



APPROVED
By "BTA Insurance Company" SE Board of Directors
resolution
No.112 from 22.11.2011

BTA¹ GENERAL TERMS AND CONDITIONS FOR
INSURANCE CONTRACTS No. GC•2012

Come into force: **01.12.2011.**

These terms and conditions make up joint part with an insurance contract made with „BTA Insurance Company“ SE Estonian Branch, registry code 11223507, (hereinafter "BTA"), in which the insured object is provided on the insurance policy. These terms and conditions establish general principles used in BTA insurance contracts, and also the rights and duties of parties. For issues not covered by these terms and conditions, the parties will be guided by insurance terms for relevant class of insurance, insurance policy (hereinafter "policy"), Law of Obligations Act and other legislation.

These insurance terms are given in the *Internet on BTA website: www.bta-kindlustus.ee*

1. Terms

1.1. BTA is „BTA Insurance Company“ SE Estonian branch, registry code 11223507.

1.2. A policy holder is a person with insurable interest, who has entered into an insurance contact with BTA.

1.3. An insured person is a policyholder or third party, whether identified by name or not, whose security risks have been insured. It is presumed that the insured risk against which insurance is provided relates to a policyholder.

1.4. A beneficiary is a person who, upon the occurrence of an insured event, is entitled to the insurance indemnity, agreed amount of money or performance by BTA of any other obligation provided in the contract.

1.5. Insured risk is the hazard against which insurance is provided.

1.6. An object of insurance is an object the insured risk of which is insured. Insured thing may be the life and health of an insured person or a thing, right, duty or cost belonging to an insured person, to which an insurance contract was awarded.

1.7. Insurable interest is the interest of a policyholder in being insured against a certain insured risk.

1.8. Insurable value is the value of insurable interest at the time an insured event occurs.

1.9. The sum insured is the maximum amount payable by BTA upon the occurrence of an insured event to compensate for damage caused / in liability insurance - limit of indemnity.

1.10. An insured event is an incident previously agreed upon, upon the occurrence of which BTA shall fulfill the performance obligation arising from the contract.

1.11. The insurance benefit is the sum of money that shall be paid out in compensation for damage caused by an insured event. Insurance benefit may be in kind, if the insured object shall be replaced or restored.

1.12. An insurance quotation is BTA's written proposal for insurance agreement.

1.13. An insurance contract is a performance obligation whereupon a person (BTA) undertakes, upon the occurrence of an insured event, to compensate for damage caused by an insured event or to pay the agreed amount of money as a lump sum or in installments, or to perform the contract as otherwise agreed (BTA's performance obligation). The other

person (policyholder) undertakes to pay insurance premiums to BTA.

1.14. Terms of insurance are terms that BTA shall apply to specific insurance relationship. Terms of insurance include these terms, conditions and special conditions of various insurance products, also conditions and special conditions referred to in the insurance policy, and so on. The terms and conditions applicable to a specific insurance contract are set out in the insurance policy.

1.15. Insurance policy (policy) is a document verifying the award of insurance contract, issued by BTA.

1.16. A period of insurance is the period of time based on which insurance premiums are calculated. It is presumed that a period of insurance lasts for one year, unless otherwise agreed. Period of insurance is set out in the insurance policy.

1.17. Term insurance contract is an insurance contract that expires upon the expiry of the insurance period. The insurance policy will determine whether or not this is a term insurance contract.

1.18. Permanent insurance contract is for an unspecified term and shall remain valid until the cancellation of the insurance contract. The insurance policy will determine whether or not this is a permanent insurance contract.

1.19. Excess is the agreed portion of the loss (expressed as amount, per time unit, as a percentage of the damage, etc) by which BTA's obligation to perform shall be reduced. Excess shall apply in the case of each insured event.

1.20. Insurance location is an area, territory or a region provided in the insurance contract, where an BTA's obligation to perform arising from the insurance contract shall apply with respect to an insured event that has occurred. BTA has no obligation to perform in case of events occurring outside the insurance location.

1.21. Over-insurance occurs when it becomes evident that the sum insured exceeds the insurable value to a significant extent (over-insurance).

