

# LIABILITY INSURANCE

GENERAL CONDITIONS GTPL 2018.0.

**Confirmed by AAS „BTA Baltic Insurance Company“ Management Board decision**

**No LVB1\_0002/02-03-03-2018-107, confirmed 28.08.2018.**

**Being effective from: 01.10.2018**

AAS “BTA Baltic Insurance Company” Estonian branch concludes liability insurance contracts under present terms which can be found at: [www.bta.ee](http://www.bta.ee).

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## 1. DEFINITION OF TERMS

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**BTA or Insurer** – is AAS "BTA Baltic Insurance Company".

**Policyholder** – a person who has signed insurance contract on his own behalf or on behalf of another person.

**Insured person** - a person to be identified under the Insurance contract, whose liability is insured.

**Injured party** - person who because of the Insured person's unlawful act incurs losses and according to the terms and conditions of Insurance contract is entitled to Insurance indemnity.

**Third party** – person who is not Insurer or Policyholder or Insured person.

**Insurable interest** - the Policyholder's interest in insuring Insured person's against a specific Insurance risk.

**Insurance risk** - is the peril against which insurance is provided. The Insured risk of liability insurance is the unexpected and unforeseeable, caused by unlawful act to a Third party (Injured party) by the Insured person, which has a cause-and-effect relationship with economic and other activities, owning or possessing an immovable, a building or its part, placing a defective product on the market, violation of an obligation arising from the legislation specified in the insurance contract or any other circumstances set out in the terms and conditions or in the special Insurance conditions of the Insurance policy.

**Insurance object** – an object with what related Insured risk is insured. Liability Insurance object is the Insured person's civil liability arising from the causing of unlawful act to a Third party (Injured party).

**Insurance cover** – insurance protection that is agreed between BTA and policy holder in insurance contract about losses which will be indemnified.

**Insurance contract documents** - are provided for the Insurance policy and may be: the application for the conclusion of the Insurance contract, insurance offer, present general terms and conditions, terms and conditions of a corresponding type of liability insurance, the Insurance policy, changes in the policy and other documents referred in the Insurance policy. Terms and conditions of the Insurance contract shall be interpreted according to the documents that is an integral part of the Insurance contract, considered as a whole.

**Insurance contract** – is an agreement between BTA and the Policyholder regarding the mutual rights and obligations of BTA and the Policyholder. The Insurance policy serves to prove entry into the Insurance contract.

**Insurance policy** - is a document issued by BTA confirming the conclusion of the Insurance contract.

**Insurance conditions** – are general terms, product insurance conditions and special terms and conditions of the product.

**Insurance period** - is the period specified in the Insurance contract, which is the basis for calculation of the Insurance premium.

**Insurance territory** - is the place where the Insurance events are subject to the performance obligation of BTA from the Insurance contract.

**Sum insured** – A sum insured is the sum of money agreed in the Insurance contract, which is the upper limit of BTA's performance of obligation arising from the Insurance contract. The Sum insured is set out in the Insurance policy. In case BTA pays Insurance indemnity, the Sum insured reduce by the amount Insurance indemnity paid.

**Insurance event** - is an unexpected and unforeseen event prescribed in the Insurance contract, in which case BTA pays the Insurance indemnity in accordance with the concluded Insurance contract.

**Insurance indemnity** - is the amount payable in the case of an Insurance event.

**Deductible** - the amount specified in the Insurance contract (amount of money or other value, including percentage of loss or time period), to which the Policyholder or the Insured person himself carries the damage which is caused by the Insurance event. The BTA performance of obligation is reduced by the amount of deductible.

**Insurance premium** – the amount payable by the Policyholder to BTA, terms of payment are specified in the Insurance contract.

## 2. APPLICATION OF THE CONDITIONS

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**2.1.** An Insured object is the civil liability of the Insured person arising from unlawful act caused to a Third party (Injured party).

**2.2.** These terms and conditions apply to a compulsory liability Insurance contract only if the respective of agreement between BTA and Policyholder. The agreement is indicated in the Insurance policy.

