

Terms and Definitions

Policyholder – a legal entity or a natural person who has concluded the Insurance Contract in favour of oneself or another person.

Insured – a natural person or a legal entity who is interested not to suffer losses in case of the Insured Risk and in whose favour Insurance Contract has been concluded.

Insured Risk – the event specified in the Insurance Policy that has occurred independently of the Insured person's will and the occurrence of which is possible in the future.

Insurance Premium – the specified payment for the insurance.

Insurable Event – a sudden and unexpected event related to the insured risk upon the occurrence of which an insurance indemnity is provided for in compliance with the Insurance Contract.

Insurance Indemnity – an amount of money payable for the Insurable Event or a compensation of expenses for services to be rendered in accordance with the Insurance Contract.

Coverable Losses – an amount of money payable for the Insurable Event or a compensation of expenses for services to be rendered in accordance with the Insurance Contract before deduction of the deductible.

Deductible – a fixed amount or a percentage from the Sum Insured or losses specified in the Insurance Policy which shall be deducted from the Coverable Losses for each Insurable Event or which shall be covered by the Insured.

Insurance Policy – a document proving conclusion of the Insurance Contract.

Insurance Contract – this insurance contract which includes terms and conditions of the Insurance Contract, and also all amendments and supplements thereof which the Insurer and the Policyholder have agreed upon in writing. The Insurance Contract may be concluded in person or by means of distance communication. In case of choosing means of distance communication, a distance insurance contract shall be concluded.

Distance Insurance Contract – an insurance contract concluded by the Insurer and the Policyholder based on the Insurer's written offer that has been sent to the Policyholder by fax, via internet, or by e-mail (means of distance communication). An electronic printout of insurance policy shall serve as a proof of conclusion of the Distance Insurance Contract.

Coverage Territory of the Policy – the Republic of Latvia, except accident insurance which applies all over the world.

I Property Insurance

1. Insurable objects

The following shall be deemed as insurable objects:

1.1. Buildings (apartments):

Permanently inhabited residential buildings, auxiliary buildings, apartments with built-in engineering networks, equipment, facilities, structural elements that form an integral part of the building (apartment), as well as finished repair and decoration works.

1.2. Possessions:

Furnishings of a building (apartment) and household items belonging to the Insured and his/her family members living together or having a common household, and which are intended for a personal use to satisfy household and cultural needs.

The property is insured at the address specified in the Policy. It can be insured possessions inside the apartment, residential building, auxiliary buildings and belongings which are suitable for using outdoor, in the yard of the insured building. Each item of possessions, the value of which exceeds EUR 3000, shall be listed in the Insurance Policy, but in case such possessions are not listed in the Policy, the maximum Sum Insured per item shall be EUR 3000.

Possessions stored in auxiliary premises of apartment houses (cellars, sheds, storehouses, etc.) assigned for individual use, as well as possessions at the location of a temporary stay (during the travel, business trip, in a street, at work, etc.) are not insured.

2. Insured Risks

2.1. Fire:

2.1.1. fire – unforeseen and uncontrollable burning with open flames. Damage caused to the Insurable Object due to soot, smoke and fire fighting activities, if that has been caused by fire;

2.1.2. lightning stroke – direct effect of lightning on the insured property;

2.1.3. explosion – instantaneous (explosive) chemical transformation of a substance or mixture that causes increased pressure (a shock wave). Explosion of a reservoir shall mean a sudden destructive expression of pressure force when the walls of the reservoir are destroyed to the extent that the pressure within and outside of the reservoir levels off. Sudden levelling of the pressure (implosion) due to low pressure shall not be deemed an explosion;

2.1.4. falling of a controllable aircraft, its parts or cargo carried by it on the insured property.

