

## GENERAL TERMS AND CONDITIONS FOR HOME LIABILITY INSURANCE BY SALVA KINDLUSTUSE AS

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### 1. CONCLUSION OF HOME LIABILITY INSURANCE CONTRACT AND STANDARD CONDITIONS OF CONTRACT

- 1.1. Insurance contract shall be concluded on the basis of Policyholder's application and data submitted for the evaluation of the risk to be insured. With the payment of insurance premium, Policyholder confirms the conclusion of contract and the correctness of submitted data. Insurance policy shall specify the insurance period and the scope of coverage. If Policyholder pays for the coverage by the date stated on insurance policy, the coverage shall be deemed applicable from the date of commencement specified on insurance policy.
- 1.2. If Policyholder fails to pay the insurance premium by the date stated on insurance policy, it is assumed that s/he did not wish to conclude the contract under the policy conditions. In that case it is deemed that the contract has not been concluded and there is no insurance cover, even if the insurance policy has been issued.
- 1.3. In case of an home liability insurance contract, the following standard policy conditions shall be applied: General Terms and Conditions by Salva Kindlustuse AS (KÜ-03); General Terms and Conditions for Home Liability Insurance by Salva Kindlustuse AS (KVK-11.12).

### 2. INSURED ITEM

- 2.1. Insured item shall mean home liability, which pursuant to these General Terms and Conditions shall include the following:
  - 2.1.1. Mandatory general civil liability (hereinafter: the liability) of Insured Person in respect of the ownership, possession or administration of insured place specified on insurance policy or the performance of any additional obligation that is directly related to a dwelling, apartment and/or structure, if such an action causes direct material damage to a third person; and
  - 2.1.2. Justified costs of a court hearing concerning a claim that has been submitted against Insured Person in respect of the liability related to a property specified on insurance policy, provided that Insurer has given its written consent in advance.

### 3. INSURED PERSON

Insured Person shall be the person mentioned as Insured Person by name on insurance policy. Following persons shall be considered equal to Insured Person: his/her family members and other persons who are allowed to be in the insured place (e.g. friends, acquaintances, tenants, nannies, housekeepers) or who perform duties in respect of the property in the insured place (e.g. cleaners, administrators). The term "Insured Person" in insurance conditions shall encompass persons who are considered equal to Insured Person, unless provided otherwise by insurance contract.

### 4. INSURED PLACE

Insured place shall be the address specified in insurance contract; insurance shall cover insured events that occur at this address. Address of insured place shall cover all buildings and structures located at that address (e.g. insurance concluded for a certain address covers the liability that arises besides the house also from the garage, sauna, outbuilding or another building situated at that address).

### 5. THIRD PERSON

For the purposes of these General Terms and Conditions, third person shall be the person for whose damage the Insured Person is legally responsible. Third person shall not include persons who are considered equal to Insured Person.

### 6. INSURED EVENT

Insured event shall mean a sudden and unforeseeable single or multiple event, upon the occurrence of which the Insurer is obliged to pay insurance indemnity or process the claim submitted against Insured Person according to insurance conditions.

### 7. CHOICE OF INSURANCE COVER

- 7.1. Insurance cover shall be in the form of All Risk insurance that covers all risks and losses that arise from the following:
  - 7.1.1. Ownership or legitimate possession of insured place specified on insurance policy;
  - 7.1.2. Administration of insured place specified on insurance policy or performance of work that is necessary for maintaining it in good order;
  - 7.1.3. Everyday risks that are related to the use of insured place specified on insurance policy.
- 7.2. If a claim submitted against Insured Person is based on provisions stated in points 7.1.1-7.1.3, justified costs of filing the action and of a court hearing shall be compensated within the sum insured, provided that Insurer has given its written consent in advance, according to contractual conditions and pursuant to the scope of insurance cover. Insurer shall be entitled to refuse the payment of such compensation, if Insurer itself organises the procession of the submitted claim and ensures the availability of necessary legal aid.
- 7.3. All Risk insurance shall cover all risks and losses that are not excluded under point 8 of these General Terms and Conditions.

