

# RECREATIONAL CRAFT INSURANCE

## TERMS AND CONDITIONS No. EE40



### APPROVED

By "BTA Insurance Company" SE

Board Decision No. LV1\_0002/02-03-03-2015-62 of 20.04.2015

BTA and Policyholders enter into recreational craft insurance contracts in accordance with the "BTA Insurance Company" SE (hereinafter BTA) General Insurance Terms and Conditions valid at the moment of conclusion of the insurance contract and these Terms and Conditions.

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### 1. TERMS USED

<b>Coverage territory of the insurance contract</b>	Territory of the Republic of Estonia, inland waters of the Republic of Estonia and the Baltic Sea.
<b>Recreational craft</b>	A vessel for recreation, entertainment and sports, the length of which is up to 24 metres (such as, but not limited to, motorboat, launch, sailing yacht, motor yacht, sail catamaran, rowing boat, water motorcycle)
<b>Authorised user of the recreational craft</b>	The owner or a person to whom the recreational craft is conveyed with the owner's consent; in the event of leasing, also a person to whom the recreational craft is conveyed with the lessee's consent
<b>Vessel</b>	Engineering technical device that structurally is designed for use on water.
<b>Additional equipment</b>	Equipment, system and accessories installed in the recreational craft, with which the recreational craft was equipped at the moment of the occurrence of the insured event and the installation thereof was not performed by the manufacturer (for instance, audio and video equipment, peripheral equipment of communication systems, additional lights)
<b>Standard equipment</b>	The standard set of equipment determined by the recreational craft manufacturer, the equipment installed and built-in by the manufacturer, as well as the mandatory equipment prescribed by the effective regulatory enactments (for instance, rescue equipment, fire extinguishing equipment)

### 2. INSURANCE OBJECT

<b>Insurance object</b>	<p><b>2.1.</b> The insurance object is the recreational craft (its hull, machinery, standard equipment and additional equipment) specified in the insurance contract.</p> <p><b>2.2.</b> The standard equipment and the additional equipment shall only be insured in the following events:</p> <ul style="list-style-type: none"><li>a) it is clearly specified in the insurance contract; and</li><li>b) the equipment is located on the recreational craft.</li></ul> <p><b>2.3.</b> The standard equipment and the additional equipment installed in the recreational craft during the insurance period shall only be insured when BTA is informed thereof in due manner and an additional agreement regarding the insurance thereof is concluded.</p>
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- Hauling trailer**      **2.4.** The hauling trailer shall only be insured in the following event:  
a) it is clearly specified in the insurance contract; and  
b) pursuant to the effective regulatory enactments the hauling trailer cannot be registered as a motor vehicle; and  
c) when the insured recreational craft is on the hauling trailer.
- Slip**      **2.5.** The slip shall only be insured in the following event:  
a) it is clearly specified in the insurance contract; and  
b) when the insured recreational craft is on the slip.
- Rescue boat / raft**      **2.6.** The rescue boat / raft shall only be insured in the following event:  
a) it is clearly specified in the insurance contract; and  
b) the identification sign (for instance, name, registration number) of the recreational craft is clearly specified on the rescue boat / raft; and  
c) when the rescue boat / raft is fixed to or on the recreational craft or is in a closed parking or storage place.

