LOAN PAYMENT INSURANCE

Gjensidige

Loan Payment insurance

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Gjensidige

I.
General Insurance Terms and Conditions No V1.4

Valid as of - 12th of September 2023

1. Terms and definitions

1.1. **Insurer** – ADB "Gjensidige", Žalgirio g. 90, LT-09303, Vilnius, Lithuania, represented in the Republic of Latvia by ADB "Gjensidige" Latvian Branch, registration No 40103595216, legal address: Gustava Zemgala avenue 74A , Riga, LV-1039, Latvia, telephone: (+371) 6711 2222, internet site: www.gjensidige.lv, e-mail: info@gjensidige.lv.

1.2. **Policyholder** – a person who has concluded an Insurance Contract with the Insurer in favour of oneself or another person.

1.3. **Insured person or Insured** – a person specified in the Insurance Contract or a person to be defined in accordance with the Insurance Contract, who has an Insurable Interest and for the benefit of whom the Insurance Contract has been concluded.

1.4. **Insurance Contract** – an agreement between the Insurer and Policyholder, whereby the Policyholder is obliged to pay Insurance Premium to the Insurer in the manner expressly agreed in the Insurance Contract and as per the terms and to the extent stipulated therein, as well as to fulfil all other obligations under the Insurance Contract, and the Insurer is obliged, upon occurrence of an Insurance Event, to pay the Insurance Indemnity to the person specified in the Insurance Contract in accordance with the provisions of the Insurance Contract, as well as to fulfil all other obligations under the Insurance Contract.

1.5. **Distance insurance contract** – an insurance contract, concluded between the Insurer and Policyholder by means of distance communication (telephone, internet, electronic mail).

1.6. **Insurance Object** – an object specified in the Policy or in the Insurance Contract which may be material assets or interests, person's third party liability, life, health or physical condition.

1.7. **Insurable Interest** – the Insured Person's interest to avoid losses upon occurrence of an Insured Risk.

1.8. **Policy** – a document issued by the Insurer, which certifies the conclusion of an Insurance Contract.

1.9. **Insurance Period** – a period of time, for which Insurance Premium is paid according to the Insurance Contract, and during which insurance coverage is valid.

1.10. **Insured Risk** – an event specified in the Insurance Contract that is beyond control of the Insured and is likely to occur in the future.

1.11. **Insurance Premium** – payment for insurance specified in the Insurance Contract.

1.12. **Insurance Territory** – the territory specified in the Insurance Contract (territory, address, area, country or region), where the Insurance is valid. The Insurer shall have no duty to fulfil obligations under the Insurance Contract in respect of events occurring outside the Insurance Territory.

1.13. **Deductible** – a part of the Sum Insured or loss expressed as a fixed amount or percentage or as the days, which, upon occurrence of Insurance Event, is deducted from Insurance Indemnity or paid by the Insured for each Insurance Event and it has been specified in the Insurance Contract.

1.14. **Sum Insured** – the extent of the Insurer's liabilities defined in the Insurance Contract and expressed as a fixed amount or specific procedure for calculating such amount.

1.15. **Insurance Event** – an event having causal relationship to the insured risk upon the occurrence of which the insurance indemnity is provided for according to the Insurance Contract.

1.16. **Insurance Indemnity** – an amount of money payable for the Insurance Event or services to be rendered in accordance with the Insurance Contract.

1.17. **Beneficiary or a Recipient of the indemnity** – a person specified in the Insurance Contract who is entitled to receive Insurance Indemnity or any part thereof in the cases stipulated in the Insurance Contract.

1.18. **Insurance Application** – a document or any other information which the Policyholder submits to the Insurer in order to inform it about the Insurance object, facts and circumstances, that is required to assess the Insured Risk.

1.19. **Insurance Proposal** – Insurer's suggestion to conclude or amend an Insurance contract.

2. Insurance contract documents

2.1. Insurance Contract consists of the following documents: Policy, terms and conditions of an insurance product specified in the Policy, General Insurance Terms and Conditions, Insurance Application if such has been submitted, and any other documents (e.g. a list of Insurance Objects, list of Insured persons) specified in the Insurance Policy.

2.2. In case of discrepancies among various documents that constitute the Insurance Contract, the Policy shall prevail, followed by the terms and conditions of a specific insurance product and then General Insurance Terms and Conditions. All matters not covered by the aforementioned documents shall be governed by the applicable laws and regulations of the Republic of Latvia.

2.3. Insurance Contract is concluded in Latvian, unless the Policyholder and Insurer have agreed on concluding the Insurance Contract in any other language.

2.4. If the Insurance Contract is drawn up in Latvian and any other foreign language, the Latvian version shall prevail in case of discrepancies, unless specified otherwise in the Insurance Contract.

2.5. The Insurance Contract shall be signed in accordance with the Insurance Contract Law and other applicable regulatory enactments of the Republic of Latvia.

3. Conclusion and Amendment of Insurance Contract

3.1. For the purposes of concluding Insurance Contract, the Insurer is entitled to request an Insurance Application from the Policyholder.

3.2. Insurance Application shall not impose any obligation upon the Insurer to conclude an Insurance Contract or to assume any liability to cover losses incurred by an applicant; neither shall it oblige the applicant to assume any liabilities.