2.2. Natural disasters:

2.2.1. storm – wind with the speed above 15 m/s;

2.2.2. flood – an overflowing of water on the territory that has run over the boundaries of reservoirs or natural water basins. Overflowing of the territories (places) of a periodical (seasonal) character and where it occurs more than once in 5 years shall not be deemed flood;

2.2.3. hail – direct effect of precipitation in the form of hail stones on the insured property;

2.2.4. continuous snowing – a sudden increase of a snow layer by at least 100 mm in the period of 24 hours if the damages have occurred during snowing;

2.2.5. Earthquake of magnitude of 4 to 6 on the Richter scale. Insurance Indemnity for this risk may not exceed EUR 50 000 during the entire period of validity of the Insurance Policy;

2.2.6. falling of trees, masts and poles that has not been caused by human activities.

2.3. Fluid leakage or steam escape:

2.3.1. a sudden and unforeseen breach or fracture of pipelines, their facilities and equipment except the one caused by frost;

2.3.2. an action taken or failure to act by third parties which has caused fluid leakage or steam escape from internal communication systems of the building;

2.3.3. fluid leakage caused by automatic reaction of correctly operated fixed automatic fire extinguishing systems and equipment;

2.3.4. fluid leakage due to failure of pipelines which branch off the insured building to the main pipeline and supplies water, heating etc. to the insured building.

2.4. Illegal activities of third parties:

2.4.1. burglary – a deliberate, illegal theft, damage or ruin of property if it is committed by third parties by means of illegal entering into locked premises with evident traces of a burglary. Fraud, appropriation, extortion of property shall not be deemed as a theft;

2.4.2. robbery – an attack to the Insured person that is connected with violence or threats of violence and that is dangerous to the life or health with an aim to obtain the insured property;

2.4.3. malicious damage – a deliberate destruction or damage of the insured property;

2.4.4. collision – any direct impact to the insured property caused by any type of a land vehicle, loading or unloading mechanisms due to the activities of or failure to act by third parties.

2.5. In addition the following risks may be insured if they are remarked and specified in the Insurance Policy:

2.5.1. Losses caused to the insured property as a result of such electrical phenomena as indirect lightning stroke, short circuit, overvoltage, overcurrent, and which have not caused the fire.

Insurance Indemnity for this risk shall be paid only once during the period of validity of the Insurance Policy and may not exceed the maximum amount of EUR 1500;

2.5.2. Break of pipelines, their devices and equipment caused by frost. Losses shall be compensated only once during the period of validity of the Insurance Contract and the Insurance Indemnity may not exceed EUR 3500. Losses and damages shall not be indemnified if the building is not permanently inhabited;

2.5.3. Rental expenses of replacement housing for the period of repairs of the damaged property if it is not suitable for living as a result of occurrence of the Insurable Event (for example, fully destroyed due to fire, explosion etc.) by covering rental expenses of no more than EUR 300 per month and no longer than 6 months;

2.5.4. Theft of possessions such as grass cutters, barbecue grill, garden sprinklers, washing line, washing hung out for drying, garden furniture, children prams, and wheelchairs from the territory of the insured private house without traces of a burglary. Insurance Indemnity for this risk may not exceed EUR 1000 during the entire period of validity of the Insurance Policy. Losses shall not be indemnified if the building is not permanently inhabited and the territory of the insured private house has not been fenced;

2.5.5. Losses caused by failure of the storm sewerage built inside the building;

2.5.6. Breakage of the possessions, namely the following glazing and ceramic items – aquarium, sinks, water closet(s), bidet, bath(s), shower enclosure(s) and also kitchen ceramic cooker. Insurance Indemnity for this risk shall be paid only once during the period of validity of the Insurance Policy and may not exceed the maximum amount of EUR 1500;

2.5.7. Compensation of the required expenses to the Insured person after occurrence of an Insurable Event:

- Emergency return from the travel. The maximum limit during the period of validity of the Policy is EUR 400;

- Expenses related to moving to another temporary place of residence. The maximum limit during the period of validity of the Policy is EUR 300;

- Cleaning of premises. The maximum limit during the period of validity of the Policy is EUR 150;

- Expenses related to installing temporary windows, doors and temporary door locks. The maximum limit during the period of validity of the Policy is EUR 150;

- Expenses related to renewal of personal identity documents. The maximum limit during the period of validity of the Policy is EUR 100.