**2.3.** The Insurance contract consists of the Insurance policy, Insurance conditions and other documents referred to in the Insurance contract. General terms and conditions are used with the terms of the type of liability insurance specified in the Insurance policy. If there is an inconsistency in the Insurance contract, the interpretation is based on the order of the importance of the following documents, in which the preceding document is primary in the following: Insurance policy special Insurance conditions – Insurance policy – Insurance conditions for the type of liability insurance - general terms and conditions of liability insurance.

**2.4.** In matters not regulated by the Terms, the parties are guided by the Insurance policy, the Law of Obligations Act and other legislation.

**2.5.** In the case of disputes parties proceed of the Estonian version of the Insurance contract.

### **3. POLICYHOLDER AND INSURED PERSON**

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- 3.1.** A Policyholder is a person who has Insurable interest and entered into an Insurance contract with BTA.
- 3.2.** Insured person is the Policyholder or other person whose liability is insured.
- 3.3.** The Insured person's employees are equated with the Insured person. The Insured person is responsible for the behavior of these persons in fulfilling their obligations arising from the Insurance contract in the same way as for their own conduct.
- 3.4.** The Insurance contract extends to all natural persons working under the authority or on behalf of the Insured person, who are employed in the business for the performance of their duties.
- 3.5.** If the employee is also liable personally, in accordance with the law, besides the employer, a note to that effect will be made on the Insurance policy. If there is no such note in the Insurance policy, the Insurance cover is not in force regarding personal liability of the employee.
- 3.6.** If Insured person uses in its activities other persons (e.g. subcontractors) services or products, the Insurance cover extends to the extent specified in the Insurance contract also against those claims against the Insured person arising from the non-conformity of the aforementioned services or products.
- 3.7.** Persons whose products or services are used by the Insured person, are considered insured only if they are indicated on the Insurance policy.
- 3.8.** If a person whose products or services are used by the Insured person (e.g. subcontractors) is not considered as Insured person, then after the Insurance indemnity is paid, BTA has the right of recourse to extent of the Insurance indemnity.

### **4. INJURED PARTY**

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- 4.1.** An Injured party (Third party) is a person for the indemnification of losses caused to whom the Insured person is liable.
- 4.2.** BTA shall not indemnify:
- 4.3.** losses caused to the Policyholder or Insured person;
- 4.4.** mutual claims between Insured persons with the same contract;
- 4.5.** claims of the Insured person as legal entity legal representative, member of the managing body, liquidator, procurator, trustee in bankruptcy of the Insured person, person in employment or service relationship with the Insured person, including temporary employee, legal entity, parent company or affiliate belonging to the same group as the Insured person;
- 4.6.** claims of Insured person as the natural person spouse, child, parent, sister, brother, persons under guardianship of the Insured person, family member, person in employment

### **5. INSURANCE TERRITORY**

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- 5.1.** Insurance territory is a premise, building, construction, territory, district, area, country, region or any other place or territory, agreed upon in the Insurance contract, where BTA perform obligation in the case of occurrence of Insurance event, in accordance with the Insurance contract.
- 5.2.** Insurance location or territory is noted in the Insurance policy. If Insurance territory is not noted in the Insurance policy, the Insurance territory is Republic of Estonia.

### **6. TYPES OF LOSSES**

- 6.1.** The type of losses (personal injury, property damage, consequential financial loss) shall be indicated under the terms of the corresponding liability insurance type or in policy. BTA will indemnify only documented damage and expenses.
- 6.2. Personal injury** - in the Insurance event of personal injury the harm caused as bodily injury, health damage or death is subject to compensation. Medical treatment expenses, the damage caused by temporary incapacity for work, the damage caused by permanent incapacity for work, maintenance expenses, funeral expenses incurred by the injured person are subject to compensation.
- 6.3. Property damage** – in the Insurance event of property damage caused as destruction or physical damages (collapse, breakage, deformation, and the like) to the property that belongs to the Third party. In case of property damage will be indemnified reasonable and necessary costs on repairing the object or replacing the object with an equivalent object.  
The damage caused by the non-compliance of the product (e.g. the product does not fit the requirements) not considered as property damage, if the item is not destroyed or physically damaged.
- 6.4. Consequential financial loss** - The consequential financial loss is the additional costs incurred as a result of personal injury or property damage and would not arise if personal injury or property damage would not happened.
- 6.5. Pure financial loss** – the pure financial loss is material damage before which personal injury or property damage has not occurred.
- 6.6. Expertise, legal assistance and legal expenses** - BTA shall indemnify reasonable and necessary expert, legal assistance and legal expenses, which are agreed with BTA, in order to prevent the claim related to the Insurance event and to protect the rights of the Insured person both in court and out of court.