## 8. EXCLUSIONS

Insurer shall have no obligation to pay indemnity for losses caused by Insured Person or process the submitted claim, if the loss or claim was indirectly caused by the following:

- 8.1. Liability that Insured Person has assumed in a contract or other agreement, unless Insured Person would have had such a liability also without the contract or agreement;
- 8.2. Damage to third person's property that Insured Person has rented, leased, borrowed, deposited or used under any other contract of use or in respect of which s/he is responsible for the preservation of property;
- 8.3. Liability for losses, if insured place is used for non-designated purposes (including activities that are not related to insured place and cannot be considered ordinary course of life) or is not used as a dwelling;
- 8.4. Liability for losses that arise from Insured Person's intent, gross negligence when using the insured place or events that Insured Person could have reasonably foreseen and prevented;
- 8.5. Liability for losses in respect of which the Insured Person has deliberately and repeatedly ignored his/her due diligence obligation or deliberately performed this obligation in an inadequate manner;
- 8.6. Claims submitted by the persons who are insured under this insurance contract against each other;
- 8.7. Claims submitted by the persons who are considered equal to Insured Persons against the Insured Person and vice versa;
- 8.8. Claims that are related to sickness, infection, virus or other reaction (radioactive, chemical or other similar pollution) to third person's property or health, including environment damage;
- 8.9. Liability arising from or inherent to a vocation, profession, business activity or production;
- 8.10. Liability arising from bodily injury and/or sickness caused to a person who works or provides services in Insured Person's household, if such liability is related to the bodily injury and/or sickness that incurred during working;
- 8.11. Liability for losses caused by construction (including demolition) or repair works that are deemed material improvement or reconstruction of insured place, unless Insurer and Policyholder have agreed otherwise;
- 8.12. Liability in respect of using, storing or handling explosives, pyrotechnic substances or other similar substances;
- 8.13. Claims or losses that are not deemed direct material damage (e.g. loss of profit or non-patrimonial i.e. moral damage);
- 8.14. Events or circumstances, the arrival or occurrence of which should have been known to Policyholder or Insured Person before signing the insurance contract;
- 8.15. Losses that should be compensated under compulsory insurance (e.g. motor TPL insurance) or any other risk liability insurance;
- 8.16. Losses caused because of the use of registered motor vehicles;
- 8.17. Losses caused by temperature, gas, steam, humidity, precipitation, vibration, landslide, engulfment, noise or any other long-term factors;
- 8.18. Losses arising from hobbies, if the damage caused is inherent or characteristic to the specific sport or competition;
- 8.19. Claims arising from disputes based on family law, including disputes on the possession of animals or parental responsibility;
- 8.20. Losses that are caused by children and pets and are not related to insured place, unless Insurer and Policyholder have agreed otherwise.

## 9. ADDITIONAL COVER

- 9.1. Besides liability arising from insured place specified on insurance policy, the cover shall also include the mandatory general civil liability that arises from the activities of Insured Person's (does not include persons considered equal to Insured Person) minor children or from keeping pets, if this is specifically mentioned on insurance policy.
- 9.2. Insured Person shall indemnify only for direct material damage, provided that the damage was caused to a third person and the damage was direct, unexpected and unforeseeable by its very nature.
- 9.3. Insurance of additional cover is limited to the Republic of Estonia, unless Insurer and Policyholder have agreed otherwise and specifically mentioned on insurance policy.
- 9.4. In case of insurance covering the liability that arises from the activities of children or from keeping pets, Insurer shall pay indemnity for the following:
  - 9.4.1. Losses caused by minor children whose legal representative is the Insured Person;
  - 9.4.2. Losses caused by pets when it has been proved that the Insured Person was responsible for the pet (Insured Person was the owner or caretaker of the pet). Indemnification shall cover losses that the Insured Person is obliged to compensate under the law.
- 9.5. In case of liability arising from the activities of Insured Person's minor children or from keeping pets, indemnification shall cover all losses that are not mentioned in point 8 or points 9.6.1-9.6.6 of these General Terms and Conditions.
- 9.6. **Exclusions to additional cover**

Insurer shall have no obligation to pay indemnity for losses caused by Insured Person or process the submitted claim, if the loss or claim was indirectly caused by the following:

  - 9.6.1. Loss was caused when conducting criminal offence (including attack or fight), using a weapon or being intoxicated by alcohol, narcotics, toxic substance or any other substance;
  - 9.6.2. Cyber activity or use of any software or IT solution;
  - 9.6.3. Any claim related to threats (e.g. bomb threat);
  - 9.6.4. Losses caused outside the territory of the Republic of Estonia, unless Policyholder and Insurer have agreed otherwise;
  - 9.6.5. Losses arising from specific tasks or activities where causing damage is natural or one of the risks (e.g. losses caused by learning process, toys damaged when playing, biting by a pet when playing with the pet);
  - 9.6.6. Losses caused by targeted behaviour of a legal representative of a child or a pet owner (e.g. inciting a dog, intentional increasing of child's risk level, directing a child to commit an unlawful act).

