and orders of the authorities;
- 2.2.13.** damage caused by natural wear and tear and depreciation caused by everyday operation (including cavitation, corrosion, forming of scale; wear and tear due to normal weather conditions and the chemical compounds in the everyday environment, etc.), including wear at the time when the Machine is stolen or robbed;
- 2.2.14.** damage caused by the weather and oxidation (e.g. rust, heat damage, frost damage, etc.) as well as damage resulting from freezing, boiling, overheating, corrosion, mould or any other long-term process;
- 2.2.15.** damage caused by the fact that the technological state of the Machine does not comply with the requirements of acts of law as well as damage caused by violation of the operating requirements, e.g. overloading of equipment and damage caused by testing of the Machine;
- 2.2.16.** damage caused by insufficient amounts of oil, lubricants, brake fluid, coolant, clutch fluid or their poor quality or circulation in the engine, equipment, gearbox, transmission or the cooling system and also when inappropriate oil or fluids were used as well as damage caused by freezing of coolants or other engine fluids or insufficient lubrication and damage caused by fuel flown out of the Machine and lost;
- 2.2.17.** damage resulting from an engineering, manufacturing or material flaw, wear and tear, insufficient maintenance, grave negligence or unskillful use;
- 2.2.18.** damage caused to the insured object due to the nature of the work to the parts with short service life, high wear (depreciation) norm and needing frequent replacement like drill bits, saw blades, planer blades, knives and other cutting surfaces, matrices, punches, calipers, moulds, die assemblies, templates, crushing surfaces, lift and conveyor lines, screens, wires, ropes, chains and belts, connection hoses and cables, tyres, batteries, flexible pipelines, hose-pipes, regularly replaced separation and sealing materials, electric bulbs and other, except when the parts referred to above are damaged due to an insured event;
- 2.2.19.** damage resulting from dispossession of the Machine from its legal possessor due to fraud, misappropriation or extortion whereas damage caused to the Machine during such events shall not be indemnified;
- 2.2.20.** damage related to theft if during the theft the doors of the Machine were not locked or the anti-theft device was not switched on as well as damage caused by the fact that not all remote controls of immobilisers and anti-theft devices are not handed over to BTA following the theft of the Machine, also damage caused by theft or unauthorised use of the Machine (hereinafter referred to as Theft) if the key of the Machine (the key is considered all mechanic or electronic keys, cards, remote controls, etc., meant for opening the doors, using the Machine or its security and alarm devices) was in the Machine during the theft thereof;
- 2.2.21.** damage due to the theft or loss of the keys or remote controls of the anti-theft devices of the Machine but the policyholder or the person insured neither reported it to BTA immediately nor took necessary measures to ensure the safety of the Machine – the Machine was not taken to a safe place, neither locks nor anti-theft devices were replaced as well as loss due to damage to the anti-theft device during the insurance period but it was not repaired or replaced and damage when following the theft of the Machine its registration certificate is not submitted to BTA. If the registration certificate consists of several parts, all the parts must be submitted except when law enforcement agencies have taken possession of the registration certificate in the context of a criminal case;
- 2.2.22.** damage caused if the person who stole the Machine or an accomplice to the crime was the policyholder, the person insured, a beneficiary or a person working under them;

- 2.2.23.** damage caused by contamination of the Machine with a toxin, soot, sediment, dust, etc., except when it was caused by an insured event;
- 2.2.24.** damage caused by nonstandard rebuilding of the Machine (including increasing its power), unless otherwise stated in the Policy;
- 2.2.25.** damage caused by the loss of the Machine if the loss and/or damage to the Machine while being lost is not connected to robbery or theft;
- 2.2.26.** financial claims not caused by direct property loss in connection with damage to the Machine, including contractual penalty, interest on arrears, interest, loss of the Contract, lost profit and other;
- 2.2.27.** damage caused in connection with war, revolution, coup d'état, civil war, terrorism, invasion, mass disorder, strikes, confiscation, arrest, lock-out, taking the object as evidence, or nuclear energy (including with regard to nuclear reactions, radiation and radioactivity);
- 2.2.28.** damage caused to the insured object by a rise in the water level;