- The total Insurance Indemnity for all above mentioned expenses may not exceed EUR 1000 during the period of validity of the Policy.
The list of Insurable Events is complete and shall not be extended or interpreted otherwise, unless specified in the special terms and conditions of the Contract respectively.

3. Limitations and Exclusions

- 3.1. In accordance with these Regulations the following objects shall not be insured:
- 3.1.1. Illegally built buildings or those being under construction, buildings and structures for the construction of which all the required permits and approvals set by the law and other regulations have not been obtained;
 - 3.1.2. Buildings, constructions and structures being in an emergency state and the property therein;
 - 3.1.3. Unattended and/or unoccupied buildings, constructions and structures and the property therein;
 - 3.1.4. External pipelines that branch off the insured building to the main pipeline, if the Insured person is not an owner of such pipelines;
 - 3.1.5. Indoor plants, forest, separately growing trees, hedgegrows, land, sowings, animals;
 - 3.1.6. Cash, securities, documents, deeds, designs, projects and documentations of the property, models, archives;
 - 3.1.7. Computer programs, data, databases and data storage media;
 - 3.1.8. Guns, munitions;
 - 3.1.9. Motor vehicles subject to registration;
 - 3.1.10. Guest houses and bathhouses intended for public use.
- 3.2. The following objects are not insured, unless agreed otherwise:
- 3.2.1. Constructions – pools, gates, fences, surfacing of yards and territories, sheds, safety walls that are not parts of the buildings, piers;
 - 3.2.2. Equipment and facilities (video surveillance equipment, signboards, advertising facilities etc.) installed in the buildings or premises or next to them that are not integral parts of the buildings;
 - 3.2.3. Glazing and its equipment and design (drawings, engraving, etc.) whose seamless surface area is bigger than 3 m2 , against breaking or cracking caused by the risks listed in Clause 2.2, 2.3 and 2.4 of these Regulations;
 - 3.2.4. Buildings, apartments and premises, construction, reconstruction or rebuilding of which has not fully completed and where interior decoration, plumbing and other construction works are still in process;
 - 3.2.5. Buildings for the construction of which only a metal chimney is used for fireplaces and stoves with the solid fuel;
 - 3.2.6. Permanently unoccupied buildings and possessions therein;
 - 3.2.7. Jewellery, precious metal items, gemstones, paintings, furriery items, icons, unique and particularly valuable or exclusive items, antiques (books, musical instruments, furniture, chinaware, etc. created before 1940) with high artistic value if the Sum Insured exceeds 1% of the total Sum Insured of the possessions and one item cost more than EUR 700,-. The sum insured for Jewellery may not exceed 10.0% of the total sum insured and no more than EUR 5000,-.

4. Exceptions

4.1. Exceptions.

The insurance shall not reimburse the losses incurred as a result of:

- 4.1.1. exposing the property to processing or other processes where fire or heat is used and boiling with an insufficient amount of liquid;
- 4.1.2. overheating, melting or smouldering if such has not been caused by the Insured Risks;
- 4.1.3. explosion caused by guns and other devices where the energy of explosion is deliberately used;
- 4.1.4. blast caused by using substances and equipment the aim of which is to use the energy of explosion;
- 4.1.5. water, hail or snow penetration into building or premises through windows, doors, roof, seams of building, foundations, external walls, drainage pipes and other construction elements of the building, and also from streets, pavements, squares and inner yards;
- 4.1.6. leaving the movable property in the open air unless it is required by the specific use of the property;
- 4.1.7. rising of groundwater and sewage water level or overflowing of water collection systems and roof drainage pipes;
- 4.1.8. accumulation of condensate;
- 4.1.9. leakage of water from engineering networks, except in cases caused by emergency situations;
- 4.1.10. sudden leakages of cooling agents in refrigerators unless they have been caused by the Insured Risks;
- 4.1.11. if no measures have been taken against the entry of third parties into the insurable object (unlocked door, windows etc.);
- 4.1.12. activities by such persons who have concluded rental, hire, lending or other type of contracts of the insurable object or a part thereof with the Insured or the Policyholder which grant the right to use the insurable object;
- 4.1.13. war, invasion, external enemy activity, insurrection, revolution, uprising, military operation or illegally attained power, terrorist activity