### 3. INSURANCE COVERAGE

- Basic risks**      **3.1.** The insurance object shall only be insured against the basic risks specified in the insurance contract:
- Water traffic accident**      **3.1.1. Risk of water traffic accident** – a water traffic collision with another vessel, barrier, swimmer, animal or another object, running aground, overturning or sinking of the swimming recreational craft resulting in damage to the insurance object or its loss;
- Fire**      **3.1.2. Risk of fire** – impact of fire, smoke, soot and extinguishing works on the insurance object resulting in damage to the insurance object or its loss;
- Explosion**      **3.1.3. Risk of explosion** – gas or steam, yet not limited to that, outburst based on a sudden surge of pressure resulting in damage to the insurance object or its loss. Occurrence of a container (e.g. boiler, pipe) explosion is considered happened if its walls are broken to the extent that suddenly the pressure between the inside and outside of the container has become the same;
- Natural disasters**      **3.1.4. Risk of natural disaster** – direct impact of a storm, water, flood, lightning, hail, earthquake, volcanic eruption on the insurance object, as well as direct impact of various falling objects caused by a natural disaster on the insurance object resulting in damages to the insurance object or its loss;
- Jettison**      **3.1.5. Risk of jettison** – throwing out items from the recreational craft in the event of the accident hazard resulting in damage to the insurance object or its loss;
- Latent manufacture defect**      **3.1.6. Risk of latent manufacture defect** – latent manufacturing defect of the body or engine of the recreational craft resulting in damage to the insurance object (including propeller support of the engine (engines), propeller blades) or its loss;
- Breakage of shafts, bursting of boilers**      **3.1.7. Risk of breakage of shafts, bursting of boilers** – breakdown of the recreational craft shafts or bursting of boilers resulting in damage to the insurance object (including strut shaft of the engine (engines) and propeller blades) or its loss;
- Slip**      **3.1.8. Risk of slip** – taking out the insurance object from the water to place it on the slip, keeping it on the slip or letting it down from the slip resulting in damage to the insurance object or its loss;
- Berth**      **3.1.9. Risk of berth** – damage to the insurance object or its loss when it is moored in a berth or to the pontoon intended for the recreational craft;
- Theft**      **3.1.10. Risk of theft** – a secret or open robbery or attempt of a robbery of a vehicle if the insurance object is moved from the parking or storage place thereof;
- Robbery**      **3.1.11. Risk of robbery** – a robbery or attempted robbery of the insured object using violence or the threat of violence;
- Unlawful activities by third parties**      **3.1.12. Risk of third party unlawful activity** – unlawful destruction or damage to the insured object or theft of the standard or additional equipment.  
Third parties are not considered:  
a) the Policyholder, the Insured, lessee of the recreational craft, sub-lessee of the recreational craft and employees or authorised persons of all the aforementioned persons;  
b) direct relatives of the persons referred to in Article 3.1.12.a) in terms of the Family Law Act.

<b>Optional risks</b>	<b>3.2.</b> The optional risks indicated below can be insured if the basic risks referred to in Article 3.1 are insured. The recreational craft is insured against the optional risks specified below that are indicated in the insurance contract:
<b>Transportation</b>	<b>3.2.1. Risk of transportation</b> – damage to the insured object or its loss upon the occurrence of a road traffic accident, i.e. a collision with another vehicle, barrier, pedestrian, animal or another object in the road traffic or another place where the vehicle can drive, as well as overturning of a moving vehicle, falling (from a bridge, etc.), sinking or breaking through the ice, or upon the occurrence of any of the basic risks during the transportation of the insurance object by a vehicle on a special trailer intended for the transportation of vessels;
<b>Participation in competitions</b>	<b>3.2.2. Risk of competitions</b> – damage to the insurance object or its loss upon the occurrence of any of the basic risks by a recreational craft participating in a competition, sailing recreational craft regattas, training sailing, test drives or other voyages related to sport;
<b>Training rides</b>	<b>3.2.3. Risk of training rides</b> – damage to the insurance object or its loss upon the occurrence of any of the basic risks by using the insurance object for the training of recreational craft drivers for non-commercial purposes;
<b>Lease</b>	<b>3.2.4. Risk of lease</b> – damage to the insurance object or its loss upon the occurrence of any of the basic risks when the insurance object is transferred for use to a third party for remuneration (lease) for non-commercial purposes;
<b>Additional equipment towage</b>	<b>3.2.5. Risk of additional equipment towage</b> – use of the insurance object for the towing of any type of water skis, wakeboard, inflatable equipment or another additional equipment by attaching them with a cable, rope or another fastening as a result of which, upon the occurrence of any of the insured basic risks, the insurance object is damaged or lost, or the towed additional equipment causes damage to the insurance object;
<b>Piracy, armed robbery at sea</b>	<b>3.2.6. Piracy and armed robbery at sea</b> – damage to the insurance object or its loss in the event of piracy or armed robbery at sea. For the purpose of these Terms and Conditions piracy or armed robbery at sea is considered: <ul style="list-style-type: none"> <li>a) any illegal act of violence or detention, or any act of robbery carried out by the crew or passengers of a private vessel from selfish motives that is directed: <ul style="list-style-type: none"> <li>(i) in the open sea against another recreational craft or persons, or property that is on this vessel;</li> <li>(ii) against a recreational craft, persons or property in a place that is outside the jurisdiction of a certain country;</li> </ul> </li> <li>b) any act of voluntary participation in ensuring the operation of the recreational craft knowing the fact that makes it a pirate ship;</li> <li>c) any rebellious or deliberate activity that encourages the activities referred to in clause a) or b);</li> </ul>
<b>Operational vehicle</b>	<b>3.2.7. Operational vehicle risk</b> – damage to the insurance object or its loss upon the occurrence of one of the basic risks by using the insurance object for operational response activities;
<b>Commercial activity (business)</b>	<b>3.2.8. Risk of commercial activity (business)</b> – damage to the insurance object or its loss upon the occurrence of any of the basic risks when the insurance object is used for commercial activity (business) carried out by an entrepreneur on his own behalf to profit, for instance, yet not limited to, carriage of passengers or cargo for remuneration, performance of special work upon the request of third parties, lease, training, transfer of the insurance object to a bare boat charterer for actual use for a certain period (for charter). For the purpose of these Terms and Conditions an entrepreneur is considered the Insured or the Policyholder who is an individual (individual entrepreneur) or a commercial company (partnership and commercial company) registered with the commercial register.
<b>Effective period of the insurance coverage</b>	<b>3.3.</b> Insurance coverage according to the insurance contract is in effect during the insurance period specified in the insurance contract.
<b>Insurance coverage territory</b>	<b>3.4.</b> Insurance coverage ensured by the insurance contract is in effect in the insurance contract coverage territory specified in the insurance contract by the insurance object participating in the water traffic, being in a parking or storage place, unless specified otherwise in these Terms and Conditions or the insurance contract.