Extended coverage which may be added to the contract by a special agreement of the parties:

- 2.3. Participation in road traffic** – valid only if such agreement is separately indicated in the Policy and the Machine, while carrying thereof, was duly installed on a trailer or any other means of transport or if the Machine is towed by another vehicle by means of a rigid tow rope. With such additional agreement, damage caused to the Machine during towing, loading or unloading shall be indemnified. Also damage caused to the Machine in road traffic shall be indemnified upon a relevant agreement.
- 2.4. Additional costs** – extra costs with regard to restoring the usability of the insured object as it was before the insured event, valid if the relevant agreement (some or all of the variants below) is separately indicated in the Policy:
 - 2.4.1.** BTA shall indemnify for costs of working in night hours and overtime and on national holidays, express transport (except for air transport) up to the insurance amount agreed if the relevant additional agreement is indicated in the Policy.
 - 2.4.2.** BTA shall indemnify for costs of air transport up to the insurance amount agreed if the relevant additional agreement is indicated in the Policy.
 - 2.4.3.** BTA shall indemnify for transport and accommodation costs for representatives of the manufacturer, importer or reseller of the insured object up to the insurance amount agreed if the relevant additional agreement is indicated in the Policy.
 - 2.4.4.** BTA shall indemnify for costs of rescuing the insured object (including expenses on cleaning the insured object) if the relevant additional agreement is indicated in the Policy.
- 2.5. Accelerated repairs** – BTA shall indemnify up to the insurance amount agreed for any additional costs, following an insured event, of faster delivery of the Machine parts and/or faster repairs as usual if the relevant agreement is indicated in the Policy.

3. RELEASE OF BTA FROM OBLIGATION TO PERFORM INSURANCE CONTRACT

- 3.1.** BTA will be released from its obligation to perform the insurance contract in whole or in part if:
 - 3.1.1.** the policyholder caused damage deliberately;
 - 3.1.2.** the policyholder has failed to comply with the obligation to inform about any changes in material risk circumstances;
 - 3.1.3.** the operator of the Machine, the policyholder or a beneficiary submitted to BTA intentionally false information on the circumstances and/or amount of the loss occurred;
 - 3.1.4.** the policyholder deliberately or due to gross negligence violated at least one of the obligations provided for in the insurance contract and the violation of the obligation had an impact on the emergence damage or the extent thereof or on the determination of the extent of BTA's performance obligation;
 - 3.1.5.** the operator of the Machine was intoxicated, under the effect of narcotic drugs or psychotropic substances or refused the establishing of the intoxication immediately following the occurrence of the loss. The above situation shall be considered equal to a situation where the operator of the Machine was under the effect of alcohol, narcotic drugs or psychotropic substances during the occurrence of the loss. Any loss shall not be indemnified either when alcohol, narcotic drugs or psychotropic substances were consumed by the operator of the Machine following the occurrence of the loss but prior to the arrival of the police or prior to making the proposition to establish the intoxication;
 - 3.1.6.** the operator of the Machine had no right to operate the Machine of the relevant category during the insured event;

3.1.7. the policyholder committed a crime with the Machine or contributed to the crime with the Machine.