and property arrest performed by any state institution of the Republic of Latvia, and due to changes in administrative regulations and legislation;

- 4.1.14. errors or damages caused by microprocessor equipment of any type (computer, technological devices, control systems etc.) and its software and by electric or electronic devices of any type and their insulators due to short circuit or other electric occurrence that has not caused fire. The exception stipulated in this Clause shall not be applicable if according to provisions of Clause 2.5 and 2.5.1 of the Regulations it is marked in the Insurance Policy;
- 4.1.15. malicious intent, gross negligence or criminal activity by the Insured and the Policyholder, as well as their family members;
- 4.1.16. breach of normative regulations, construction standards, regulations on technical operation and fire safety and administrative decisions of the Republic of Latvia by the Insured and the Policyholder, as well as their family members;
- 4.1.17. low-quality works or services performed by the Insured or the Policyholder or persons hired by them;
- 4.1.18. blasting sanctioned by the state or municipal governmental institutions or performed by the Insured;
- 4.1.19. reconstruction, repairs, relocation or reorganisation of the insured property;
- 4.1.20. depreciation, corrosion, wear and tear, testing of the property or due to similar processes;
- 4.1.21. dry and wet rot, mould, fungi or bacteria, insects, worms, rodents or due to effects of other animals;
- 4.1.22. nuclear explosion, radiation or radioactive pollution as well as environmental pollution and poisoning;
- 4.1.23. breach of normative regulations, construction standards, regulations on technical operation and fire safety and administrative decisions of the Republic of Latvia during construction of the building (apartment).

5. Sum Insured

- 5.1. The sum insured shall be defined by the Policyholder and Insurer upon mutual agreement and based on the value of the property. The policyholder shall be responsible for the correspondence of the stated Sum Insured to the value of the property. In case the Sum Insured does not correspond to the value of the property, the conditions of underinsurance or overinsurance shall be applied upon occurrence of an Insurable Event.
- 5.2. The value of buildings, apartments and expenses of the completed repairs shall be set according to:
- 5.2.1. the restoration value which includes restoration expenses required to carry out construction of a building or an apartment to an equal quality and scope as to the moment of concluding the Contract.
 - 5.2.2. the actual value which is the restoration value less the real wear and tear of the object. The actual value shall be applied if the wear and tear is more than 40%, or if the Policyholder wants to insure buildings, an apartment and/or expenses of repair of premises for their actual value.
- 5.3. Possessions may be insured:
- 5.3.1. as per list – the Sum Insured of possessions shall be set in the Insurance Contract according to the list of insurable items prepared by the Policyholder;
 - 5.3.2. according to the total area of habitable premises by specifying the total Sum Insured of possessions. In such case the Insurer shall pay the Insurance Indemnity for specific items or groups of items, not exceeding the following indemnity limits:

No	Group of possessions	Indemnity limit from the total Sum Insured of possessions specified in the Insurance Contract
1	Furniture of any type, piano, grand piano, carpets, interior accessories	27%
2	Domestic appliances and electrical household appliances, household equipment	27%
3	Computer hardware and other electronic equipment, including video, photographic, audio and TV equipment, means of communication, antennas of any type	20%
4	Clothing and its accessories, footwear, bed linen and personal hygiene items	15%
5	Materials in a private household (construction materials for decorative repairs of premises, vehicle spare parts, tools, fuel, corn, fodder)	3%

