



# GUARANTEE INSURANCE

Terms and Conditions No.15.G1

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AAS BTA Baltic Insurance Company Estonian Branch enters into guarantee insurance contracts on the basis of these Terms & Conditions, which can be found at [www.bta.ee](http://www.bta.ee).

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### 1. TERMS USED IN INSURANCE CONTRACT

**Beneficiary** means the person with whom the Insurance Risk insured by BTA is associated, i.e. the person towards whom the Policyholder has an obligation under the procurement documents or the concluded Contract, referred to as the Guarantee Beneficiary in the Letter of Guarantee.

**BTA** means AAS BTA Baltic Insurance Company Estonia branch, the Insurer and the insurance distributor within the meaning of the Insurance Activities Act, referred to as the Guarantor in the Letter of Guarantee.

**Contract** means the agreement entered into between the Policyholder and the Beneficiary prior to the conclusion of the Insurance Contract, which among other things sets out the obligations of the Policyholder towards the Beneficiary, the performance of which is guaranteed by BTA in accordance with the Insurance Contract.

**Guaranteed Amount** means the maximum Guarantee Amount per Insurance Period agreed in the Insurance Contract, up to which BTA will indemnify the Beneficiary against claims that have arisen against the Policyholder during the Insurance Period.

**Insurance Contract** means the agreement between BTA and the Policyholder, which sets out the obligations of the parties in providing the Letter of Guarantee. Entry into an insurance contract is proven by an insurance policy.

**Insurance Distributor** (hereinafter referred to as the Distributor) means the insurer, insurance broker or insurance agent who arranges the conclusion of an Insurance Contract.

**Insurance Period** means the period specified in the Insurance Contract during which BTA guarantees to the Beneficiary the performance of the Policyholder's obligations to the extent of the Guarantee Amount upon the occurrence of an Insured Event.

**Insurance Premium** means an amount payable by the Policyholder, which the Policyholder must pay before the entry into force of the Insurance Contract, and the terms and conditions for payment that have been specified in the Insurance Contract.

**Insured Event** means an unexpected and unforeseeable event related to the Insured Risk set out in the Insurance Contract, in the case of which the Insurer becomes obliged to perform the Insurance Contract according to the concluded Insurance Contract.

**Insured Risk** means the non-performance or unsatisfactory performance of the Policyholder's obligation defined in the Insurance Contract, in the case of which BTA has to perform the obligation arising from the Letter of Guarantee.

**Letter of Guarantee** means a guarantee given by BTA to the Beneficiary, whereby BTA guarantees the performance of the Policyholder's obligation to the Beneficiary.

**Policyholder** means the person who enters into the Insurance Contract and the performance of whose obligations is guaranteed by BTA, referred to in the Letter of Guarantee as the Guarantee Applicant.

**Tender** means the Tenderer's intention to enter into the public contract, which is binding on the tenderer from the due date for submission of the tender until the expiry of the term of validity of the tender indicated in procurement documents.

### 2. INSURED EVENT

Guarantee insurance covers the following Insured Events as set out in the policy and the Letter of Guarantee:

**2.1.** The Insured Event of **Tender Guarantee** is deemed to have occurred if:

- 2.1.1.** the Policyholder withdraws the Tender within its term of validity after the time limit for submission of tenders;
- 2.1.2.** the public contract is not awarded because of an act or omission by the Policyholder;
- 2.1.3.** the Policyholder does not start performing the public contract within the deadline set in the public

contract due to reasons arising from the Policyholder.

- 2.2.** The Insured Event of **Advance Payment Guarantee** is deemed to have occurred if:
- 2.2.1.** the Policyholder breaches its obligation under the Contract to repay the advance payment;
  - 2.2.2.** the Policyholder fails to carry out the work or provide the services arising from the Contract on the terms and conditions set forth in the Contract to the extent of the amount paid in advance.
- 2.3. Contract Performance Guarantee.** An Insured Event is deemed to have occurred if the Policyholder fails to carry out the works or provide the services agreed in the Contract or fails to perform any other obligations undertaken in accordance with the requirements agreed in the Contract and/or within the prescribed period.
- 2.4. Warranty Period Guarantee.** An Insured Event is deemed to have occurred if the Policyholder fails to perform the obligations under the Contract to carry out work during the Warranty Period properly and/or within the prescribed period.