3.3. The Insurance contract may be concluded in person or by means of distance communication.

3.4. An Insurance Contract shall be deemed as concluded when at least one of the following conditions is satisfied:

3.4.1. the Insurer and Policyholder have mutually signed the Insurance Contract;

3.4.2. the Policyholder has paid Insurance Premium or its first instalment thereof as per the procedure, in the manner and to the extent defined in the Insurance Proposal;

3.4.3. the Policyholder expresses his/her consent for concluding the Insurance Contract in any other manner specified by the Insurer.

3.5. The Insurer issues a Policy to the Policyholder, which certifies the conclusion of the Insurance contract, in person or in a requested manner by sending it electronically or via mail.

3.6. Before the end of the Insurance period Insurer is entitled to inform the Policyholder of this and simultaneously send a proposal to conclude repeated Insurance Contract. The Policyholder is allowed to accept the proposal only if the information provided upon conclusion of the first or previous insurance contract has not changed regarding the insurance object, as well as regarding the assessment of the probability of occurrence of the insured risk and the possible amount of losses.

3.7. Insurance Contract may be amended according to the procedure stipulated in the laws and regulations or according to the Insurance Contract, and as well by a separate written agreement between the Policyholder and the Insurer.

4. Payment of Insurance Premium

4.1. The Policyholder shall have an obligation to pay Insurance Premium in the manner, within the terms and in the amount set in the Insurance Contract.

4.2. If the payment of the Insurance Premium is executed by a bank transfer, the date of payment shall be deemed the date when the Insurer has received it in the specified bank account.

4.3. If the Insurance Premium or its first instalment is not paid in the manner, within the term and in the amount set in the Insurance Contract, the Insurance Contract shall be deemed null and void as of the moment of its conclusion, taking into consideration the procedure provided for in the legal enactments. The Policyholder will not be separately notified of the Insurance Contract not coming into effect.

4.4. If the Policyholder fails to pay the subsequent (second or any subsequent) Insurance Premium payment in the manner, within the term and in the amount set in the Insurance Contract the Insurer shall send a warning on the delayed payment of the Insurance Premium to the Policyholder.

5. Termination of the Insurance Contract

5.1. The Insurance Contract shall be terminated on the moment the Insurer has fully fulfilled its obligations, Insurable Interest ceases to exist or in any other cases established by legal enactments.

5.2. The parties to Insurance Contract shall have the right to terminate such Insurance Contract according to the procedure and on the grounds established by the legal enactments, as well as upon mutual agreement by the parties.

5.3. The Insurer is entitled to terminate insurance contract unilaterally or to disregard the contractual obligations, if the national or international sanctions or related restrictions have been imposed on the policyholder, the insured or the beneficiary.

5.4. Any contracting party shall be entitled to unilaterally terminate the Contract once Insurance Indemnity has been paid (this condition does not apply to Health insurance contracts). Insurance Contract shall be terminated on the day specified in the notification, but no less than after 15 (fifteen) days after the respective contracting party has sent a notice of Contract termination.

5.5. If the Policyholder fails to pay the subsequent Insurance Premium payment in the manner, within the term and in the amount set in the warning, the Insurance Contract shall be deemed terminated as of the first day after the term for the payment of the subsequent Insurance premium payment specified in the Insurance Contract.

5.6. In the case of termination of the Insurance Contract, unless otherwise stated in these Terms and Conditions, terms and conditions of a specific insurance product or in legal enactments, the Policyholder shall be refunded the unused part of Insurance Premium from which the Insurer deducts expenses related to conclusion of the Insurance Contract in the amount of 15% (fifteen per cent) of the remaining Insurance Premium, but no more than of the Insurance premium for one year, and already payed insurance indemnity.

5.7. If the Insurance Contract has been concluded as a Distance Insurance Contract and its period of validity is at least 1 (one) month, the Policyholder, who is a consumer - natural person, shall be entitled to exercise the right of withdrawal and unilaterally withdraw from the Insurance Contract within 14 (fourteen) days after conclusion of the Insurance Contract by notifying the Insurer thereof in writing. In such case the Insurance Contract shall become null and void. The Insurer shall refund that amount of the Insurance Premium which is calculated by deducting relevant percentage of the Premium for the actual period of validity of the Insurance Contract from the paid Insurance Premium. The right of refusal cannot be used if the Insurer has been notified of the occurrence of an Insured Event or in other cases specified in the regulatory acts.

6. Obligations of Parties to Insurance Contract

6.1. Obligations of the Insured and Policyholder:

6.1.1. prior to conclusion of the Insurance Contract to provide true, precise and sufficient information requested by the Insurer regarding condition of the Insurance Object and circumstances, necessary for the Insurer to assess the insured risk and extent of potential losses, and to inform the Insurer about any and all significant circumstances which are known to the Policyholder or Insured and which might affect assessment of an Insured Risk, Insurer's decision on providing the Insurance Proposal or conclusion of the Insurance Contract;

6.1.2. upon the Insurer's request to submit documents, which are necessary for the conclusion of the Insurance Contract, as well as to allow to inspect the Insurance object prior to conclusion of the Insurance Contract or to verify its condition;

6.1.3. to inform the Insurer about other valid insurance contracts with regard to the same Insurance Object;