6	Hobby items, sports equipment	5%
7	Books, dining utensils	1%
8	Jewellery, bijouterie	1% (but no more than EUR 700)
9	Other household items not specified in Clause 1 - 8	1%

6. Obligations of the Insured after occurrence of the Insured Risk

6.1. Insurance claim – if losses are incurred, the Policyholder/ Insured shall immediately report to:

- 6.1.1. the Fire and Rescue Service in case of fire;
- 6.1.2. the respective emergency service in case of explosion;
- 6.1.3. the respective emergency service and/or to the manager (owner) of the building in case of engineering network accident;
- 6.1.4. the Police in case of illegal activities of the third parties;
- 6.1.5. the Traffic Police in case of collision with a motor vehicle.

6.2. The Insured shall immediately, as soon as it becomes possible, inform the Insurer about the occurred event and shall take all possible and reasonable measures to reduce losses.

6.3. The Insured shall submit to the Insurer a special application form in writing within 3 (three) working days following the day when the event took place and shall agree with the Insurer on the time of an inspection of the place of accident. If due to objective reasons it is impossible to submit a written claim in person, then it shall be done by a representative or an authorised person of the Insured or the Policyholder.

6.4. In case the Policyholder/ Insured makes a claim knowing that it is false and fraudulent, the Insurance Contract shall be deemed null and void, and any claim in relation to this Contract shall be refused.

6.5. The Insurer shall be entitled to refuse the payment of the Insurance Indemnity in case the authorities listed under Clause 6.1.1 – 6.1.5 do not confirm the fact of occurrence of the respective risks.

6.6.6 Proof of loss

6.6.1. After the occurred event, until the Insurer has carried out an inspection of the damaged or destroyed object, no elimination of damages or moving, removal or restoration of the object or its parts is allowed without a written consent of the Insurer. It is allowed to take only immediate measures to eliminate any further losses and prevent accidents.

6.6.2. After submission of the claim the Policyholder shall ensure the possibility for the Insurer's representative to perform an inspection of the place of accident and the damaged property, and shall ensure a possibility to carry out investigation to detect causes and extent of any loss.

6.6.3. After inspection of the place of accident the Insurer's representative shall draw up an inspection report of a certain form on the detected damages and shall provide instructions the execution of which shall be compulsory for the Insured. Restoration of the object, moving or removal of any parts thereof shall not be allowed without a written consent of the Insurer.

6.6.4. In case the Insurer fails to perform an inspection within 3 working days following the day when the claim was submitted, the Policyholder shall be entitled to commence elimination of damages and repairs.

6.6.5. The Policyholder/Insured shall have the obligation to prove the fact of occurrence and extent of the loss and provide all verifying information and documents requested by the Insurer.

6.6.6. Information on measurements taken by the Latvian Environment, Geology and Meteorology Centre in the station nearest to the Insurance Object shall be deemed as a confirmation of occurrence of the Insured Risks referred to in Clause 2.2.

6.6.7. If the Insured is entitled to claim compensation of rental expenses of housing in accordance with Clause 2.5.3, the Insured shall submit to the Insurer a tenancy agreement and documents certifying rent payments during the period of elimination of the damages.

6.6.8. Upon the Insurer's request a list of the damaged, stolen or destroyed items shall be provided. The date of purchase, value, description and condition of the item before the occurrence of the Insurable Event shall be included in the list. The Insurer shall be entitled to request documents certifying the purchase of items.

6.7. Consequences of default of obligations by the Policyholder

6.7.1. The Insurer shall be entitled to refuse the payment of the Insurance Indemnity if the Policyholder or the Insured:

- 6.7.1.1. fails to fulfil any of the obligations referred to in Clause 6.1–6.4, 6.5.1–6.5.3, 6.5.5 or 6.5.7 of the Regulations;
- 6.7.1.2. fails to show the remains of the damaged objects, except the cases when they are fully destroyed;
- 6.7.1.3. fails to submit to the Police a list of the stolen or robbed items, or if the Police does not confirm the theft or robbery of particular items.
- 6.7.1.4. in other cases referred to in Section VIII of these Regulations.