For expert, legal assistance and legal costs indemnification the Deductible does not apply. If the damages subject to indemnification on the basis of the Insurance contract are less than the Deductible, BTA does not indemnify the expertise, legal assistance and legal costs.

If the sum of the expertise, legal assistance, legal costs and losses that is subject of Insurance indemnity exceeds the Sum insured, the Insurance indemnity is limited with the Sum insured.

**6.7. Settlement of the claim by agreement** - If it is reasonable to conclude an agreement with the claimant in order to resolve the dispute, BTA makes an offer to the Insured person to recognize the claim or to conclude an agreement with the claimant.

If the Insured person leaves the claim unrecognized or does not enter into the agreement, BTA is not obliged to reimburse the costs of expert, legal and legal fees incurred after the acceptance of the claim or the proposal to enter into an agreement with the claimant.

## **7. SUM INSURED AND DEDUCTIBLE**

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**7.1.** A Sum insured is the sum of money agreed in the Insurance contract, which is the upper limit of BTA's performance of obligation arising from the Insurance contract. The Sum insured is reduced by the amount of damage and expenses paid up on the basis of the Insurance contract. The parties may conclude an additional agreement for the amount of the Sum insured to be restored.

**7.2.** The parties may agree in the Insurance contract upon the sub-limit for one Insurance event, Insured person, Injured party, claims for damage and expense, occurrence etc. The corresponding sub-limit, which is specified in the Insurance contract, shall be the upper limit of BTA's performance of obligation arising from the Insurance contract in relation to the corresponding Insurance event, person, risk, claim, occurrence, etc.

**7.3.** The Deductible is part of the loss which is not compensated by BTA and which the Policyholder has to pay for each Insurance event to the extent stipulated in the insurance contract.

## **8. GENERAL EXCLUSIONS**

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General exclusions apply in conjunction with the exclusions contained in other Insurance contract documents.

**8.1. Case is not an Insurance event** – BTA shall not indemnify loss if it is not an Insurance event.

**8.2. Known circumstances** - BTA shall not indemnify if the Policyholder or Insured person was aware or should have been aware of a circumstance related to the claim for the indemnification of damages (e.g. violation of an obligation, occurrence of damages, claim etc.) before the conclusion of the Insurance contract.

**8.3. Expired claims** - BTA shall not indemnify the loss if the right to claim has expired against the Insured person has expired.

**8.4. Intentional caused damage** - BTA shall not indemnify loss caused intentionally by Insured person.

**8.5. Illegal activity** - BTA shall not indemnify loss if Insured person has no licenses, permits, qualifications, if it is ask by law.

**8.6. Intoxication** – BTA shall not indemnify loss, if the person who caused the loss was in the state of alcoholic, narcotic, toxic etc. intoxication during the causing of the loss.

**8.7. Compulsory liability** – BTA shall not indemnify loss that are payable under a compulsory liability Insurance contract.

**8.8. D&O** - BTA shall not indemnify loss which is a result of a legal action brought for alleged wrongful acts of Insured persona in capacity as directors or officers.

**8.9. Marine liability** - BTA shall not indemnify loss due to transportation of goods either on the ocean or by land as well as damage to the waterborne instrument of conveyance and to the liability for Third parties arising out of the process.

**8.10. Land vehicles** - BTA shall not indemnify losses caused by the Insured person as the owner, holder, possessor of land vehicles (also trailers), which must be registered and which have subject to insurance obligation in accordance with the Motor Third Party Liability Insurance Act.

**8.11. Defective object or inappropriate service** – BTA shall not indemnify expenses of conversion, repairing or replacement of a defective object, work or service. This exclusion is applicable regardless of who owns the object, who converted, repaired or replaced the object, work or service, or made the expenses.