6.1.4. during the entire validity period of the Insurance Contract to inform the Insurer immediately about changes in the information on the Insurance Object and all known circumstances, which may significantly increase the probability of occurrence of the Insured Risk or the extent of the potential losses, especially with regard to the information provided upon the conclusion of the Insurance Contract. The condition specified in this Paragraph shall not be applied to the changes in the personal health data;

6.1.5. to comply with applicable legal enactments of the Republic of Latvia or the country where the Insurance Object is located, terms and conditions of the Insurance Contract, safety requirements and instructions, as well as to take all necessary measures to prevent occurrence of an Insurance Event and to reduce the possible damage, not to increase the Insured Risk and not to allow it to be increased by persons for whom the Insured or Policyholder is liable;

6.1.6. to act in a prudent manner and take reasonable measures to avoid any potential adverse consequences;

6.1.7. the Policyholder shall have an obligation to inform the Insured that he/she is insured, and to introduce him/ her with terms and conditions of this Insurance Contract;

6.1.8. it shall be the obligation of the Insured to inform the Beneficiary about the concluded Insurance Contract and insurance terms and conditions with regard to the Beneficiary.

6.2. Obligations of the Insured after occurrence of the Insurance Event:

6.2.1. to immediately take all possible reasonable measures to save the Insurance Object, to reduce and prevent the possible damage, as well as to prevent escalation of damage. In the personal insurance, the Insured has an obligation to take care of his health and to receive appropriate medical assistance as soon as possible, as well as to follow the instructions of the medical practitioner in order to reduce the amount of medical expenses;

6.2.2. to immediately inform the police, if illegal activities of third parties have been suspected, or the local fire and rescue service, if the event involves a fire or explosion;

6.2.3. at the earliest opportunity to notify the Insurer about the occurrence of the Insurance Event personally or through an authorised representative as per procedure stipulated in the Insurance Contract, stating the data concerning the Insurance Event, the expected amount of damage, circumstances for their occurrence, and to follow any instructions given by the Insurer, if any thereafter;

6.2.4. to allow the Insurer within the handling of claims case to establish and assess the reasons and extent of damages incurred as a result of the Insurance Event, circumstances for their occurrence, and to submit all the information and documents at his/her disposal to the Insurer, which characterize the occurrence of the Insurance Event and the damages caused by it and which are requested by the Insurer, as well as to fulfil other obligations stipulated in the Insurance Contract.

6.3. Obligations of the Insurer:

6.3.1. to introduce the Policyholder with the Terms and Conditions of the Insurance Contract before conclusion of the Insurance Contract;

6.3.2. to register an insurance claim and inform the Insured about the procedure of claim handling and compensation of damage;

6.3.3. to commence insurance claim handling process after the receipt of an insurance claim from the Insured and to determine the amount of damage to be indemnified;

6.3.4. to inform the person, who is entitled to qualify for the insurance indemnity about documents necessary for determining the reasons and amount of damage caused as a result of an Insurance Event;

6.3.5. to consider complaints received and respond to them within the term and according to the procedure provided for in the legal enactments;

6.3.6. to introduce the person, who is entitled to qualify for the insurance indemnity with documents held by the Insurer that confirm the decision regarding payment of, or refusal to pay, the Insurance Indemnity which such person is entitled to, or to issue copies of such documents. The person, who is entitled to qualify for the insurance indemnity has the right to receive copies of documents for a fee that does not exceed the cost of preparing the copies of documents. The Insurer shall have no obligation to introduce with the documents and to issue their copies if, in connection with the circumstances causing the Insured Risk, the Insurer has submitted documents to law enforcement authorities within the framework of criminal proceeding or departmental examination, or if the documents contain business secret of another entity or personal data which the Recipient is not entitled to obtain.

6.3.7. to make a decision on the insurance indemnity payment only after the verification of the occurrence of the Insured Risk and extent of damage;

6.3.8. to provide any circumstances, which served as a basis for the refusal to pay Insurance Indemnity or decrease its amount.

6.4. Rights and Obligations of the Beneficiary:

6.4.1. The Beneficiary shall be deemed equivalent to the Insured in respect of fulfilment of obligations under the Insurance Contract after occurrence of an Insurance Event;

6.4.2. The Beneficiary shall be defined or changed in accordance with the specifications of the Policyholder or the Insured, taking into consideration the provisions of the legal enactments.

7. Insurance Indemnity

7.1. Upon occurrence of an Insurance Event the Insurer shall pay the Insurance Indemnity to the person specified in the Insurance Contract in accordance with Terms and Conditions of the Insurance Contract.

7.2. In the event the reason or extent of the damage incurred in the Insurance Event has not been defined in full, the Insurer may pay out the insurance indemnity to the extent that is not contested by either of the Parties.

7.3. The Insurer shall be entitled to withhold from the payable Insurance Indemnity the amount of Insurance Premium that is outstanding until the end of Insurance Period, unless the legal enactments provide for otherwise.