**Use of the insurance object**

**3.5.** The insurance coverage ensured by the insurance contract is in effect provided that the insurance object is not used for participation in competitions, training, operational activities, towing of additional equipment, commercial purposes, as well as it is not leased, except for events when it is included in the additional insurance coverage and specified in the insurance contract.

**4. EXCEPTIONS**

**Leaving the accident site**

**4.1. BTA shall not grant an insurance indemnity on the following occasions:**

**4.1.1.** upon the occurrence of a water traffic accident the driver of the recreational craft leaves the site of the water traffic accident by violating the procedure prescribed by the effective regulatory enactments;

**Driving speed determined in the sailing region**

**4.1.2.** a water traffic accident occurs by the driver of a recreational craft exceeding the maximum recreational craft sailing speed determined in a respective sailing region by more than 40% (forty percent) of the determined maximum sailing speed;

**Driving licence**

**4.1.3.** upon the occurrence of a water traffic accident, a recreational craft is driven by a person who does not have a licence to drive a vessel of a respective category or the prohibition to drive the recreational craft is applied to this person;

**Rights to use**

**4.1.4.** at the moment of causing the damage the insurance object is in illegal possession, except for events when the accident is classified as a risk of theft, robbery or third party unlawful activities;

**Places not permitted and not suitable for sailing**

**4.1.5.** a water traffic accident occurs when a recreational craft is in a place where sailing is not permitted or that is not suitable for water traffic (for instance, frozen water bodies, swampy territories, etc.);

**Failure to comply with instructions and regulations**

**4.1.6.** the Policyholder, the Insured or the Authorised User of the recreational craft fails to fulfil all the requirements of the insurance object manufacturer or supplier or the requirements of the effective regulatory enactments regarding operation, parking, storage, testing, examination, technical examination, technical maintenance or repairs of the insurance object and such failure to fulfil the instructions or requirements causes or furthers the occurrence of losses or the increase in the amount of losses;

**Maintenance and repairs**

**4.1.7.** damage is related to washing, maintenance, repairs or improvement of the insurance object or the consequences thereof;

**Set sail, sail covers**

**4.1.8.** the damage is caused to set sails or sail covers, except events when it is related to damage caused to the yard to which the sail is attached when yard damage is caused due to the occurrence of the insured event;

**Sail, masts, mast timber, ropes**

**4.1.9.** damage is caused to the sail, mast (masts), mast timber, standing and running ropes, except the events when it is related to the occurrence of a water traffic accident risk, fire risk or explosion risk;