1.22. Under-insurance occurs when the sum insured is less than the insurable value at the time of the occurrence.

1.23. Multiple insurance occurs when a policyholder insures the same insurance risk with several insurers.

2. General exclusions

Damage incurred directly or indirectly in following circumstances is not covered by insured event or subject to compensation:

2.1. fines, contractual penalties, fines for delay, interests and other contractual or legal sanctions;

2.2. indirect damage;

2.3. environmental damage;

2.4. damage, which is caused by economic activities carried out on insured object which has not been coordinated with BTA;

2.5. costs related to any expert analyses or audits made by policyholder or insured person;

2.6. expropriation or lawful demolition.

2.7. damage from harm, destruction or loss to the property insured, which arose before entry into insurance contract or which occurrence a policyholder was aware before entering into the insurance contract;

2.8. damage, which is caused either directly or indirectly, or resulting from war, civil war, revolution, armed insurrection, coup d'état, state of emergency, civil unrest and other similar events;

2.9. damage caused either directly or indirectly or resulting from any act of terrorism, which is committed by or in connection with any person or organization, whose actions direct force and violence against any state or government, with an intent to organize a coup or to influence that state and government; also by persons who act for political, ideological or religious motives;

¹ **Business name: „BTA Insurance Company“ SE Estonian Branch**

2.10. damage relating to a nuclear reactor, nuclear power plant, nuclear energy, nuclear energy based devices, nuclear fuel, nuclear waste;

2.11. damage caused either deliberately or through gross negligence (failure to comply with the necessary care to a significant degree).

3. Insurance contract

3.1. An insurance contract shall be concluded between BTA and policyholder in format which can be reproduced in writing.

3.2. In voluntary insurance, pursuant to the principle of freedom of contract, BTA has the right to decide whether and on what terms to enter into an insurance contract with a policyholder.

3.3. The insurance policy proves the award of insurance contract.

3.4. If the policy is lost, a policyholder is entitled to a duplicate of a policy lost, issued at their own expense.

3.5. The policy issued last supersedes all previously issued policies evidencing this insurance contract.

3.6. If a policyholder pays the insurance premiums for a current period on the basis of issued policy, the parties will consider this as policyholder's agreement with the policy. If the policy differs from the insurance quotation, it will be the information and agreements set out in the policy that will be deemed valid and true.

3.7. Insurance contract documents are provided in the insurance policy and these may include: policyholder's application/risk assessment questionnaire, insurance quotation, general terms and conditions of insurance contracts, conditions of a selected class of insurance. In addition, according to agreement set out in an insurance policy, insurance documents may include conditions for various risks, safety requirements, etc.

3.8. The prior expressions of will, actions or agreements by BTA and a policyholder will not be considered a part of insurance contract, unless otherwise specified in insurance policy or other insurance contract documents.

3.9. Both BTA and a policyholder may reduce the sum insured, together with a corresponding reduction of the insurance premium, in order to eliminate over-insurance. The sum insured and the insurance premium shall be reduced by making a corresponding declaration of intent to the other party to the contract. BTA is not obligated to compensate the policy holder by more than the actual amount of damage, even if, during the occurrence of an insured event, the sum insured is higher than the insurable value.

3.10. Of an insured event (under-insurance) BTA shall be liable for the damage in proportion to the relation of the sum insured to the insurable value at the time of an insured event. If the sum insured does not differ from the value of insurance by more than 15%, under-insurance shall not be applied.

3.11. If a policyholder insures the same insured risk with several insurers and the total amount of indemnities payable by the insurers would exceed the extent of the damage or the total of the sums insured would exceed the insurable value (multiple insurance), the insurers shall be liable as solidary obligors.

In this case, each insurer shall be liable to the policyholder to the extent of the sum insured to be paid by the insurer pursuant to the contract, but the policyholder shall not claim more in total than the extent of damage.

Insurers in this case shall be liable between themselves in proportion to the amount each of them has to pay the policyholder pursuant to the insurance contract.

3.12. If an insurance contract defines a special meaning for a word, then the performance and interpretation of the insurance contract will use the special meaning provided in the insurance contract.

3.13. Unless expressly stated otherwise in the insurance policy, the insurance policy is for fixed-term (term). The current period of insurance is provided in the policy.

3.14. Term insurance contract is deemed renewed for the next period, if BTA shall submit a new offer to a policyholder and a policyholder agrees to this. If the insurance terms and conditions have changed since the previous period, BTA shall submit to a policyholder new insurance terms along with the insurance quotation.