7.4. The Insurer deducts the amount of value added tax (VAT) from the insurance indemnity to be paid, which, based on the invoice or in accordance with the procedure specified in the legal enactments (e.g., the reverse procedure of VAT), must be calculated and paid to the Insured or the recipient of the indemnity, unless otherwise stipulated in the Insurance Contract. The Insurer reimburses the Insured or the indemnified party in part or in full for VAT, if the Insured or the indemnified party does not have the right to recover the paid VAT from the state budget in the event that it is not provided for by legal enactments and it is not related to the action or inaction of the Insured or the indemnified party himself.

7.5. If the Insurer does not have any data concerning the name and bank account number of the person entitled to receive Insurance Indemnity, the Insurer shall not be obliged to pay the Indemnity before receiving such data.

7.6. The Insurer shall make a decision on the payment of the Insurance Indemnity within 30 (thirty) days following the day of receipt of all documents that are necessary for consideration of the insurance claim (an insurance claim, confirmations from the respective national authorities, documents confirming the extent of damage, statements, authorizations etc.).

7.7. If damage caused as a result of occurrence of an Insured Risk has been indemnified, in part or in full, by another person or entity, the Insured shall have an obligation to inform the Insurer thereof.

7.8. The Insured or the Beneficiary (recipient of indemnity) shall have an obligation to refund Insurance Indemnity or any part thereof to the Insurer, if circumstances are determined after indemnification of the damage that prove unjustified payment of the entire Indemnity or any part thereof, or if the damage is indemnified by any other person or entity.

7.9. The amount of insurance indemnity per insured event may not exceed the amount of proprietary damage caused as result of the insured event (compensation principle), and the sum insured or the limit of indemnity.

8. The Insurer's Right to Refuse the Insurance Indemnity Payment

8.1. The Insurer shall be partly or fully released from obligation to pay an Insurance Indemnity if:

8.1.1. the damage has not occurred as a result of an Insurance Event;

8.1.2. the Insurance Event has not occurred in the Insurance Territory, during the Insurance Period or if damage was caused to an item that does not have insurance cover for some other reason (incl. the part of damage exceeding the Sum Insured or Indemnity Limit);

8.1.3. the Policyholder or Insured has failed to fulfil any obligation under the Insurance Contract and there is a causal relationship between default of such obligation and Insurance Event and/or the damage caused as a result thereof;

8.1.4. the Policyholder has failed to pay Insurance Premium by the term stated in the Insurance Contract (or term specified in the warning sent by the Insurer with regard to the delayed payment) and an Insurance Event occurs after the expiry of the term of Insurance Premium payment;

8.1.5. the Insurance Event has occurred as a result of deliberate action, gross negligence, malicious intent by the Policyholder, Insured or Beneficiary or their criminal offence, for which the final judgement in the criminal procedure has become effective;

8.1.6. the Policyholder, Insured or Beneficiary has deluded or attempted to delude the Insurer with regard to the circumstances and/or the amount of damage or has otherwise attempted to deceive the Insurer with regard to the Insurance Contract or circumstances of its fulfilment thereof.

8.1.7. losses occurred as a result of the coup d'état, the entry into force of the state and local government legal enactments, incl. declaration of the emergency state in accordance with the procedures specified in the legal enactments, due to the decisions of the judicial authority, as a result of a magnetic storm or, due to a meteorite, a pandemic, a strike;

8.1.8. losses caused by a cyber threat or cyber attack.

8.2. If due to the malicious intent or gross negligence of the Insured it is not possible to raise a claim in favour of the Insurer against the person held liable for the caused damage, the Insurer may refuse to pay the indemnity in the amount, for which it will not be possible to raise the claim or, if the indemnity has been paid out, to request the Insured to pay back the paid insurance indemnity.

9. Acquisition of the Right of Recourse

9.1. Payment of the Insurance Indemnity entitles the Insurer to raise a subrogation claim against the person who is liable for the caused damage to the extent of the paid Insurance Indemnity in accordance with the procedure and within the scope stipulated in the legal enactments.

9.2. The Insured is obliged to provide the Insurer with information, documents, explanations etc. that are necessary for exercising such right of recourse.

10. Confidentiality and Processing of Personal Data

10.1. The Insurer, Policyholder, Insured and Beneficiary undertake to ensure confidentiality of information in respect of other contracting parties and information acquired during the conclusion and execution of the Insurance Contract.

10.2. Contracting parties undertake not to disclose to third parties information related to this Insurance Contract, except when it is necessary for conclusion and execution of an Insurance Contract, and a contracting party has explicitly given its consent, in the events stipulated in the legal acts or exists any other legal basis thereof.

10.3. The Insurer acts as a data controller and processes personal data according to General Data Protection Regulation and other legal acts on personal data protection. The Insurer processes personal data, including personal data of special categories (for example, health data), with the purpose to conclude and execute an Insurance Contract, including to assess the Insured Risk, prepare and provide an Insurance Proposal, conclude the Insurance Contract, handle an Insurance Claim and make a decision, inform the Policyholder about the expiration of the Insurance Contract, and provide other services and operations related to the Insurance Contract.

10.4. The Insurer processes personal data received from the Policyholder, who wishes to use or uses services of the Insurer, as well as personal data legally acquired from other sources (for example, from the state and private registers, from the third parties).

10.5. The Insurer processes the personal data only if the processing is necessary for conclusion and execution of an insurance contract, for compliance with a legal obligation, to protect life and health of a person, to perform a task in the public interest, for legitimate interests of the Insurer or of a third party, or the data subject has given a consent to the processing.