**Engine, joints, electronic equipment, battery**

**4.1.10.** damage is caused to the recreational craft engine (engines) and its (their) joints, electronic equipment, battery (batteries) and its (their) joints due to the occurrence of a natural disaster risk. However, upon the occurrence of the aforementioned risk BTA indemnifies the damages caused to the strut shaft and propeller blades, as well as when the recreational craft sinks due to the accident;

**Fall of the attachable engine**

**4.1.11.** damage is caused due to the attachable engine (engines) falling off or over board of the recreational craft;

**Hydro impact**

**4.1.12.** damage is caused by a hydro impact – for purposes of these Terms and Conditions a hydro impact is water getting into the electric or mechanical units and appliances (engine, transmission, etc.) of the recreational craft causing damage to the electric or mechanical units and appliances of the recreational craft;

**Latent manufacturing defect**

**4.1.13.** upon the occurrence of a latent manufacturing defect risk the Insurer shall not indemnify the losses related to damage of the recreational craft engine (engines) and its (their) joints, electronic equipment, engine (engines) and its (their) joints or its loss;

**Breakage of shafts, bursting of boilers**

**4.1.14.** upon the occurrence of a risk of breakage of shafts, bursting of boilers the Insurer shall not indemnify the losses related to damage to the recreational craft engine (engines) and its (their) joints, electronic equipment, engine (engines) and its (their) joints or its loss;

**Original ignition keys, anti-theft equipment**

**4.1.15.** the insurance object is stolen using original recreational craft ignition keys or original recreational craft anti-theft equipment control devices;

**Unlawful activities**

**4.1.16.** if the Policyholder, Insured, subordinate or family member thereof, recreational craft driver or authorised user of the recreational craft have carried out

	unlawful activities that caused the occurrence of the theft, robbery or third party unlawful activity risk;
<b>Fraud</b>	<b>4.1.17.</b> the owner loses possession of the insurance object using fraud;
<b>Failure to return to the owner or possessor</b>	<b>4.1.18.</b> the authorised user of the recreational craft fails to return the insurance object to its owner or the possessor specified in the registration certificate of the recreational craft;
<b>Removal of the attachable engine</b>	<b>4.1.19.</b> when the recreational craft is not used its attachable engine (engines) is (are) not removed from it and is (are) not placed in a closed place that is not accessible to third parties;
<b>Leaving unsupervised</b>	<b>4.1.20.</b> in the event of theft or unlawful activities of third parties the insurance object was left unsupervised. The insurance object is not considered left unsupervised when: <ul style="list-style-type: none"> <li>a) it is locked, all windows, hatches and ports are closed, all anti-theft devices installed in the insurance object are activated; and</li> <li>b) basic measures are taken against third parties entering the recreational craft or accessing it; and</li> <li>c) the insurance object is: <ul style="list-style-type: none"> <li>(i) moored to a berth or pontoon intended for recreational crafts; or</li> <li>(ii) harboured at the harbourage intended for recreational crafts; or</li> <li>(iii) stored at the recreational craft storage place (for instance, yet not limited to, in a closed premises, fenced and guarded territory owned by the authorised user of the recreational craft or the Insured, port or berth territory where day-and-night security is ensured); and</li> </ul> </li> <li>d) keys and documents of the recreational craft are not left in accessible places or submitted to a person whose activities or failure to act result in the occurrence of the theft risk or third party unlawful activity risk;</li> </ul>
<b>Improper storage</b>	<b>4.1.21.</b> if the recreational craft is not properly placed for storage and therefore damage to the recreational craft is caused due to the freezing of soil, ice movement or an increase in the water level;
<b>Register</b>	<b>4.1.22.</b> if the recreational craft is not registered with a respective register in accordance with the effective regulatory enactments of a respective country or does not have a valid registration certificate;
<b>Geographical limits</b>	<b>4.1.23.</b> at the moment of the accident the recreational craft is outside the effective insurance coverage territory, unless it is caused due to the occurrence of the insured risk;
<b>Cargo, fuel, belongings</b>	<b>4.1.24.</b> damage or loss of cargo, fuel, food supplies (including alcoholic beverages) or personal belongings, as well as precious metals and articles thereof, artwork and items, means of payment and securities;
<b>Errors in the design</b>	<b>4.1.25.</b> damage to the insurance object or its loss is caused due to errors in the recreational craft design;
<b>Corrosion, deterioration, ageing</b>	<b>4.1.26.</b> damage is caused to the insurance object due to corrosion or a deterioration of the recreational object; due to facts of a progressive or accumulating nature; in relation to deterioration, ageing; in relation to damage, defect or failure due to the impact of temperature, precipitation or humidity; due to insufficient technical maintenance of the insurance object;
<b>Equipment damage or destruction</b>	<b>4.1.27.</b> the damaged recreational craft equipment has caused the occurrence of the insured risk, as well as BTA shall not indemnify the expenses related to the repair, replacement or replacement of such damaged or destroyed equipment;
<b>Classification society</b>	<b>4.1.28.</b> the requirements or recommendations of the recreational craft classification society are violated;
<b>Classification, certificate of seaworthiness</b>	<b>4.1.29.</b> the insurance object is operated without a valid certificate issued by a classification society and without a certificate of seaworthiness (if such a requirement is prescribed by the effective regulatory enactments);
<b>Additional equipment</b>	<b>4.1.30.</b> damage is caused to additional equipment that is being towed by attaching it to the recreational craft (for instance, water skis, wakeboard);
<b>Alcoholic, narcotic, psychotropic or other psychoactive substances</b>	<b>4.1.31.</b> water traffic accident or road traffic accident with the vehicle carrying the recreational craft occurs due to the driver of the recreational craft or the vehicle driving the recreational craft or the vehicle, or teaching another person to drive, if the breath or blood test of the recreational craft driver or the vehicle driver, or the person who is learning to drive, shows the presence of alcoholic, narcotic, psychotropic or other intoxicating substances or substances arising as a result of the decomposition thereof (metabolites) exceeding the limits prescribed by the regulatory enactments of the country where the accident took place, or medicinal