3.15. In case of a permanent insurance contract, BTA shall submit the policy at the beginning of each insurance period.

3.16. BTA has the right to withdraw from the insurance contract with a one month's notice, if it becomes evident that in the award of insurance contract, a policyholder has submitted false or incomplete information regarding an insured thing or other relevant circumstances which would have affected BTA's decision to award this insurance contract.

3.17. BTA has the right to cancel/withdraw from the insurance contract without a term of advance notice, if it becomes evident that the insurance risk has increased and BTA has not been properly informed or BTA has not agreed to continue the insurance contract with an increased risk.

3.18. If there is a conflict in an insurance contract, the following documents will be used for interpretation, in order of importance, whereas each previous document will take precedence after the one that follows; special conditions in the policy - policy - insurance quotation - additional conditions - conditions of selected class of insurance - general terms and conditions of selected class of insurance - general terms and conditions of insurance contracts.

3.19. In order to alter an insurance contract, a policyholder must submit an application to BTA. An insurance contract is deemed altered, when parties have reached a corresponding agreement and a policyholder has met the conditions set out in that agreement.

3.20. Insurance contract shall be terminated in accordance with the Law of Obligations Act.

4. Appointment of the beneficiary

4.1. A beneficiary shall be appointed and altered by agreement of a policyholder and BTA and the consent of an insured person. A written consent of an insured person is not necessary, if a policyholder and an insured person are both the same person.

4.2. After a policyholder dies, the successors of the policyholder shall not replace the beneficiary.

4.3. If a beneficiary, due to a fault of his/her own (e.g. intentional damage), loses the right to insurance indemnity, or if a beneficiary has died before an insured event occurs, it is deemed that a beneficiary has not been set.

5. Persons for whom a policyholder is liable for

5.1. Policyholder is liable for the behavior of the following persons: the person insured; the family members living with an insured person; the legal possessor of an insured thing, also the person to whom the legal possessor has voluntarily transferred the possession; persons who use an insured thing with the consent or approval of a policyholder or an insured person or the possessor of an insured thing; persons, who by law, contract (including employment contract) or other legal relationship are required to comply with safety, operation, damage prevention, limitation, rescue or other requirements.

5.2. A policyholder must explain to the aforementioned persons the requirements and obligations arising from the insurance contract.

5.3. A policyholder is responsible for the conduct of these parties in fulfilling their obligations under the insurance contract same as his/her own conduct.

5.4. If abovementioned persons have not complied with the requirements of the insurance contract, it is deemed that a policyholder has breached the contract.

6. Insurance of insured risk of third party

6.1. If insured risk relating to a third party is insured, the third party has the right to demand performance and all the

rights related thereto from BTA. The third party shall not dispose of such rights without the consent of a policyholder.

6.2. A policyholder may dispose of the rights arising from the insurance contract for a third party in a policyholder's own name, including collecting the claim of an insured person against BTA, waiving the claim or entering into transactions involving the claim.

6.3. BTA shall perform its obligation to a policyholder only if a policyholder proves that the third party had granted its consent for the insurance contract to be entered into.

7. Insurance premium and its payment

7.1. A policyholder shall be obligated to pay the premium in the amount specified in the insurance contract and to ensure that the premium or agreed installment would reach BTA's account by the due date set in the insurance policy.

7.2. A policyholder is obligated to pay the premiums set out in the insurance contract, regardless of whether BTA has sent a policyholder a corresponding invoice or a reminder.

7.3. If a policyholder has paid a lower premium than agreed upon, the premium is not paid and it will result in non-binding contract, expiry of contract and lack of insurance coverage.

7.4. BTA shall send to a policyholder a reminder for the next premium at least two weeks before the next due date, unless otherwise agreed.

7.5. A policyholder shall pay the transfer costs for the insurance premium and shall be liable for the timely arrival of the money on BTA's account.

7.6. If the premium or the first payment is not made within the time period set in the insurance policy, the insurance coverage under the insurance contract shall be suspended from the moment when the premium or the first installment was due. According to the terms of this insurance contract, the insurance events occurring during the suspension of the insurance contract shall not be considered insurance cases. If a premium or a first installment is not made within 14 (fourteen) days after the award of the insurance contract, the contract shall be terminated after the passing of the abovementioned date.