7. Calculation of Losses and Insurance Indemnity

7.1. The losses are fixed in the amount which is equal to the difference between the value of the insured property right before and after the Insurable Event.

7.2. The Insurer shall have the right to determine the calculation method of losses according to costs estimate of renovation and repairs that has been made according to the effectual construction standards of the Republic of Latvia or in accordance with the value ratio of certain constructive elements of the damaged object to the Sum Insured of the respective object.

7.3. Complete loss of the Insured Object shall be deemed the event when damages exceed 70% of the object value at the moment of occurrence of the damage.

7.4. If the property has been insured for its restoration value, the Coverable Losses shall be the least restoration expenses required for repair of buildings or an apartment.

7.5. In case the Sum Insured is less than the restoration value of the Insured Object, the Coverable Losses shall be calculated to an equal proportion of the loss as between the Sum Insured and this value.

7.6. If in case of complete loss of a building (apartment) it is not renovated, the loss shall be calculated in the amount of the market value of the building but not exceeding the renovation costs of the building. After commencement of renovation works of the building, revaluation of the assessed losses shall be carried out according to the volume of renovation works completed, and the difference of indemnity shall be paid to the Insured. A decision on the renovation or non-renovation of the building shall be taken by the Insured and it shall be confirmed by a written application.

7.7. Glazing damages are assessed only if the glass has broken, melted or it has cracked along its entire cross-section.

7.8. In case of complete loss of possessions:

7.8.1. Insurance Indemnity shall be calculated in the amount of restoration value without deducting depreciation if possessions have been acquired less than two years ago (less than a year for mobile phones, personal hygiene items and cosmetic products);

7.8.2. Insurance Indemnity shall be calculated in the amount of actual value if possessions have been acquired more than two years ago (more than a year ago for mobile phones, personal hygiene items and cosmetic products) by deducting depreciation starting from the third year (starting from the second year for mobile phones, hygiene items and cosmetic products) which shall be calculated based on the following annual depreciation rates:

No	Groups of items	Annual depreciation rate
1	Furniture, interior accessories	5%
2	Carpets, home textiles, books, construction materials	10%
3	Kitchenware (saucepans, frying pans, etc.)	10%
4	Mechanical sewing machines, knitting machines	10%
5	Musical instruments	10%
6	Furriery items	10%
7	Domestic appliances	15%
8	Gardening, garden furniture, lighting equipment	15%
9	Electronic equipment (video, photographic, audio, TV, etc.)	20%
10	Sports equipment	20%
11	Computer hardware and its accessories, electrical tools (borers, saws, planers, etc.)	25%
12	Clothing, bed linen, accessories, glasses, baby prams	40%
13	Footwear	50%
14	Mobile telephones	50%
15	Personal hygiene items, cosmetic products	100%

For any possessions apart from hygiene items and cosmetic products, the maximums depreciation may not exceed 70% if such item is in a usable condition and is being used on a daily basis.

7.9. When calculating the Coverable Losses, the value of the usable salvage shall be also taken into account.

7.10. Insurance Indemnity shall be calculated by deducting the Deductible of the Policyholder specified in the Policy from the Coverable Losses (the Deductible shall not be deducted if the Insurable Object is damaged as a result of a road traffic accident caused by third

party that is reported in a respective decision of the Road Traffic Police or in the agreed statement);

7.11. As per Insurer's choice, the Insurance Indemnity payout may be as:

7.11.1. payment in cash in order to compensate losses incurred to the Insured as a result of an Insurable Event. In such case the calculated amount of the Insurance Indemnity shall be reduced by the amount of the value added tax;

7.11.2. measures aimed at repair and restoration of the lost and/or damaged property;

7.11.3. replacement of the lost or damaged property with an equivalent one.