products that reduce the reaction speed and attention, and there is a respective note regarding it in the directions for use of that medicinal product;

**4.1.32.** the driver of the recreational craft or the vehicle carrying the recreational craft, or the person learning to drive who is driving the vehicle at the moment of the accident used alcoholic drinks, narcotic or other intoxicating substances after the water or road traffic accident until the examination that determines the concentration of alcohol in the blood or establishes the presence of narcotic or other intoxicating substances in the organism, or until the release from such an examination in accordance with the procedure prescribed by the effective regulatory enactments;

**4.1.33.** the driver of the recreational craft or the vehicle carrying the recreational craft, or the person learning to drive who is driving the vehicle at the moment of the accident avoided the medical examination to determine the concentration of alcohol or the examination of the influence of narcotic or other intoxicating substances, if such an examination in relation to the occurred water or road traffic accident is offered by a competent State authority or a medical institution;

**4.1.34.** damage is caused to the insurance object due to the impact of animals, insects or birds;

**4.1.35.** damage is caused to the insurance object due to the use of a technically improper and unsuitable slip;

**4.1.36.** at the moment of theft the insurance object was placed on the slip for storage and was not fastened to it;

**4.1.37.** damage to the insurance object or its loss is caused due to the occurrence of one of the optional risks referred to in Articles 3.2.1 to 3.2.9 of these Terms and Conditions, except when a respective optional risk is insured in accordance with the insurance contract.

**Impact of animals, insects and birds  
Improper, unsuitable slip  
Theft from the slip**

**Not insured optional risk**

#### **4.2. BTA shall not indemnify for:**

**4.2.1.** expenses related to maintenance of the recreational craft and its crew;

**4.2.2.** indirect losses, lost profit, lost income, losses related to moral damages, as well as penalties and fines provided for by the regulatory enactments or contract;

**4.2.3.** losses for which the insurance object manufacturer, supplier, seller, installer or repairer is responsible based on the contract or regulatory enactments.