4. INSURANCE CONTRACT

- 4.1.** An insurance contract is entered into by and between the insurer and the policyholder in a format that can be reproduced in writing.
- 4.2.** Considered equal to the policyholder shall be the beneficiary, the lawful possessor of the insured object and the person to whom the lawful possessor of the insured object has voluntarily transferred the right to drive/operate the insured object, as well as family members of the persons named above and of the policyholder. The policyholder shall be responsible for the conduct of such persons in performing the obligations arising from the insurance contract as they are for their own conduct.
- 4.3.** Entry into the insurance contract is certified by the policy.
- 4.4.** The documents of the insurance contract shall be the Insurance Terms and Conditions for Machinery, the Policy and the additional conditions set out in the Policy.
- 4.5.** Under the insurance contract the insurer undertakes, if the insured event occurs, to pay an agreed sum of money as a single payment or in instalments or to perform the contract in another agreed form (the insurer's obligation to perform). The policyholder undertakes to pay insurance premiums to the insurer.
- 4.6.** If the policyholder has paid the insurance premium in a lesser amount than agreed, the insurance premium shall be deemed unpaid which results in the contract not entering into force, termination of the contract and the absence of insurance coverage.
- 4.7.** In the event of a contradiction in the insurance contract, it shall be interpreted in the order of significance of the following documents with the preceding document having prevalence over the next one: Special Terms and Conditions – the Policy – the Insurance Proposal – The Insurance Terms and Conditions for Machinery.
- 4.8.** In the event of a loss of the policy, the policyholder has the right to demand a copy of the policy to be issued at their own expense.
- 4.9.** The Policy that was issued last annuls all policies issued earlier to prove the respective Insurance Contract.
- 4.10.** If the policyholder pays the insurance premium pursuant to the policy issued for the current insurance period, the parties treat this payment as consent of the policyholder with the policy. If the Policy differs from the insurance offer, only the data and agreements specified in the policy shall be read valid and correct.
- 4.11.** The insurer is entitled to withdraw from the insurance contract with a one month advance notice if it has been discovered that the policyholder, upon entry into the insurance contract, provided wrong or incomplete information about the insured object or other material circumstances which would have influenced the insurer's decision to enter into the insurance contract.
- 4.12.** The insurer is entitled to terminate the insurance contract without an advance notice if it has been discovered that the insured risk has increased and the insurer has not been duly notified to that effect or the insurer has not consented to continue the insurance contract with an increased risk.
- 4.13.** Unless otherwise provided for, the insurer shall send the policyholder a letter reminding about the next insurance premium two weeks in advance before the next due date.
- 4.14.** The policyholder shall carry the transfer costs of the insurance premium and shall be responsible for the timely money transfer to the insurer's account.
- 4.15.** The insurance contract shall be entered into for a specified term. The current insurance period is indicated in the policy.
- 4.16.** If the insurance premium or the first instalment has not been paid by the due date specified in the insurance contract, insurance coverage under the insurance contract shall be suspended from the moment when the insurance premium or the first instalment should have been paid. Events during the period of suspension of the insurance contract shall not be deemed insured events according to the terms of this insurance contract. If the insurance premium or the first instalment thereof have not been paid within 14 (fourteen) days after the date of entry into the insurance contract, the contract shall be deemed terminated after the end of the said period.
- 4.17.** The insurance contract shall be terminated in accordance with the Law of Obligations Act.
- 4.18.** Upon termination of the insurance contract, the policyholder has the right to a refund of the insurance premium paid for the period until the end of the insurance period with the deduction of the insurer's administrative expenses in the amount of 15% of the annual insurance premium. If the insured object has been destroyed as a result of the insured event, the insurance premium paid for the period until the end of the insurance period shall not be refunded. If the insurance contract is terminated after the insured event, the insurer has the right to set off the insurance payments unpaid by the policyholder for the period until the end of the insurance period with his obligation to perform the insurance contract.

4.19. Upon withdrawal from the insurance contract, the insurer shall refund to the policyholder the paid insurance premium with the deduction of the insurer's administrative expenses in the amount of 15% of the annual insurance premium.

5. INSURANCE TERRITORY

5.1. BTA shall have the indemnification obligation only for an insured event occurring at the insurance location indicated in the Policy.

5.2. Unless otherwise provided for, the insurance contract shall be valid in the territory of the Republic of Estonia.

5.3. With a Policy with no special agreements, the insurance cover shall not be effective with any floating vessels (ship, ferry, pontoon, etc.), in ports, airfields, bodies of water, in the territories of timber processing companies and timber storage, in the territories of peat processing companies and peat storage, peat fields, underground work (mines and tunnels), fuel terminals, in the territories of explosive production companies and explosives warehouses.

6. SUM INSURED AND INSURABLE VALUE

6.1. The sum insured is a maximum amount payable by the insurer. The sum insured is not reduced by the amount of the indemnity paid out. The sum insured limits the insurer's obligation to perform under the contract.