7.7. If a policyholder is late in paying the next insurance premium (installment) and has not paid the subsequent premium within the additional period appointed by BTA, BTA will be relieved of their obligation to fulfill the insurance contract in relation to insurance events which occur after the additional period.

8. Increase in insurance risk and likelihood of insurance event

8.1. After the award of contract, a policyholder may not increase the insurance risk or allow its increase by parties for whom he/she is responsible without the consent of BTA.

8.2. A policyholder must inform BTA immediately of an increased insurance risk, except when the insurance risk increased due to a commonly known fact that did not affect only the insurance risk of that policyholder.

8.3. Circumstances increasing the insured risk are, among other things: transfer of the insured object, loss of keys of the insured object, malfunctions of the locking and alarm systems of the insured object, initiation of bankruptcy proceedings against a policyholder/insured person, in case of personal insurance: change in person's job, becoming unemployed, increase in a risk of an accident due to a change in insured person's lifestyle or hobbies (such as choice of hobbies, their intensity), etc.

8.4. Among other things, a policyholder must immediately notify BTA of any changes to circumstances listed in a policyholder's application/risk assessment questionnaire filled before the award of the insurance contract, which, due to their nature may affect BTA's decisions on whether or not to award the insurance contract, to do so under special conditions, to alter the pricing, etc.

8.5. If a policyholder breaches the requirement to inform about risk factors or the obligation to avoid the risk increase,

BTA shall be released from the insurance contract obligation, if an insured event occurs a month after the time, when BTA would have received the notice, except if BTA knew or had to know about the potential insurance risk increase at the time when they would have received the notice.

8.6. BTA reserves the right to inspect the insured object during the insurance period, and in case of increased insurance risk, to request the implementation of additional security measures from a policyholder and/or to increase the premium. This does not preclude BTA's right to cancel/withdraw from the contract.

9. Transfer of insured thing

9.1. Upon the transfer (e.g. sales, gifts, exchanges) of an insured thing, the transferor or acquirer of the thing shall notify BTA of the transfer immediately in format which can be reproduced in writing.

9.2. A policyholder's rights and obligations arising from the insurance contract shall not be deemed to have been transferred with respect to BTA until BTA becomes aware of the transfer of an insured thing.

9.3. The transferor and acquirer of the thing shall be solidarily liable to BTA for payment of the insurance premium for the period of insurance during which the transfer takes place.

9.4. If a policyholder transfers an insured thing, all a policyholder's rights (including the right to insurance premium refund) and obligations arising from the insurance contract transfer to the acquirer of the thing, except those which arose before the transfer of insured thing.

9.5. If BTA is not notified of the transfer of a thing in time, BTA shall be released from its performance obligation if an insured event occurs more than a month after the time when BTA should have received the corresponding notice.

10. Duties of policyholder

10.1. Upon entering into a contract, a policyholder shall inform BTA of all circumstances known to a policyholder, which, due to their nature, may influence BTA's decision to enter into the contract or to enter into the contract on the agreed terms.

10.2. Prior to an insured event, a policyholder is required to:

10.2.1. comply with all the safety requirements arising from the law, legislation, instructions, regulations, etc., authorities or other contracts;

10.2.2. explain the rights and duties arising from the insurance contract to persons, to whose possession or use an insured thing shall be given;

10.2.3. ensure that all the legal requirements of the Republic of Estonia shall be met in connection with/regarding an insured thing;

10.2.4. allow a representative of BTA to inspect an insured thing itself and its documents at their first request;

10.2.5. inform BTA on any modifications of an insured thing, with which an insured thing is significantly changed compared to the time of the award of the insurance contract;

10.2.6. policyholder, insured person and the persons equal to them are, in the management and use of the property required to show due diligence, to meet the requirements/safety regulations laid down in legislation (e.g. Fire Safety Act, Fire Safety Requirements for Construction Works and Parts thereof, requirements for automatic fire alarms and buildings, which automatic fire alarm notifications should be forwarded to alarm centre, Traffic Act) and additional safety requirements set out by BTA and those provided in the insurance policy during the entire insurance period.