**8.12. Data and property in possession of Insured person** – BTA shall not indemnify loss related to destruction or damage of a property that belongs to a Third party during the time the Insured person possessed, kept, transported, rented, loaned, used or processed it (e.g. cleaned, repaired, etc.).

Also BTA shall not indemnify damage, loss or deletion of data entrusted with the insured or if the data has come into possession of an unauthorized person.

**8.13. Theft and other offences against property** - BTA shall not indemnify loss, if the loss arises from the circumstance that property in possession of the Insured person has disappeared, lost, stolen, ribbed or disappeared due to any other offence against property.

**8.14. Non-patrimonial damage and loss of profit** – BTA shall not indemnify loss related to non- patrimonial (moral damage) damage and claims for loss of profits (except for personal injury claims payable by law), other pure financial losses (not arising from property damage or bodily injury), loss of market share, business interruption etc. losses not related to direct material loss.

- 8.15. Public law sanctions, including fines** - BTA shall not indemnify losses arising from public sanctions (financial penalty, financial fine, penalty payment, imprisonment arrest etc.) imposed on the Insured person.
- 8.16. Contractual penalties, fines for delay, interests** - BTA shall not indemnify loss due to contractual penalties, fines for delay, interests.
- 8.17. Increased liability arising from the contract** – BTA shall not indemnify loss based on an agreement with which conditions for the compensation of loss stricter than those arising from the law have been established for the Insured person (e.g. waiver of the right to submit objections, simplified certification, extension of the limitation period, determining the extent of damages, format of guilt or liability, contractual penalty etc.).
- 8.18. Prices and deadlines** - BTA shall not indemnify loss if the loss arises from the violation of deadlines, budgets or price agreements.
- 8.19. Environmental damages** - BTA shall not indemnify loss requirements related to the regular contamination of the environment, pollution charges, as well as requirements arising from the Environmental Liability Directive (ELD).
- 8.20. Asbestos and tobacco** - BTA shall not indemnify personal injury caused as a result of health hazardous characteristics of asbestos or tobacco.
- 8.21. High-risk objects** – loss related to the ownership, possession, handling or use of the following items, as well as claims related to the products or services related to the same objects:
  - 8.21.1.**watercraft, aircraft or parts thereof, including drones;
  - 8.21.2.**railway rolling stock, railway infrastructure, airports, airport facilities, air traffic control center;
  - 8.21.3.**power plants, including hydroelectric plants, nuclear power plants, wind farms and the like, as well as heat and cogeneration plants;
  - 8.21.4.**offshore and on shore oil rigs and/or oil and/or gas drilling platforms and installations;
  - 8.21.5.**gas network, gas installations or parts thereof;
  - 8.21.6.**waterworks, including quays, dams, reservoirs, bridges;
  - 8.21.7.**mines, tunnels;
  - 8.21.8.**firearms, explosives;
  - 8.21.9.**amusement parks, trampolines, climbing walls, inflatable playgrounds.
- 8.22. Harmful influences** – BTA shall not indemnify loss in relation to long-term adverse effects such as heat, odor, radiation, corrosion, noise, light, smoke, soot, dust, steam, moisture, wastewater, decay, wear, mold, bacteria, gas. The above exclusion does not apply in the case of unexpected, sudden and unforeseen Insurance event (e.g. heat due to fire, smoke, soot, odor, fire resulting from extinguishing steam, moisture, subsequent mold from fire extinguishing water).
- 8.23. Intellectual property** – BTA shall not indemnify loss related to patent, copyright, trademark or other intellectual property.
- 8.24. Terrorism** – BTA shall not indemnify loss if the loss arises directly or indirectly from terrorism.
- 8.25. Cyber attacks** – BTA shall not indemnify loss caused directly or indirectly from the unlawful blocking of the software or information system, its obstruction, its unlawful interference or any other unlawful use.
- 8.26. Other exclusions** – BTA shall not indemnify loss related to:
  - 8.26.1.**war, civil war, revolution or mass disorder;
  - 8.26.2.**earthquake, landslide or erosion;
  - 8.26.3.**nuclear energy, including nuclear or nuclear fuel or radioactivity;
  - 8.26.4.**chemical, biological, biochemical or electromagnetic weapons;
  - 8.26.5.**the expropriation or confiscation of property;
  - 8.26.6.**electromagnetic field, except where it relates to a generally recognized and conventional medical or diagnostic method for the provision of healthcare;
  - 8.26.7.**the product where was used genetically modified raw material;
  - 8.26.8.**any contagious disease, including AIDS, HIV, or hepatitis;
  - 8.26.9.**infectious agent of any animal disease or hazardous plant pest;
  - 8.26.10.** to a strike or lock-out.