6.2. The insurable value is the value of insurable interest at the time of the insured event. The insurable value shall be defined as the amount necessary to purchase the same thing, reasonably taking into account a decrease in the thing's value due to depreciation.

7. DEDUCTIBLE

7.1. The deductible is a part of damage per each insured event specified in an insurance contract that BTA shall not indemnify.

8. INSURED RISK AND INCREASED PROBABILITY OF INSURED EVENT

8.1. The insurance risk shall be the risk of unexpected and unforeseeable damage to the Machine for which the Insurance Contract is entered into. Perils specified in Clause 2.3 are not deemed the insured risks or the insured events.

8.2. The policyholder cannot increase the insured risk after entry into the contract without BTA's consent or allow the increase of the risk by persons for which they are responsible. An increase of the insured risk is a circumstance that raises the probability of the insured event or the extent of resulting damage.

8.3. The policyholder shall promptly notify BTA of an increase of the insured risk, except when the increase of the insured risk was caused by a generally known circumstance that does not influence exclusively the insured risk of this policyholder.

8.4. Circumstances increasing an insured risk shall be deemed, in particular: non-observance of fire safety requirements, leaving the Machine in an unguarded place outside working hours, change of the place of use thereof, change of the way of use thereof, etc.

8.5. If the policyholder violates the obligation to notify of risk-related circumstances or the obligation to prevent an increase of the risk, BTA shall be released from the obligation to perform the insurance contract, if the insured event occurs later than one month after the moment when BTA should have received a notice, except when BTA knew or should have known about the possibility of an increase in the insured risk at the moment when it should have received the notice.

8.6. During the insurance period BTA has the right to inspect the insured object and, in the event of an increased risk, demand that the policyholder take extra security measures and/or increase the insurance premium. The above said does not exclude BTA's right to terminate the insurance contract.

9. OBLIGATIONS OF POLICYHOLDER

9.1. Before an insured event, the policyholder must:

9.1.1. explain the rights and obligations under the Insurance Contract to the persons into whose possession or use the Machine is granted;

9.1.2. upon using the Machine, comply with acts of law (e.g. the Machinery Safety Act, general fire safety requirements, etc.), including the requirements of the manufacturer;

9.1.3. comply with the legislation of general application regulating the working and rest time of the operator of the Machine;

9.1.4. when leaving the Machine, close and lock the doors, windows, hatches thereof and, thereafter, activate all anti-theft devices of the Machine;

9.1.5. ensure the working order of the exhaust system and spark arrester of the engine of the Machine;