10.3. In case of insured event, a policyholder is required to:

10.3.1. take measures to limit and prevent further damage;

10.3.2. to act in accordance with the procedure set out in legislation and, depending on the nature of the event, immediately notify the police, rescue service agency or some other appropriate competent authority conducting rescue services or investigation into the circumstances of the event;

10.3.3. take measures to clarify the circumstances of the event (among other things, help to identify the possible cause of the damage, details of the person who caused the damage and those of witnesses);

10.3.4. to notify BTA about an insurance event as soon as possible, but no later than 5 business days after becoming aware of the event and to provide BTA with documents and details on the cause of the damage and the amount of damage. A policyholder has the burden of proof for the occurrence of an insured event;

10.3.5. submit the damaged insured thing in its post-event state for BTA for review/allow BTA to inspect an insured thing as soon as possible, with no changes to insured thing without a prior consent of BTA;

10.3.6. to leave the site of event as intact as possible and to notify BTA immediately in order to coordinate the time of arrival for BTA's representative to inspect the damaged insured thing and assess the damage and verify the occurrence of a possible insured event and to specify its circumstances;

10.3.7. store the good parts of the damaged thing and, at the request of BTA, provide them to BTA for inspection.

10.4. After the payment of insurance indemnity, a policyholder is required to:

10.4.1. inform BTA immediately in writing or in a format which can be reproduced in writing if stolen or robbed insured thing is found;

10.4.2. a policyholder must inform BTA immediately, if the damage is compensated by a third party, including a motor third party liability insurer;

10.4.3. if BTA has compensated for an insured thing or its part, which has been removed from a policyholder's possession, a policyholder must immediately inform BTA, when an insured thing or its part is found or its location is known. A policyholder is obliged to deliver an insured thing or its part to BTA as soon as possible but not later than 10 days. If the returned insured thing or its part has not been delivered to BTA within 10 days, a policyholder is required to return the indemnity paid by BTA.

11. BTA's duties and rights

11.1. If BTA's name or legal form, address or the address of their structural unit, through which the contract was signed, or the address of a competent insurance supervisory authority shall change during the period of insurance, BTA shall notify a policyholder through BTA's website or through media.

11.2. BTA is obliged to carry out the inspections on the damaged insured thing as soon as possible, but no later than 3 working days after being notified of the loss event.

11.3. BTA is required to decide whether or not to declare the event an insured event as soon as possible. If an event has been defined as an insured event, BTA is required to determine the size of damage in 3 working days (in case of theft/robbery in one month) upon the receipt of details, documents (including estimates for repairs) needed to determine the circumstances and the extent of an insured event and to pay insurance indemnity. BTA decisions have to be motivated in a manner enabling a reasonably competent person to understand the information on the reasons for the decision and the evidence and facts which were the basis for that decision and their interpretation by BTA. BTA must immediately inform a policyholder about documents, which have not been submitted.

11.4. BTA is entitled to claim an insurance premium difference due to increase in the risk factors from a policyholder, calculated from the start of the insurance period.

11.5. With the award of the contract, a policyholder shall entitle BTA to process a policyholder's personal data in accordance with the current legislation. BTA is also entitled to receive information about a policyholder from state authorities processing personal data and the debtor register, if deemed necessary by BTA.

11.6. BTA has the right to forward insurance contract-related details to experts, reinsurers and to keep it on BTA data storage units.

12. Compensation methods and procedures

12.1. BTA's obligation to perform a contract falls due after the occurrence of an insured event and the completion of the process of determining the extent of BTA's performance.

12.2. BTA shall perform the loss adjustment as soon as possible and compensate for damage in accordance with terms and conditions set out in insurance contract (insurance policy).

12.3. If the process of determining the extent of BTA's performance is not completed within one month after notification being given of an insured event, the policyholder may, if the occurrence of an insured event is established, request that money be paid at the expense of BTA's performance obligation in the minimum amount which BTA should pay under the circumstances. The running of the term shall be suspended for the period during which completion of the process is hindered by circumstances arising from the policyholder.

12.4. If the extent or the reason for damage resulting from an insured event is unproven, BTA will reimburse only for the part that has been proven.

12.5. Insurance indemnity will be calculated based on the immediate insurable value for insured thing that was damaged, destroyed or lost due to insured event as measured immediately before the insured event. Excess shall be also deducted.