### 3. INSURANCE COVER AND ITS TERM

- 3.1.** Insurance cover means the period of time when the obligations of BTA are in effect and when the Insured Events that have occurred result in the performance obligation of BTA.
- 3.2.** The Insurance Cover will take effect as of the date specified in the Letter of Guarantee and expire on the last date of the Insurance Period at 24:00.

### 4. EARLY TERMINATION OF INSURANCE CONTRACT

- 4.1.** The insurance contract expires early if:
- 4.1.1.** BTA pays out the Guarantee Amount;
  - 4.1.2.** the Beneficiary submits a signed explicit consent regarding the waiver of claims and the return of the Letter of Guarantee.
- 4.2.** BTA is not obliged to return the Insurance Premium to the Policyholder if the Insurance Contract expires under clause 4.1.1 or BTA has made a partial payout before the early termination of the Insurance Contract under clause 4.1.2.
- 4.3.** In the event of early termination of the Insurance Contract under clause 4.1.2, if BTA has not made any payouts, BTA will refund a proportionate part of the Insurance Premium to the Policyholder. BTA has the right to subtract administration costs, which are 15% of the Insurance Premium, from the refundable Insurance Premium.
- 4.4.** In order to terminate the Insurance Cover early, an explicit consent signed by the Beneficiary regarding the waiver of claims and the return of the Letter of Guarantee is required. A Letter of Guarantee issued on paper must be returned to BTA.

### 5. GUARANTEE AMOUNT

- 5.1.** If BTA makes a partial payout, the Guarantee Amount will decrease by the amount paid out.
- 5.2.** The Guarantee Amount or the terms and conditions of the Letter of Guarantee may be amended during the term of the Letter of Guarantee by agreement between the parties to the Insurance Contract and upon the written or digitally signed consent of the Beneficiary.

### 6. PROCEDURE FOR PAYMENT OF INSURANCE PREMIUM

- 6.1.** The Policyholder must pay the Insurance Premium in full before entry into the Insurance Contract unless otherwise agreed by the parties.
- 6.2.** The Insurance Premium is deemed paid when it has been credited to the Distributor's bank account in full.

### 7. OBLIGATIONS OF POLICYHOLDER

The Policyholder must:

- 7.1.** notify BTA as soon as possible in a format that can be reproduced in writing upon entry into the Insurance Contract or during the Insurance Period of any circumstances known to the Policyholder, which may increase the likelihood of materialisation of the Insurance Risk;
- 7.2.** apply necessary measures incl. follow all the instructions of BTA to prevent an Insured Event and reduce damage;
- 7.3.** inform BTA as soon as possible of the occurrence or probable occurrence of an Insured Event;
- 7.4.** return the Guarantee Amount paid out by BTA to the latter within five (5) working days as of the receipt of a respective request from BTA;
- 7.5.** pay BTA a fine for a delay in the amount of 0.5% of the overdue amount for each day of delay if the Policyholder has failed to refund the Guarantee Amount by the deadline provided for in clause 7.4;
- 7.6.** at the request of BTA, provide a collateral (mortgage, deposit, surety, bank guarantee) to secure the performance of the obligations arising from the Insurance Contract upon entry into the Insurance Contract;
- 7.7.** submit to BTA the following documents:
  - 7.7.1.** an application;
  - 7.7.2.** the written declaration of the Beneficiary (signed on paper or electronically) that they waive the

rights of claim under the Letter of Guarantee;

- 7.7.3.** any other documents that BTA is entitled to request in each individual case as a condition of releasing the guarantee;

if the Policyholder wishes to terminate the collateral (mortgage, deposit, surety, bank guarantee) provided to BTA to secure the performance of its obligations under the Insurance Contract during the Insurance Period of the effective Insurance Contract or up to three (3) years after the end of the Insurance Period of the Insurance Contract.

## 8. OBLIGATIONS OF BTA

BTA must:

- 8.1.** immediately notify the Policyholder of the submission of a claim by the Beneficiary;  
**8.2.** perform the indemnity obligation arising from the Insurance Contract on the conditions agreed in the Letter of Guarantee.