II General Third Party Liability Insurance of Natural Persons

Additional Terms and Definitions

Insurable Object – the third party liability of the Insured for losses caused to any third person throughout the period of validity of the Policy as a result of the activity or inactivity of the Insured.

Third Party – any natural person or legal entity (except the Policyholder or the Insured) who has suffered personal injury and/or material damage as a result of an Insurable Event and who is entitled to receive an Insurance Indemnity according to these Regulations.

Losses – harm caused to the health, life or property of the Third Party, the amount of which shall be determined on the basis of a mutual agreement between the Third Party and the Insurer, an expert opinion or a court decision.

Liability Limit – an amount of money specified in the policy in connection with any one Insurable Event and aggregated amount throughout the validity of the Policy, within the limits of which the Insurer shall be liable for indemnification of losses.

Claim – a written application of the Third Party to the Insurer for indemnification of losses.

Insurance Claim – a written application of a certain form submitted by the Insured to the Insurer.

Insurance Indemnity – an amount of money payable by the Insurer to the Third Party in order to compensate losses and settle the claims or complaints brought against the Insured.

Insured – a person whose third party liability is insured and who is specified in the Insurance Policy. The Insured persons are also family members of the Insured – a spouse, dependant minors of the Insured or other persons who have a common household with the Insured and who are specified in the Insurance Policy.

8. Liability of the Insurer

8.1. The Insurer undertakes to indemnify to the Third Parties:

8.1.1. all amounts of money for which the Insured bears civil liability and which are payable to the Third Party to compensate the losses incurred:

8.1.1.1. for bodily injuries (including illness and death) caused to any Third Party;

8.1.1.2. for physical damage or loss of the Third Party's property;

8.1.2.3. costs for settling a claim or complaint not exceeding 10% of the liability limit including legal costs related to the claim against the Insured if the Insurer has accepted in writing legal proceedings before their commencement, even in the event when the court finds the claim to be unjustified.

8.2. The following liability of the Insured shall be insured without a special indication in the Insurance Policy:

8.2.1. liability of an owner of a land, buildings or premises or liability of a tenant;

8.2.2. liability of a pedestrian or a cyclist;

8.2.3. liability in relation to sports activities except auto-racing and motorsport as well as professional sports;

8.2.4. liability of owners of such vehicles or other self-propelled machinery which is not subject to registration according to the procedure stipulated in the legislation of the Republic of Latvia (if the vehicle or machinery was driven by the Insured);

8.2.5. if a loss is caused by a person for which the Insured bears civil liability;

8.2.6. if a loss is caused by a pet for which the Insured bears civil liability.

8.3. Insurance is valid solely with regard to losses which the third party liability is provided for in compliance with the effectual legislation of the Republic of Latvia.

8.4. Exceptions

The Insurer shall not indemnify the following losses:

8.4.1. losses caused by an event before the effectual date of the Policy;

8.4.2. claims for bodily injuries, illness or death of the Insured;

8.4.3. losses caused to property;

8.4.3.1. owned by the Insured;

8.4.3.2. which the Insured works with or which is at his/her disposal, under his/her supervision or control, or which the Insured has taken over, rented, taken for sale, etc.

8.4.4. losses to the property of the Third Parties caused by the force

majeure circumstances;

8.4.5. losses caused by any motor vehicle (or its trailer) intended for the use in the road traffic, or which needs compulsory insurance in compliance with the regulations governing the road traffic if such vehicle belongs to the Insured, or the Insured has rented, leased or driven it.