## **9. RESTRICTIONS ARISING FROM INTERNATIONAL SANCTIONS**

- 9.1.** All risks with which the insurance is in conflict or with which it comes into conflict in terms of restrictions, bans, or sanctions imposed by the United Nations, European Union, United Kingdom of Great Britain and Northern Ireland or the United States of America, are excluded from the Insurance cover starting from the day upon which the restrictions, bans, or sanctions become applicable to the corresponding Insurance contract.
- 9.2.** In cases in which the sanctions that have been imposed by the United Nations, the European Union, United Kingdom of Great Britain and Northern Ireland or the United States of America directly or indirectly restrict the provision of the insurance service based on the respective Insurance contract, BTA has the right to cancel the Insurance contract by sending a written notice to the Policyholder. The Insurance contract is considered as having been cancelled after fourteen days have passed from the day upon which the cancellation notice was received by the Policyholder. In the case of any interruption in communications, it is considered that the

cancellation notice was delivered after the notice was sent out or attempts were made to send out the notice

## **10. SENDING NOTIFICATIONS**

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- 10.1.** Notices forwarded during the period of performance of the Insurance contract must be submitted in a format which can be reproduced in writing to the e-mail address indicated in the Insurance policy, unless otherwise provided by the obligation of forwarding notices in the written format, set out in the Insurance contract. The same provision applies to notices certified by a digital signature which equal to the written format. As an exception, urgent notices may be forwarded by phone to BTA's number indicated in the Insurance policy.
- 10.2.** BTA shall send written notices to the postal address of the Policyholder or Insured person according to the latest known address. If the Policyholder or Insured person has changed postal address and have not informed BTA about it, the notices shall be deemed to be undelivered during the period of time within which they could have been delivered to the Policyholder in the event of a standard procedure of mail delivery if the address would not have changed.

## **11. INSURER 's OBLIGATION TO NOTIFY THE POLICYHOLDER**

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- 11.1.** If the BTA name, legal form or address changes during the Insurance period, BTA informs Policyholder about such changes on website or in the mass media.

## **12. POLICYHOLDER OBLIGATION TO INFORM INSURER**

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- 12.1.** The Policyholder must inform BTA of all circumstances known to the Policyholder which, due to their nature, may influence BTA's decision to enter into the Insurance contract or to enter into the Insurance contract on the agreed terms.
- 12.2.** The Policyholder is obliged to give true and complete answers to the questions of BTA, including if the Policyholder considers that the relevant fact could already have been known to BTA.
- 12.3.** Upon establishing the terms and conditions of the Insurance contract (including Insurance premiums, special Insurance conditions etc.), BTA relies on the data submitted by the Policyholder or their representative, e.g. insurance broker. Until the receipt of a written notice of changes in the data, BTA has the right to refer to the information communicated to BTA.
- 12.4.** The Policyholder undertakes to notify BTA of an increase in the Insured risk immediately. The circumstances which affect the Insured risk are, above all, the circumstances, concerning which BTA has demanded information upon entry into the Insurance contract (e.g. turnover, number of employees, etc.).
- 12.5.** BTA shall have the right to check the Insured risk linked to the Insured object and to demand the implementation of additional safety measures from the Policyholder or to increase the size of Insurance premium if Insured risk is increased. All of the above-mentioned does not exclude BTA's right to cancel the Insurance contract, to reduce the amount of compensation in the Insurance event or to refuse to perform its obligation on the basis of the provisions of the present terms and conditions and the Law of Obligations Act.
- 12.6.** The Policyholder shall notify BTA promptly but not later than within one week from the time when the Policyholder became aware of any filing of claims and any circumstances that may be the basis for a claim (such circumstances are for example, violation of an obligation, causing of damages, a client's claim, initiation of judicial proceedings or extra-judicial proceedings etc. The aforementioned notice must be submitted in writing or in a format that can be reproduced in writing (e.g., an e-mail, a notice via the BTA Internet homepage).