**Expenses for crew maintenance  
Indirect losses and lost profit  
Third party liability**

**Additional exceptions for additional risks**

**Technically damaged, unsuitable vehicle**

**Additional exceptions for piracy and armed robbery at sea risk  
Additional exceptions for emergency vehicle risk  
Theft during transportation**

#### **4.3. In addition to the occasions referred to in Articles 4.1 to 4.2 of these Terms and Conditions, BTA shall not pay the insurance indemnity for the optional risks in the following events:**

**4.3.1.** damage is caused because a technically damaged or unsuitable vehicle, including the trailer, has been used for transportation of the insurance object;

**4.3.2.** damage is caused to the engine room due to the occurrence of a fire or explosion risk, if the recreational craft is equipped with a built-in engine, except for cases when the engine room, fuel tanks or galley is equipped with a functional fire extinguishing equipment that switches on automatically or manually from a dashboard;

**4.3.3.** ransom in relation to piracy or armed robbery at sea;

**4.3.4.** the insurance object is used for performing of emergency response measures, but does not correspond to the emergency vehicle characteristics defined in the effective regulatory enactments;

**4.3.5.** in the event of theft during the transportation of the insurance object, the vehicle driver has failed to take all possible measures to ensure the preservation of the insurance object in its initial state as it was at the beginning of transportation, including a failure to safely fasten the insurance object to the vehicle trailer, leaving the vehicle unsupervised, parking it in a unattended parking lot or a place where third parties can freely access it, i.e. places that are not closed or guarded day-and-night, as well as when the vehicle is left unlocked or without activated or out-of-order anti-theft devices.

## **5. SUM INSURED**

**Sum insured**

**5.1.** The sum insured is the amount of money for which the insurance object is insured. The Policyholder is responsible for setting the sum insured and the

Policyholder shall assume full liability for the setting of the sum insured and the conformity thereof to the fair value of the insurance object at the moment of conclusion of the insurance contract. After disbursement of insurance indemnity, the sum insured remains the same.

#### **Actual value**

**5.2.** The actual value is the market value of the insurance object, i.e. the amount of money for which a recreational craft of a respective brand, model, year of production and configuration can be acquired in the Republic of Estonia.

**5.3.** Estimating the actual value of the recreational craft shall be taken into account the initial value of the recreational craft, revaluation and reconstruction expenses and depreciation thereof.

### **6. OBLIGATIONS UPON THE OCCURRENCE OF A POTENTIAL INSURED EVENT**

#### **Precondition for receiving the insurance indemnity**

**6.1.** In addition to the requirements of the section "Measures to be Taken upon the Occurrence of the Insured Risk" of the General Insurance Terms and Conditions, upon the occurrence of a potential insured event the obligations of the Policyholder and the Insured, the fulfilment of which is a precondition for receiving the insurance indemnity, are as follows:

#### **Compliance with BTA interests**

**6.1.1.** not to take any measures that could incur loss or damage to BTA interests, not to undertake any liabilities, not to accept any proposals, except the organisation of the rescue work, loss minimisation and prevention of further losses;

#### **Opportunity for BTA to inspect the recreational craft**

**6.1.2.** to ensure the opportunity for BTA to inspect the insurance object and to carry out examinations in order to determine the causes and scope of loss.

#### **Obligations of the lessee**

**6.2.** Upon the occurrence of a potential insured event all obligations of the Policyholder and the Insured are also binding on the authorised users of the insurance object.

**6.3.** If the insured risk has occurred outside the territory of the Republic of Estonia, to submit a document issued by a law enforcement institution of a respective country on the potential insured event to BTA.

**6.4.** To immediately, as soon as possible, present the damaged insurance object to a BTA representative, as well as:

**6.4.1.** to submit a written claim of a certain form regarding the occurrence of the insured risk providing complete and detailed information about the accident, except on cases when BTA has specified that a written claim is not required;

**6.4.2.** to present the original copy of the recreational craft driver's licence;

**6.4.3.** in the event of a theft or robbery of the recreational craft, to submit the original copy of the registration certificate of the recreational craft and in other cases to present the original copy of the registration certificate of the recreational craft;

**6.4.4.** to submit explanations of the recreational craft driver or the authorised user regarding the accident and, upon the request of BTA, to submit a written summary of the events;

**6.4.5.** to submit all documents requested by BTA related to the accident that are required for clarification of the accident circumstances or determination of the scope of loss.

**6.5.** Upon the occurrence of the insured risk, not to make any repairs of the recreational craft until the receipt of consent of BTA. Partial repairs may be made, if refusing to make them immediately may increase the losses incurred due to the occurrence of the insured risk.