- 9.1.6.** adhering to the requirements of the manufacturer, maintain and clean the Machine regularly. Clean regularly the engine room of the Machine, heating equipment and other flammable places thereof. Clean constantly with compressed air the places referred to above of machines operated in the forest peat and other environments with highly flammable dust;
- 9.1.7.** check regularly the electricity and power supply systems of the Machine to prevent any short-circuits and leaks;
- 9.1.8.** ensure that a vehicle used for carrying the insured object complies with acts of law and the requirements of the manufacturer; Ensure that the insured object is firmly fixed on the carrying vehicle;
- 9.1.9.** not leave the keys or registration documents of the Machine in the Machine;
- 9.1.10.** ensure keeping of the keys and registration documents of the Machine in the way that any unauthorised persons cannot take them without breaking the obstacle or without violence;
- 9.1.11.** ensure that the Machine is kept in a guarded territory or garage outside working hours. The guarding means the existence of an employment contract with a security guard or a contract with a security company whereas the area guarded with the insured object must be placed under surveillance for the time outside working hours. The time outside working hours shall be considered the time when the insured object is not operated (except for lunch breaks and the time needed for transporting the Machine from one work site to another);
- 9.1.12.** in the event of theft, robbery or loss of the keys of the Machine insured, immediately change all locks and recode or replace the anti-theft devices of the Machine; Until applying the relevant measures, keep the Machine only in a locked garage or in a territory under electronic or physical surveillance;
- 9.1.13.** allow representatives of BTA to inspect on their first request the technical state and documents of the Machine;
- 9.1.14.** follow the fire safety requirements established with acts of law;
- 9.1.15.** for warming up the Machine and its parts, use only devices meant for the purpose;
- 9.1.16.** not use open fire in the place the Machine is kept;
- 9.1.17.** clean regularly the engine room and inflammable areas of the Machine, including the same areas of the Machines operating in a dusty environment must be regularly cleaned with compressed air;
- 9.1.18.** provide the Machine with fire extinguisher whose working order must be regularly checked (fire extinguisher required by the manufacturer or an at least 6 kg fire extinguisher of class AB III);
- 9.1.19.** inform BTA of any change of the power of the engine of the Machine or of any rebuilding of the Machine by which the complexity of the Machine is considerably changed compared to its state at the time of entry into the Insurance Contract.
- 9.2.** In the case of an insured event, the policyholder must:
 - 9.2.1.** prepare a loss event report in accordance with the requirements of acts of law;
 - 9.2.2.** promptly notify a competent authority (police, the Rescue Board, etc.) of a theft, stealing, robbery, vandalism, fire and other illegal events;
 - 9.2.3.** notify BTA of an insured event as soon as possible but no later than within 5 workdays of learning about the event and submit to BTA any information and documents available about the reasons and size of the loss; The policyholder has the obligation to prove the occurrence of the insured event;
 - 9.2.4.** submit as soon as possible the damaged Machine in its state after the insured event to BTA for inspection whereas no changes must be made in the damaged Machine without the previous consent of the Insurer;
 - 9.2.5.** pass over to BTA the remains of the Machine (if the pre-loss cost of the Machine is to be indemnified) in the state following the insured event in the Republic of Estonia unless the Parties agree otherwise in writing (expenses made by the Insurer outside the Republic of Estonia shall be subtracted from the indemnity);
 - 9.2.6.** in the event of theft or robbery of the Machine, submit to BTA immediately all keys and registration documents of the Machine. Upon the delivery of the above said keys and remotes a certificate shall be executed in two copies to be signed by both parties. As an exception, if the above said remotes and sets of keys have been taken into possession by representatives of law enforcement agencies in the context of a criminal case, the policyholder shall prove it to BTA.
- 9.3.** After the insurance indemnity has been paid out, the policyholder must:

- 9.3.1.** If the stolen or robbed Machine is found, inform BTA thereof immediately in writing or in a form enabling written reproduction.
- 9.3.2.** Notify BTA immediately of any indemnification by a third party.
- 9.3.3.** If BTA has indemnified for a Machine or a part of the Machine whose possession has been taken from the Policyholder, notify BTA immediately upon finding the Machine or the part thereof or upon learning the whereabouts thereof. The policyholder must transfer the regained Machine or part thereof to BTA immediately but not later than within 10 days. In case the Machine or the part thereof regained has not been transferred to the insurer within 10 days, return the indemnity paid by the insurer.

10. BTA'S OBLIGATIONS AND RIGHTS

- 10.1.** BTA shall carry out the inspection of the damaged Machine as soon as possible but no later than within 3 workdays of the receipt of the loss notice.
- 10.2.** BTA shall decide whether to acknowledge the event the insured event at the first opportunity. BTA shall make the decision about the size of the loss within 3 workdays if the loss has been accepted as an insured event (in the event of theft/robbery within one month) of the receipt of information and documents necessary (including repair calculations) for establishing the circumstances and size of the loss and paying the indemnity. BTA's decisions shall be substantiated in a way which allows a reasonable professional person to receive information about the reasons for the decision and evidence and circumstances behind the decision as well as their interpretation by BTA. BTA shall promptly notify the policyholder of the documents that have not been provided.
- 10.3.** BTA shall have the right to collect from the Policyholder any difference in premiums caused by an increase in risk circumstances (including enhanced power of the engine, rebuilding of the Machine, etc.) from the beginning of the insurance period.
- 10.4.** By entry into the contract the policyholder entitles the insurer to process the policyholder's personal data in accordance with applicable legislation. BTA shall also be entitled to receive information about the policyholder from state agencies that process personal data and the credit register if BTA considers it necessary.
- 10.5.** BTA has the right to disclose information pertaining to the insurance contract to experts and reinsurers and store it on BTA's data carriers.