## **13. CONCLUSION OF INSURANCE CONTRACT**

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- 13.1.** The Insurance policy serves to prove entry into the Insurance contract. By signing the Insurance policy, paying the Insurance premium or making any other declaration of intent, which can be the proof of the Policyholder's will to be linked to the Insurance contract, the Policyholder shall confirm that is aware of the content of all terms and conditions set out in the Insurance policy.
- 13.2.** The documents which form an integral part of the Insurance contract are the application for the conclusion of the Insurance contract, insurance offer, present general terms and conditions, terms and conditions of a corresponding type of liability insurance, the Insurance policy and the special Insurance conditions set out in the Insurance policy.
- 13.3.** In an Insurance contract, BTA undertakes to perform an obligation of compensation for losses, which has been caused by the Insured person to a Third party, instead of the Insured person within the term of validity of Insurance cover and on Insurance territory in the result of occurrence of the Insurance event.
- 13.4.** The size of Insurance premiums and the procedure for payment thereof shall be specified in the Insurance policy. The Policyholder undertakes to pay Insurance premiums by the date indicated in the Insurance policy regardless of whether an invoice has been issued or not.
- 13.5.** If the Policyholder has paid a smaller amount of Insurance premium than it was agreed, the Insurance premium shall not be deemed to have been paid which may result in non-entry into force or termination of the Insurance contract and lack of Insurance cover.
- 13.6.** If the Policyholder pays the Insurance premium or its first instalment on the basis of the Insurance policy issued for the given Insurance period, the parties shall consider that to be the Policyholder's agreement with

the Insurance policy. If the Insurance policy differs from the insurance offer, the data and agreements provided in the Insurance policy shall be deemed to be valid and correct

- 13.7.** Termination of the Insurance contract, including its cancellation and withdrawal from it, shall be performed in accordance with the Law of Obligations Act.

#### **14. CHANGE AND TERMINATION OF THE INSURANCE CONTRACT**

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- 14.1.** If the Policyholder wish to change or terminate the Insurance contract, must contact BTA by telephone, post, e-mail, e-bureau or contact the BTA office.
- 14.2.** The Insurance contract has been changed if BTA issues the changed Insurance policy or a notice regarding the changes of the Insurance contract. If the change requires an additional payment, the change will take effect, provided that the payment has been paid.
- 14.3.** The Insurance contract will expire on the last day of the Insurance period. A separate Insurance contract is concluded for each Insurance period.
- 14.4.** The Insurance contract can be terminated in cases that have been set out in the law or within the Insurance contract.

#### **15. CANCELLATION OF THE INSURANCE CONTRACT**

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- 15.1.** Each party to the Insurance contract may cancel the Insurance contract within three months from the day the Policyholder has informed BTA of the fact which may serve as the basis for filing the claim (e.g. breach of obligation, damage, customer's claim, etc.) by notifying the other party to the Insurance contract 31 days in advance.

#### **16. ACTING IN CASE OF THE INSURANCE EVENT**

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- 16.1.** In case of damage occurred, the Policyholder/Insured person is required to:
- 16.1.1.** provide BTA with correct and full information regarding the circumstances of the occurred damage, extent of the loss and potential responsible persons;
  - 16.1.2.** allows BTA or its experts inspect the site of the Insurance event;
  - 16.1.3.** submits to BTA documents, written explanations, respond to BTA questions;
  - 16.1.4.** shall not recognize or fulfil a claim covered with the insurance without the prior consent from BTA, unless provided differently by the law;
  - 16.1.5.** in case of the Insurance event a claim, complaint or action is filed against the Policyholder/Insured person, the Policyholder/Insured person uses duly the necessary legal remedies, including submit a response, challenge, complaint, claim etc., which is required on the basis of the law or contract for the protection of the rights of the Insured person. The aforesaid does aligned with BTA prior to performing the respective activity.