## 10. INSURANCE PERIOD

- 10.1. Insurance period shall be the period that commences and terminates on a date specified in insurance contract and pursuant to contractual conditions.
- 10.2. Insurance contract shall cover loss events stated in insurance contract only during the insurance period specified on insurance policy.

## 11. RETENTION LIMIT

- 11.1. Retention limit shall mean an amount of money per insured event or another value specified in insurance contract, which is subtracted from Insurer's performance obligation.
- 11.2. Insurer shall not indemnify for the loss under the retention

limit stated on insurance policy. If the indemnification obligation has to be performed in respect of several persons or several times, Insurer shall be entitled to subtract the retention from the first payment.

## **12. INDEMNIFICATION**

- 12.1. Insurer shall commit under the insurance contract to indemnify for the part of loss, which the Insured Person is liable for, according to legislation of the Republic of Estonia. Indemnification shall also include legal aid costs related to the loss event, subject to Insurer's prior written consent, regardless of whether the used legal aid affected the amount of Insured Person's liability or not.
- 12.2. Insurer's indemnification obligation shall be limited to the sum insured specified on insurance policy.
- 12.3. If Insured Person is obligated by law to indemnify the victim to a larger extent than the sum insured specified in insurance contract, Insurer shall be entitled under contractual conditions to indemnify the Policyholder for the sum insured specified in insurance contract, becoming thus relieved of any subsequent liability in respect of that case.
- 12.4. Insurer shall pay the indemnity for loss caused by insured event within 30 days at the latest of the moment of demonstrating the basis of claim and the composition of loss as well as determining the amount of indemnification obligation.
- 12.5. Insurer shall send his decision to diminish or refuse indemnification to Policyholder within 30 days after the submission of all required evidence, documents and applications.

## **13. SAFETY REQUIREMENTS AND PRUDENT CONDUCT**

- 13.1. Insured Person shall commit to meet safety requirements established in the Republic of Estonia and to ensure prudent conduct in respect of his/her property.
- 13.2. Insured Person shall implement all justified measures in order to avoid or minimise injuries, damages and losses that might be used as a basis for claims under this insurance class.
- 13.3. If Insured Person should infringe any safety requirements related to a property or behave in respect of a property in a negligent manner, causing thus losses to a third person or increasing such losses, Insurer shall be entitled to refuse or decrease the indemnification.

## **14. SETTLEMENT OF DISPUTES**

- 14.1. All disputes arising from insurance contracts shall be settled under these General Terms and Conditions as well as according to legislation of the Republic of Estonia.
- 14.2. If these General Terms and Conditions have been translated into another language, the settlement of

disputes shall be based on the Estonian version of these General Terms and Conditions.

- 14.3. If an agreement cannot be reached, the dispute shall be settled in Harju County Court (Harju Maakohus).
- 14.4. Financial Supervision Authority supervises the compliance of Insurers with legislation. Financial Supervision Authority does not settle any contractual disputes between Insurers and Policyholders/Insured Persons.

## **15. REQUIREMENTS AND PROCEDURES**

- 15.1. Insured Person shall inform the Insurer in writing as soon as possible but within 7 days at the latest of any event that has come into his/her knowledge and that may lead to a claim.
- 15.2. Insured Person shall inform Insurer immediately but within 3 working day at the latest of all potential and/or submitted charges, (judicial) examinations or investigations.
- 15.3. If Policyholder fails to perform the information obligation provided in points 15.1-15.2 of these General Terms and Conditions, Insurer may decrease the indemnification payable to Insured Person to the extent that the Insurer cannot revise or proceed the case due to delayed information by Policyholder or Insured Person.
- 15.4. Insured Person shall submit all relevant information and documents related to the claim, if requested by Insurer.
- 15.5. Insured Person shall have no right to accept any claims or make any payments for settling a claim without Insurer's written consent. Insurer shall be entitled to assume and organise on behalf of Insured Person the handling and judicial defence of any claim and/or make an agreement, and to file an action on its own account and for its own benefit against other persons in order to claim the indemnification for a loss and/or the declaration of responsibility of other responsible persons; for this purpose, Insurer may submit a reasoned request to Insured Person to present any information and assist in any other way.
- 15.6. If Insured Person should accept or settle a claim without Insurer's consent, Insurer shall be relieved of the indemnification obligation within the extent of loss amount in respect of which the indemnification was arguable or unjustified.

## **16. OTHER PROVISIONS**

- 16.1. Insurer shall be entitled to abstain from concluding an insurance contract without providing any justification.
- 16.2. Policyholder shall be responsible for explaining to other persons involved in insurance cover the responsibilities and rights arising from insurance contract.