10.6. The Insurer can disclose the personal data to service providers and partners if it is necessary to perform a task in relation to execution of the Insurance Contract or the Insurer is required by legal acts to disclose the personal data.

10.7. A person is entitled to access his/her personal data, which is processed by the Insurer and receive information on how the personal data is processed, as well as to request to correct insufficient, incorrect or inaccurate data, as well as to request that personal data is deleted, to limit or restrict its processing, as well as to request to transfer personal data or file a complaint to a supervision authority. The Insurer shall provide a response within one month of receipt of the request. That period may be extended by two further months where necessary, taking into account the complexity and number of the requests.

10.8. Detailed information on the data processing principles of the Insurer is available at the website www.gjensidige.lv/privatums. E-mail address of the Data Protection Officer appointed by the Insurer: dpo@gjensidige.lt.

11. Notices, Complaint and Dispute Resolution

11.1. All notices, requests, information, complaints and applications shall be submitted to the other contracting party in a written reproducible format in person, sending by mail, e-mail or via courier service.

11.2. If the Policyholder, the Insured or a person who has the right to claim insurance compensation has provided the Insurer with their e-mail address or telephone number, the insurer has the right to send notifications, requests or information using the specified e-mail address or telephone number.

11.3. The Insurer, when sending the Insurance Contract to the Policyholder by e-mail, as well as other information specified in the legal enactments, can add a link to the Insurer's website, where this information remains available for as long as the Policyholder or the Insured needs this information.

11.4. Upon the request of the Policyholder, the Insured person or person entitled to the insurance indemnity, the Insurer shall provide its statements, requests and information free of charge in writing.

11.5. The Policyholder shall be required to inform the Insurer of the changed contact information details within 15 days from the change of contact information details. The Insurer is obliged to inform the Policyholder within 15 days about the change of legal form, name, contact information and other information necessary for the fulfilment of the contractual obligations by publishing this information on its website www.gjensidige.lv and/or in mass media.

11.6. A Policyholder, Insured person or person entitled to the insurance indemnity may submit notifications, requests or complaints related to the Insurance Contract, services or products, claims case handling or decisions to the Insurer in the following ways:

11.6.1. by sending a notification or request electronically to an e-mail address: info@gjensidige.lv;

11.6.2. By sending a complaint electronically to the e-mail address: sudzibas@gjensidige.lv;

11.6.3. by submitting to the Insurer’s head office at Gustava Zemgala avenue 74A, Riga, LV-1039, Latvia or to the Insurer’s representative offices.

11.7. When submitting to the Insurer documents specified in Paragraph 11.6, the applicant shall provide his/her identification information (natural person – name, surname and information that allows to clearly identify the person; legal person – name and registration number) and contact details (telephone number, e-mail address or mailing address), circumstances and essence of the case, the claim, and preferred manner of receiving a response.

11.8. All complaints which have been submitted in writing, the Insurer shall process and shall provide a written answer within 20 (twenty) days following the date of receipt thereof. If due to objective reasons it is not possible to provide the answer in the specified term, the Insurer shall provide information, justifying the necessity for extended term to provide an answer and specifying the term when the answer will be provided.

11.9. All disputes arising from the Insurance Contract shall be settled by means of negotiations. Should the Parties fail to reach the agreement, the Policyholder, the Insured or person entitled to the insurance indemnity may submit a claim to an out-of-court institution (Ombudsman of the Association of Latvian Insurers) for the settlement of dispute or at the court of the Republic of Latvia in compliance with the effective legal enactments of the Republic of Latvia.

11.10. The Insurance market activities in the Republic of Latvia are supervised by the Bank of Latvia (address: K.Valdemāra street 2A, Rīga, LV-1050, website: www.bank.lv, e-mail: info@bank.lv).

Gjensidige

II.
Loan Payment Insurance conditions No. 468L

In force from 09.05.2023

1. DEFINITIONS USED

The capitalized terms, which are not defined in these Loan Payment insurance conditions (hereinafter referred to as **Conditions**), are defined in General Insurance Terms and Conditions. Other terms and definitions used in the Conditions have the following meaning:

1.1. **You, or Policyholder, or Insured person** – a natural person specified in the Policy whose financial interests are insured by the Insurance Contract.

1.2. **We, or Insurer** – ADB "Gjensidige" Latvian branch, registration code 40103595216

1.3. **Insurance Contract** - a written agreement between the Policyholder and the Insurer, concluded according to these Conditions. The Insurance Contract consists of:

1.3.1. the Insurance policy and its annexes;

1.3.2. these Conditions (Loan Payment insurance conditions);

1.3.3. the General Insurance Terms and Conditions.

1.4. **Financial institution** – Luminor Bank AS Latvian Branch, registration code 40203154352.

1.5. **Deductible period** - the period during which the Insurance Event must continue in order to the Insurance Indemnity to be paid, which is calculated from the first day after the end of this period.

1.6. **Initial waiting period** – the period, specified in the Policy, from the day of concluding the Insurance Contract, during which the event occurred is not considered an Insurance Event.

1.7. **Financial obligation agreement** – a credit agreement (except the credit related with the credit card) concluded between the Financial institution and the Policyholder.