#### **17. INSURANCE INDEMNITY**

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- 17.1.** Insurance indemnity is the part of the losses, which are indemnified by BTA within the Sum insured. BTA does not indemnify damages to the extent of the Deductible.
- 17.2.** If indemnity sub-limits per Insurance event, a type of losses is foreseen in the Insurance contract, the maximum Insurance indemnity does the respective sub-limit, which does not exceed the Sum insured in policy aggregate.
- 17.3.** The Sum insured and indemnity sub-limits are decreased by each Insurance indemnity.
- 17.4.** If several Insurance events are caused by one and the same unlawful act, one Deductible shall apply for all Insurance events caused by the same unlawful act.
- 17.5.** In case BTA pays the Insurance indemnity as periodical payments, the Insured person shall pay the first periodical payments to the extent of the Deductible and thereafter BTA shall continue the payment of periodical payments.
- 17.6.** BTA has the right to withheld from the Insurance indemnity all Insurance premiums not paid for the Insurance period irrespective of the fact if the payment date has arrived.
- 17.7.** If the Insured person legal entity is dissolved without a successor, BTA obligation to indemnify shall also cease.
- 17.8.** If the person entitled to Insurance indemnity has the right to receive refund or offset the value-added tax, BTA calculates the Insurance indemnity based on the sum without the value added tax.

#### **18. INFRINGEMENT OF INSURANCE CONTRACT**

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- 18.1.** In cases in which BTA delays in indemnification, BTA pays a fine for such a delay under the requirements of the Law of Obligations Act.
- 18.2.** If the Policyholder or Insured person has intentionally or due to gross negligence violated an obligation, e.g. safety requirements, which were obligatory to be observed before the Insurance event, BTA has the right to decrease the Insurance indemnity or refuse payment thereof
- 18.3.** .If the Policyholder or Insured person, due to gross negligence, violated an obligation that was obligatory to be observed after the Insurance event, BTA has the right to decrease the Insurance indemnity or refuse payment thereof, if the violation influenced the amount of BTA indemnification obligation or hindered

establishing thereof.

## **19. BTA RIGHT OF RECOURSE**

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- 19.1.** In case of payment of the Insurance indemnity, the right of claim for the indemnification of damages against the person liable for the damages, which belongs to the Insured person is transferred to BTA to the extent of the indemnified sum.
- 19.2.** BTA is not required to pay Insurance indemnity before the Insured person has signed the document verifying the transfer of the right of recourse.
- 19.3.** If the Insured surrenders their claim against the person who is responsible for the damages or the right that secures that claim, BTA is released from the obligation to indemnify to the extent, to which BTA could have claimed Insurance indemnity on the basis of such claim or right.
- 19.4.** BTA does not file recourses against the employees of the insured of the Insured person.
- 19.5.** The Policyholder shall assist BTA in submitting the recourse, e.g. send data, documents etc. necessary for executing the right of recourse. If the Policyholder violates the above obligation, BTA is not obliged to indemnify until the abovementioned obligation is fulfilled.

## **20. SOLVING OF DISPUTES AND COMPLAINTS**

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- 20.1.** The Policyholder has the right to file a complaint against BTA to the Financial Supervision Authority to Sakala 4, 15030 Tallinn.
- 20.2.** Any disputes related to the Insurance contract shall first and foremost be settled by way of negotiations. For pre-trial settlement of a dispute, an application may be filed to the insurance conciliation body (telephone 667 1800; e-mail [lepitus@lkf.ee](mailto:lepitus@lkf.ee); postal address Mustamäe tee 46, Tallinn 10612), where the conciliation procedure is free of charge.
- 20.3.** A claim arising from an Insurance contract must first be submitted to BTA (by e-bureau or by ordinary mail Lõõtsa 2B, 11415 Tallinn). If no agreement is reached, the dispute is settled in court.

## **21. OTHER PROVISIONS**

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- 21.1. Terms of confidentiality** – Parties undertake not to disclose confidential information regarding the Insurance contract to third parties. Confidential information is all information regarding content of Insurance contract, information regarding conclusion and information presented for conclusion of Insurance contract.
- 21.2. Translation of terms** – Estonian version of current terms prevails translations into other languages.