12.6. Compensation for damage includes financial compensation, restoration or replacement of insured thing.

12.7. In case of restoration or replacement of damaged, destroyed or lost thing, BTA has the right to determine the restoration or replacement method and appoint a person who will carry this out.

12.8. Excess and unpaid insurance premiums will be deducted from insurance indemnity (in case of destruction of insured thing until the end of the insurance period, otherwise for the part fallen due). BTA is entitled to the above also if the insurance indemnity is paid to a person other than a policyholder.

12.9. Under Value Added Tax Act, the VAT deducted as input VAT of a policyholder or an insured person will not be compensated.

12.10. If BTA arranges a financial compensation, that BTA is not obliged to pay out the indemnity before the person entitled to receive the compensation has submitted an account number and its holder's name in writing.

12.11. In compensation for damage, BTA is entitled to demand a delivery of destroyed or damaged item, also delivery of right of claim for a lost or stolen item. Until the delivery of insured thing or appropriate right of claim, BTA may reduce the indemnity by the value of a corresponding item or right.

12.12. If a policyholder has violated an obligation arising from the insurance contract (including safety requirements, the obligation to present evidence) and, as a result thereof, BTA is released from its performance obligation or entitled to decrease insurance indemnity with respect to the policyholder, if the violation had an effect to the occurrence of damage or its extent or the process for determining the extent of BTA's obligation to perform their contractual duty.

12.13. If BTA is notified of the breach of insurance contract after the payment of insurance indemnity, that BTA is entitled to either partial or full recovery of insurance indemnity, depending on whether BTA would have refused to pay the insurance indemnity or decreased it, if they had known of the breach at the time.

13. Return of insurance indemnity

Policyholder is obliged to return the insurance indemnity to BTA, if after the payment of compensation, external

circumstance which exclude the compensation shall be known or, if the damage is compensated for by a third party.

14. Transfer of claim to BTA (right of recourse)

14.1. A claim for the compensation of damage against a third party which belongs to a policyholder or the insured person shall transfer to BTA to the extent of damage to be compensated by BTAr.

14.2. A policyholder is required to assist BTA in the submission of a right of recourse; among other things, a policyholder must deliver documentation and details verifying transferred claim and other materials in policyholder's possession to BTA.

14.3. If a policyholder waives a claim against a third party or waives the right which secures such claim, BTA shall be released from its performance obligation with respect to the policyholder insofar as the policyholder could have claimed compensation on the basis of the claim or right.

14.4. If the policyholder has a claim against his or her ascendant, descendant or spouse or another family member who lives with the policyholder, BTA shall have the rights provided for in subsections (1) and (2) of this section only insofar as the liability of the relevant person is insured or if the person caused damage intentionally.

15. Settlement of disputes, jurisdiction, limitation periods and insurance supervisory bodies

15.1. In order to settle a dispute with BTA, a policyholder has the right to turn to a conciliation body, which operates at Estonian Insurance Association. Before conciliation procedure a claim should be submitted to BTA in corresponding dispute and to provide them with an opportunity to answer the claim. If a customer is not satisfied with BTA's response, it is possible to turn to insurance conciliatory body (see Estonian Insurance Association's website at www.eksl.ee).

15.2. Disputes arising from an insurance contract will be settled by agreement. Failing agreement, disputes arising from insurance contract will be settled in court according to Estonian legislation.

15.3. A limitation period will be applied to claims arising from insurance contract in accordance with the legislation of the Republic of Estonia.

15.4. A policyholder has the right to file complaints on the actions of BTA to the Financial Supervision Authority on Sakala 4, 15030 Tallinn. The Financial Supervision Authority supervises the compliance of the activities of BTA with the law. The Financial Supervision Authority will not settle contractual dispute between BTA and policyholder.

16. Notification method

16.1. Notifications submitted in the course of the performance of an insurance contract should be submitted in a format which can be reproduced in writing or by telephone to BTA number listed on the policy.

16.2. BTA will send notices to policyholder's last known postal address. If a policyholder has changed their address without a prior notice to BTA, notices will be deemed as received at the time when they would have reached the policyholder in the course of a regular transmission, if their address had not changed.

17. Other terms and conditions

BTA has the right to record phone calls relating to the performance of an insurance contract.

Come into force: **01.12.2011.**