11. MANNERS AND PROCEDURE OF INDEMNIFICATION

- 11.1.** The way of indemnification is the financial way or indemnifying the restoration costs of the damaged Machine.
- 11.2.** If the restoration repair of the Machine is economically and technically reasonable and if the Insurer accepts the restoration method and place chosen by the policyholder, the insurer shall issue a letter of guarantee to the performer of the repair of the Machine (issuing of the letter of guarantee shall neither mean ordering the work by the Insurer nor assuming the liability by the Insurer for the quality of the work performed).
- 11.3.** Should the insurer and the policyholder not reach an agreement on the method and place of restoring the insured object, BTA shall indemnify the loss financially to the extent equal to necessary and reasonable costs of restoration of the Machine.
- 11.4.** Upon restoration of the Machine, BTA shall have the right to request the use of components commensurate to the age and technical state of the Machine.
- 11.5.** In case the restoration of the Machine is not economically reasonable, it shall be indemnified financially. If the restoration of the Machine is not economically reasonable, the normal value of the Machine shall be identified as of the moment of the insured event. After that, the deductible shall be deducted from the resulting amount. Of the remaining sum, the residual value of the Machine shall be deducted if the beneficiary or policyholder has decided to keep the remains. From the final amount the insurance premium payable at the moment of the insured event until the end of the insurance contract period shall be deducted irrespective of the fact whether the due date of the insurance premium has arrived or not and whom the insurance indemnity is paid to.
- 11.6.** In the event of theft, robbery or destruction of an additional mechanism, the indemnity shall be the market price thereof but not exceeding the insurance amount indicated in the Policy.
- 11.7.** To determine the insurance indemnity, unpaid insurance premium which has fallen due and indemnity reductions specified in the insurance contract shall be deducted from the sum to be indemnified under the insurance contract.
- 11.8.** The ownership of the insured object shall be transferred to the Insurer at the moment of the transfer of the possession of the object to BTA.
- 11.9.** If the policyholder is a person liable to VAT and has the right to a refund of VAT from restoration expenses or procurement expenses of the insured object, the insurer shall not indemnify VAT.

11.10. If the insurer delays the performance of his obligations, he shall pay a penalty interest in the amount provided for in legislation.

12. REFUNDING THE INSURANCE INDEMNITY

12.1. The policyholder shall be obliged to return the indemnity to BTA if, following the indemnification, there appear circumstances precluding the indemnification or if the loss has been indemnified by a third party.

13. RESOLUTION OF DISPUTES, JURISDICTION, EXPIRY AND INSURANCE SUPERVISORY BODY

13.1. Disputes arising from the insurance contract shall be attempted to be resolved by agreement. If no agreement has been reached, disputes arising from the insurance contract shall be resolved in court in accordance with the legislation of the Republic of Estonia.

13.2. An expiry term in accordance with the legislation of the Republic of Estonia shall be applied to claims arising from the insurance contract.

13.3. The policyholder has the right to file complaints upon the insurer's actions with the Financial Supervision Authority located at the address Sakala 4, 15030 Tallinn. The Financial Supervision Authority shall exercise supervision over the insurer's activities to ensure their compliance with legislation. The Financial Supervision Authority shall not resolve contractual disputes between the insurer and the policyholder.

14. PROCEDURE FOR DELIVERY OF NOTICES

14.1. Notices to be given during the performance of the insurance contract shall be submitted in a format which can be reproduced in writing or by phone to BTA's phone number specified in the policy.

14.2. The insurer shall send notices to the last known postal address of the policyholder. If the policyholder has changed their postal address without informing the insurer of the fact, the notices shall be deemed delivered at the moment when they would have reached the policyholder in the event of usual mailing if their postal address had not changed.

15. OTHER TERMS AND CONDITIONS

15.1. BTA has the right to record phone calls pertaining to the performance of the insurance contract.