**6.6.** After the repair of the recreational craft, upon the request of BTA, to return the parts damaged or repaired upon the occurrence of the insured risk.

### **7. INSURANCE INDEMNITY**

#### **Losses due to a common cause**

**7.1.** All losses incurred due to the same common cause or effects of continuous or repeated circumstances are considered as one insured event.

#### **Insurance indemnity**

**7.2.** Upon the occurrence of an insured event, BTA shall pay the insurance and indemnifies for the direct losses:

**In the event of damage to the insurance object**

**7.2.1.** in the event of damage to the insurance object the insurance indemnity is calculated in the amount of repair expenses required to repair the damaged insurance object to the condition it was in just before the occurrence of the insured event, deducting the deductible specified in the insurance contract. Loss assessment is carried out in accordance with the actual renovation work estimate, costs and prices no later than 6 (six) months after the occurrence of the insured event.

Unless directly and clearly agreed upon by the parties by stipulating special terms and conditions in the insurance contract, payment for overtime hours and working on holidays and rest days, express delivery of materials and other similar expenses are not taken into consideration when calculating the losses;

**In the event of loss or destruction of the insurance object**

**7.2.2.** in the event of loss or destruction of the insurance object, i.e. when the insurance object cannot be restored or the insurance object repair expenses exceed the difference between the value of the insurance object before and after the occurrence of the insured event, the insurance indemnity is calculated as the difference between the value of the insurance object just before the occurrence of the insured event and its value after the insured event, deducting the deductible specified in the insurance contract.

If an agreement is reached regarding the delivery of the useful remains of the insurance object to BTA, the insurance indemnity is calculated from the value of the insurance object just before the occurrence of the insured event, deducting the deductible specified in the insurance contract.

**Rescue expenses**

**7.3.** In addition to the insurance indemnity referred to in Article 7.2, BTA shall indemnify for reasonable rescue expenses, i.e. reasonable expenses incurred in order to prevent or minimise further damages or losses of the insurance object upon the occurrence of the insured event. BTA shall indemnify for such expenses even when the measures taken have not provided the expected result. The total maximum insurance indemnity paid out for one insured event is 10% (ten percent) of the sum insured of the insurance object.

**Expenses of the inspection of the bottom part**

**7.4.** In addition to the insurance indemnity referred to in Article 7.2, BTA shall indemnify for the direct expenses related to the inspection of the bottom part of the insurance object after stranding, provided that the examination is carried out just for this reason. BTA will compensate such expenses even when the damage is not determined as a result of the taken measures. The total maximum insurance indemnity amount paid out for all insured events during the effective period of the insurance contract is EUR 2 500 (two thousand five hundred euros).

**Insurance object improvements**

**7.5.** The insurance indemnity does not include expenses for changes in the insurance object equipment, complements, upgrades or improvements, or regular repairs and maintenance that are not related to the elimination of damages caused due to the occurrence of the insured event.

**Outstanding insurance premium**

**7.6.** BTA is entitled to deduct the outstanding share of the insurance premium that is to be paid until the expiry of the insurance period from the calculated amount of indemnity.

**Transfer of property ownership rights to the insurance object**

**7.7.** The Policyholder and the Insured are obliged to take all required measures to transfer property rights on the insurance object to BTA, if the insurance object is found after BTA had paid out the insurance indemnity in the event of theft or robbery of the insurance object.

**Invalidity of the insurance contract after disbursement of insurance indemnity**

**7.8.** After the insurance indemnity is paid out in the event of theft, robbery or loss of the insurance object, the insurance contract shall become void.

**8. OTHER TERMS AND CONDITIONS**

**BTA General Insurance Terms and Conditions**

**8.1.** The General Insurance Terms and Conditions are published at the BTA website: <http://www.bta-kindlustus.ee/tingimused/>.

**Applicable regulatory enactments**

**8.2.** All issues not covered in these Terms and Conditions shall be settled in accordance with the General Insurance Terms and Conditions and the effective regulatory enactments of the Republic of Estonia.



**8.3.** These Terms and Conditions are applied to the insurance contracts signed as of 24 April 2015, unless parties agree otherwise in the insurance contract.