1.8. **Financial obligation** – a sum of money which the Policyholder is obliged to repay to the Financial institution according to the Financial obligation agreement.

1.9. **Previous medical condition** – an illness or medical conditions, trauma or symptom of which the Policyholder was (or should have been) known and / or began before the concluding the Insurance Contract, regardless of whether it was treated or not. This term also includes previously diagnosed congenital or chronic diseases and their exacerbations.

1.10. **Permanent residence** – a country where the Policyholder is constantly living or lives most of the time.

1.11. **Employment** - relationship between the Policyholder and his/her employer on the basis of an employment contract in accordance with the law of Republic of EE/LT/LV (as well as work as statutory or state civil servant etc., except for the provision of services, copyright or similar activities based on an employment contract) of at least 13 months (fixed–term employment contract) or for an indefinite period, when the Policyholder works at least 16 (sixteen) hours a week and receives a salary or similar remuneration

1.12. **Monthly Insurance Indemnity** - the amount of money specified in the Policy that corresponds to the Indemnity paid by the Insurer for one full month in case of an Insurance Event.

1.13. **Pandemic** - an outbreak of a rapidly spreading contagious disease that is dangerous to health or life in several countries or continents and has been confirmed by the World Health Organization.

1.14. **Epidemic** - an outbreak of contagious disease in a country or region that spreads extensively and quickly, which calls for infection control measures to be applied extensively and has been confirmed by the country`s or region`s authority.

2. WHAT IS INSURED?

2.1. The Insurance Object is the financial interests of the Policyholder due to Loan payment and related to following risks:

2.1.1. Loss of income due to incapacity for work, as specified by Section 3 of the Conditions;

2.1.2. Loss of income due to unemployment, as specified by Section 4 of the Conditions.

INSURED RISKS

3. Incapacity for work

3.1. An **Insurance Event** is considered the loss of income of the Policyholder as a result of sickness during the period of the continuous sick leave validity, if the sick leave has been issued due to illness or bodily injury, excluding the non-Insurance Events, and sick leave is confirmed by a document issued and/or prolonged for the same illness by medical practioner, proving the incapacity of the Policyholder to work for a period which is longer than Deductible period.

3.2. Non-Insurance Events:

3.2.1. For Previous medical condition;

3.2.2. For events when Policyholder is not sick himself/herself (for example, takes care of a sick relative), unless the Policyholder is caring for a sick child up to 18 years old.

3.2.3. Pregnancy or childbirth, except pregnancy complications;

3.2.4. Quarantine, self-isolation;

3.2.5. In cases of Pandemic, Epidemic, except flu and Covid epidemic;

3.2.6. For events related to treatment not appointed by the doctors and/or treatment not recognized by the official medicine or treatment via non-traditional (unrecognized by official medicine) methods;

3.2.7. For events related to plastic-aesthetic surgical operations and prosthetics (including tooth, eye or joint prosthesis), as well as treatment of its complications, excluding cases related to the bodily injury (trauma) which happened during the Insurance Period;

3.2.8. For events for which are not approved by the medical documentation and/or diagnostic tests during the Insurance Period;

3.2.9. For events related to the activity of the Policyholder, which has been assessed as having elements of a deliberate crime or a criminal offense by the investigating authorities or the court;

3.2.10. For events associated with Human Immunodeficiency Virus (HIV, including AIDS), as well as any other mutational variation or changes;

3.2.11. For events directly caused by alcohol, drugs or other prohibited substances consumption;

3.2.12. If the Policyholder informed us about claim event later than mentioned in clause 9.1.

4. Unemployment

4.1. An **Insurance Event** is considered the unemployment of the Policyholder due to:

4.1.1. termination of an Employment on the initiative of the Employer by reducing the number of employees in accordance with Labour law of the Republic of Latvia Section 101 Paragraph 1 Clause 9;

4.1.2. termination of an Employment on the initiative of the Employer in the case of Employer is being liquidated in accordance with Labour law of the Republic of Latvia Section 101 Paragraph 1 Clause 10;

4.1.3. termination of an Employment by mutual agreement based on the initiative of the Employer (by the written proposal, order, etc.) in accordance with Labour law of the Republic of Latvia Section 114, without intention of the Employee;

4.1.4. termination of the Employment at the initiative of an Employee for important reasons in accordance with Labour law of the Republic of Latvia Section 100 Paragraph 5. This condition shall apply only after Employee's resignation has become indisputable or has been deemed justified by a court.