## 9. PROCEDURE FOR PAYING OUT THE GUARANTEE AMOUNT

- 9.1.** BTA will only pay out the Guarantee Amount if the Insured Event has occurred and a justified claim has been submitted to BTA.  
**9.2.** A claim is justified if it includes the number of the Contract, a description of the breached obligation with the claim amount and its calculation, has been signed by the legal or authorised representative of the Beneficiary (if the signatory is an authorised person, the respective power of attorney must be added to the claim) and has been sent to BTA by registered post or emailed to [bta@bta.ee](mailto:bta@bta.ee). According to the Insurance Contract, BTA may also request the submission of additional documents that confirm the breach of the Policyholder's obligations under the Contract.  
**9.3. Tender Guarantee.** If an Insured Event occurs, BTA will pay to the Beneficiary an insurance indemnity up to the amount of the guarantee specified in the procurement documents but no more than the Guarantee Amount agreed in the Insurance Contract.  
**9.4. Advance Payment Guarantee.** If an Insured Event occurs, BTA will pay to the Beneficiary an insurance indemnity up to the amount of the advance payment for the cost of the work or services not performed on time but no more than the Guarantee Amount agreed in the Insurance Contract.  
**9.5. Contract Performance Guarantee.** If an Insured Event occurs, BTA will pay to the Beneficiary an insurance indemnity for the cost of the obligations not performed but no more than the Guarantee Amount agreed in the Insurance Contract.  
**9.6. Warranty Period Guarantee.** If an Insured Event occurs, BTA will pay to the Beneficiary an insurance indemnity for the cost of the warranty works not performed on time but no more than the Guarantee Amount agreed in the Insurance Contract. BTA does not indemnify for damage resulting from construction defects that were obvious (objectively detectable) at the time of receipt of the construction works.  
**9.7.** BTA will perform the indemnity obligation under the Insurance Contract within the agreed deadline, after receiving a justified claim from the Beneficiary, if the Policyholder has failed to perform the obligation secured by the Guarantee.  
**9.8.** BTA will not indemnify any claims that have been filed after the due date of submission of the claim provided for in the Letter of Guarantee.  
**9.9.** If the Policyholder does not agree with the claim made by the Beneficiary, the Policyholder may take legal action against the Beneficiary to protect their rights and apply for injunctive relief to suspend the enforcement of the claim. If the court has not issued an order for suspension of the satisfaction of the claim by the due date of indemnification of the claim submitted to the Insurer, BTA is obliged to make the payout in the justified amount given in the claim.

## 10. PERSONAL DATA PROCESSING

- 10.1.** BTA, as the controller of personal data, complies with the requirements for the processing of personal data set out in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and other legislation.  
**10.2.** The privacy policy of BTA is available on the BTA website at [www.bta.ee](http://www.bta.ee).

## 11. OTHER TERMS AND CONDITIONS

- 11.1.** The parties to the Insurance Contract must not disclose confidential information related to the Insurance Contract to third parties, except with the consent of the other party given in a format that can be reproduced in writing. Confidential information means any and all information about the content, entry into and circumstances presented for entry into the Insurance Contract. The data obtained within the framework of the Insurance Contract may be transmitted to third parties in the cases provided for in the legislation in force in the Republic of Estonia. BTA has the right to submit data related to the Insurance Contract to experts and reinsurers and retain data in the BTA database.



- 11.2.** All notices, requests and information related to the Insurance Contract must be sent to the other party in a format that can be reproduced in writing.
- 11.3.** BTA is not obliged to give a guarantee or, irrespective of the terms and conditions of the concluded contract, make payouts under the Letter of Guarantee to persons on whom sanctions, prohibitions or restrictions have been imposed according to the resolutions or trade or economic sanctions of the United Nations, the laws and regulations of the European Union, the Republic of Estonia, the United Kingdom or the United States of America (on the condition that this does not breach the rules, laws or regulations applicable to BTA) or to persons on whom sanctions, prohibitions or restrictions have been imposed according to the laws and regulations of the country of location of the reinsurer.
- 11.4.** Any disputes between BTA and the Policyholder will be resolved by way of negotiations. If the disputes arising from the Insurance Contract cannot be resolved by way of negotiations between the parties, the dispute will be resolved in Harju County Court pursuant to the legislation of the Republic of Estonia.