4.2. **Non-Insurance Events:**

4.2.1. The Policyholder becomes unemployed or becomes aware about forthcoming unemployment before the insurance coverage entered into force or during the Initial waiting period;

4.2.2. If the Policyholder and the employer were related, i.e. were close relatives (parents, children, adopted parents and children, guardians (caretakers) and the ones being guarded (taken care of), brothers, sisters, grandparents, grandchildren, stepsons and stepdaughters, daughters-in-law, sons-in-law, spouses, unmarried partners);

4.2.3. The Policyholder is self-employed;

4.2.4. The Policyholder (in LV + Insured person) works in company where he is owner of company (owes 50% or more Shares of company);

4.2.5. Policyholder is using his acquired right for an early (preliminary/advance) retirement (age) pension, or using his acquired right for an old-age pension according to the order specified by legal acts;

4.2.6. If the employment contract is terminated due to the fault of the employee or at employee's request or reasons related to the Insured Person (including health problems) or due to any other reasons than listed in clause 4.1 of the Conditions;

4.2.7. If the Policyholder becomes unemployed at the end of an employment contract, the expiry date of which has been set in advance (fixed-term employment contract);

4.2.8. The Policyholder loses the Employment right in Latvia which is regulated by the law of the Republic of Latvia;

4.2.9. If the Policyholder becomes unemployed during the probationary period, upon termination of the seasonal employment contract, termination of the agreement for additional work or dismissed from a secondary position;

4.2.10. The Policyholder does not have valid unemployment status granted by a competent state institution (State Employment Agency);

4.2.11. The Policyholder lost unemployment status according to the law;

4.2.12. The unemployment was caused by war-like situation, mass unrest (strikes, acts of terrorism, etc.), radiation exposure, radiation or any other nuclear energy exposure, global catastrophes, natural disasters (e.g., earthquakes), also as a result as force majeure;

4.2.13. If the Policyholder informed us about claim event later than mentioned in clause 9.1.

5. POLICYHOLDER AND INSURED PERSON

5.1. The policyholder can be a private person who can conclude an insurance contract to secure his financial interests based on these Insurance Terms and Conditions, if all of the following prerequisites are met:

5.1.1. Permanent residence is in Latvia;

5.1.2. has the Employment in Latvia which is regulated by the law of the Republic of Latvia and who has the statutory right to social benefits in accordance with the laws of the Republic of Latvia under a permanent or fixed term contract concluded for at least 13 months;

5.1.3. on the day when Insurance coverage begins, the financial obligation agreement indicated in the Policy has not less than 12 (twelve) months remaining until the end of the Financial obligation agreement;

5.1.4. at least 18 (eighteen) years old until the age where he/she uses his/her right to old-age pension, including where he/she uses the right to an early pension before the age of old-age pension;

5.1.5. working at least sixteen (16) hours a week by the moment insurance contract is entered into

5.1.6. is not aware of the end of their Employment or the threat thereof by the moment the Insurance contract is entered into;

5.1.7. does not work in a company where he is an owner (holder of at least 50% shares);

5.1.8. is not self-employed.

5.2. The Insurer has a right to refuse concluding the Insurance Contract without indicating the reasons notwithstanding the fact that a person meets the criteria mentioned in clause 5.1. of the Conditions.

6. SUM INSURED

6.1. The Sum Insured is specified in the Policy.

6.2. The Sum Insured is the maximum amount payable for Insurance Events that occurred during the Insurance Period. The Sum Insured may be limited with the amount specified in the clause 10.7. of the Conditions.

6.3. The Sum Insured will decrease by the amount of the paid Insurance Indemnity.

7. CONCLUSION OF THE INSURANCE CONTRACT. BEGINNING OF THE INSURANCE COVER. VALIDITY OF THE INSURANCE CONTRACT. CONDITIONS OF AMENDMENT AND TERMINATION OF THE INSURANCE CONTRACT

7.1. Insurance coverage comes into force from the day determined in the Policy, but not earlier than the first instalment of insurance premium is paid.

7.2. Insurance coverage apart from any other basis specified in the General Insurance Conditions and these Conditions, and unless it is specified otherwise in the Insurance Contract, ends:

7.3.1. In case of the Policyholder's death;

7.3.2. With the receipt of the right for a retirement (old-age pension) or use of the right for early-age pension by the Policyholder.

7.3. To conclude the Insurance Contract, the Policyholder must provide information about the Financial obligation: the contract number, its type, the monthly amount of the credit instalment, the end date.

7.4. Separate Insurance Contract shall be concluded in relation to each Financial obligation agreement.

7.5. Prior expiration of the Insurance Contract term (as defined in the Policy), the Insurer will have a right to send (submit) to the Policyholder a proposal to conclude Insurance Contract for the subsequent Insurance Period, indicating the Terms and Conditions of the new Insurance Contract and the information on how the Policyholder may accept the offer to agree on the insurance offer for the new period.

7.6. Only in the case it is indicated in the Policy, the Insurance Contract may be with automatic renewal option. In such case the Insurer shall deliver the draft of new Policy and related documents to the Policyholder not later than 45 days before the expiry of the Insurance Contract. Sums insured, insurance premium, other insurance conditions may change. The Policyholder has the right to refuse automatic renewal of the Insurance Contract by notifying the Insurer at any time before the expiry of the valid Insurance Contract. Policyholder may opt-out from automatic renewal or refuse to renew the Insurance Contract according to the received new Insurance Proposal by notifying the Insurer via the Insurer`s self-service portal, or via phone 67112222. The Insurer has the right to refuse to renew the Insurance Contract by notifying the Policyholder in writing not later than 1 month before the expiry of the Insurance Contract.

7.7. Notification on the Insurance Event does not relieve the Policyholder from payment of insurance premiums as foreseen in the Insurance Contract. The Policyholder is obliged to notify Insurer not later than in 30 days if there are changes in the end-date of Loan stated in the Financial obligation agreement.
The Policyholder is obliged to inform the Insurer if the Financial obligation Agreement ends during the insurance period.
The Policyholder is obliged to inform the Insurer if h decides to acquire right for an early (preliminary/advance) retirement (age) pension, or use his acquired right for an old-age pension or started work as self – employed.

8. DEDUCTIBLE AND INITIAL WAITING PERIODS

8.1. The duration of Initial waiting period is specified in the Policy. A sickness or unemployment during the Initial waiting period is not considered an Insurance Event.

8.2. The Initial waiting period does not apply to a renewed Insurance Contract (if the same Policyholder, after the end of one Insurance Contract, without a time gap has concluded another Insurance Contract based on these Conditions, including updated versions of the Conditions, adopted by the Insurer after conclusion of the first Insurance Contract, and the Financial obligation agreement remains the same).

8.3. Deductible period is specified in the Policy and is applicable for the Insurance coverage.

9. EVENT NOTIFICATION

9.1. The Policyholder is obliged to inform the Insurer on the event, which can be assessed as an Insurance Event, not later than in 60 (sixty) calendar days from the day of the event, with the exception of cases, whenever it is impossible to do so because of a serious illness (sickness) or open case in the court. In such case should be reported about Insurance Event immediately after the end of the sick leave period or court ruling come in force, but not later than 120 days after Insured event occurred.

9.2. While addressing the Insurer regarding the payment of the Insurance Indemnity the following documents should be provided:

9.2.1. event notification and request to pay the Insurance Indemnity;

9.2.2. A document (for example, copy from Financial institution self-service) confirming the validity of the Financial obligation Agreement, on the basis of which the Insurance policy was concluded;

9.2.3. If requested by the Insurer – other information and documents necessary to confirm the fact of the Insurance Event or to establish the circumstances of the event.

9.2.4. In case of sickness:

9.2.4.1. copy of medical documents (certificates, extracts) of medical institutions specifying the patient's name, ID, date of treatment, description and duration of treatment; diagnosis, anamnesis;

9.2.4.2. a document that confirms sick leave and its period.

9.2.5. In case of unemployment:

9.2.5.1. documents confirming the start of the employment contract (copy of the employment contract without disclosing confidential information) and the termination of the employment contract (which must indicate the date of termination of the employment contract and the reasons for termination of the employment contract, e.g. employment contract, employer's order, certificate from the State Social Insurance Agency or Employment State Agency or employer, etc.).

9.2.5.2. In case termination of an Employment by mutual agreement based on the written proposal provided by the employer to the employee (clause 4.1.3), it is necessary to provide Insurer any written document that proves Employer's initiative to terminate an Employment contract (registered by the company e.g. order, proposal);

9.2.5.3. document of confirmation from state institutions that Insured person has Unemployment status (example: unemployed person's certificate or a reminder to the job seeker supporting the fact that the Policyholder is unemployed);

9.2.5.4. during the period of payments of the Insurance Indemnity, every month a written confirmation that the Policyholder is still unemployed and confirmation about the validity of the Financial obligation Agreement.

9.2.6. Other information or documents required to confirm the fact of the Insured event or to establish the circumstances of the event (if required by Insurer).

10. INSURANCE INDEMNITY PAYOUT

In the case of an Insurance Event, the Insurance indemnities are paid every month during the period of Insurance Event but not longer than 11 (eleven) months.

Insurance Indemnity is paid to the Policyholder by the bank transfer.

The Insurance Indemnity is paid once a month if the Policyholder has provided us the documents confirming the fact that he/she is unemployed, or he/she has sick leave. The Insurance Indemnity is paid within 30 (thirty) days from the end of the Deductible period or from the last payment date.

The amount of the Insurance Indemnity for the previous calendar month is calculated as follows: the amount Monthly Insurance Indemnity is multiplied by the ratio between the calendar days when the Policyholder was unemployed / on sick leave and the number of calendar days in the previous calendar month.

$$P=U/D\times Mb$$, *where*

P*-the amount of Insurance Indemnity for the previous calendar month,*
Mb*-the amount of Monthly insurance indemnity,*
D*-calendar days in the previous calendar month;*
U*-calendar days when the Policyholder was unemployed on sick leave*

The calculated Insurance Indemnity is rounded to the nearest cent.

If the both insured risks occur the Insurance Indemnity is paid for the first occurred risk.

The maximum amount of all Insurance Indemnity for one Insurance Event is 20 000 EUR, regardless of the number of Insurance Contracts concluded with the Insurer according to these Conditions.

The Insurance Indemnity is no longer paid:

If Insurer paid the full The Sum Insured specified in the Policy or maximum sums for the same Policyholder for several Insurance Contracts as foreseen in clause

10.7. of the Conditions;

sick leave (for the same specific illness) to the Policyholder has ended (closed);

the Policyholder loses unemployment status;

the Policyholder dies;

Financial obligation agreement is terminated, ended;

Policyholder has rejected a job offer that matches his/her education, skills, and abilities without good reason.

If the Policyholder has become employed during the current month, the Insurance Indemnity is calculated only for the days when the Policyholder was unemployed.

If the Policyholder gets the right to an old-age pension or uses the right an early pension during the current month, the Insurance Indemnity is calculated only for the days before the right to the pension has been used.

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