8.4.6. losses caused by:

8.4.6.1. any ship or water transport vehicle or aircraft owned by the Insured, or the Insured has rented, leased or steered it;

8.4.6.2. loading into or unloading from any such water transport vehicle or aircraft;

8.4.7. losses as a result of professional activity – professional liability;

8.4.8. losses caused by the Insured while doing any kind of business, working in any profession or holding any positions in a public organization, or doing any paid work;

8.4.9. unearned profit;

8.4.10. losses caused by goods manufactured or delivered or services rendered by the Insured or on behalf of it, expenses for discovery and elimination of the said imperfections of goods, loss of profit as a result of the said imperfections (liability for production);

8.4.11. losses caused due to malicious intent, gross negligence or criminal activity by the Insured;

8.4.12. losses caused by spreading of contagious diseases;

8.4.13. losses caused due to malicious intent or gross negligence by the victim herself/himself;

8.4.14. liability which the Insured has undertaken under the Contract, except cases when such liability would have been enforced also without the said Contract, as well as claims regarding delayed fulfilment and compensation of default of contractual obligations;

8.4.15. claims regarding penalty, tax or other payments of any kind;

8.4.16. losses caused by environmental pollution or poisoning, i.e. pollution of air, water or soil;

8.4.17. losses incurred during hunting;

8.4.18. losses caused by ionizing radiation or radioactive poisoning;

8.4.19. losses caused as a result of asbestosis or any other related disease (including cancer) originating from the presence or use of asbestos, asbestos products or products containing asbestos;

8.4.20. losses if the application and documents certifying occurrence of the Insurable Event, its consequences and amount of losses have been submitted later than within 1 (one) year from the moment of occurrence of the Insured Risk.

9. Liability Limits

9.1. The liability limit specified in the Insurance Contract is the limit of the Insurer's liability for each single Insurable Event and also altogether throughout the validity of the Insurance Contract.

9.2. Each single Insurable Event shall be deemed to be all losses arising from a continuous or recurrent effect of the same cause, and they shall be deemed as occurred during the validity of the Contract when the first loss was incurred.

10. Amount of the Insurance Indemnity

10.1. The Insurer shall pay the Insurance Indemnity in the amount corresponding to the actual losses caused to the Third Party in terms of money including court and expert as well as other costs necessary for settlement of the claim or complaint less Deductible of the Insured:

10.1.1. in case of a personal harm, Insurance Indemnity shall be paid in the amount and in accordance with the procedure stipulated in the laws and regulations of the Republic of Latvia, unless it is covered by any other type of compulsory insurance;

10.1.2. in case of material losses, Insurance Indemnity shall be paid in the amount of actual value of the damaged or lost objects – the Indemnity shall be calculated on the basis of actual value of the damaged or lost objects right before the Insurable Event.

10.2. In the event when losses are incurred to several Third Parties and the actual amount of loss exceeds the liability limit specified in the Policy, the Insurance Indemnity shall be calculated for each Third Party proportionally to the extent of losses incurred thereof so that the total payable Insurance Indemnity does not exceed the liability limit specified in the Policy.

11. Conduct of the Parties in Connection with an Insurable Event

11.1. The Insured shall have the obligation to inform the Insurer in writing about:

11.1.1. any claim made or complaint brought against him/her in the court in connection with personal or material damages caused to the Third Parties;

11.1.2. events which could be a potential reason for raising a claim or complaint against the Insured in connection with losses recoverable under this Policy.

11.2. When required, the Policyholder or the Insured shall authorize the Insurer for obtaining all necessary documents or copies thereof as well as for representing the Policyholder's or the Insured person's interests in the court or other institutions. All documents, any claim, summons, subpoena or notice of trial received in connection with the

particular event shall be delivered to the Insurer immediately upon the receipt thereof.

11.3. Neither the Policyholder nor the Insured or any other person on their behalf shall be entitled to express their readiness to accept their fault or effect any payments whatsoever without a written consent of the Insurer. According to these Regulations the Policyholder or the Insured shall assign to the Insurer the right to consider and settle on their behalf any claim or complaint notwithstanding the stage or instance of consideration thereof, as well as to bring the claim or represent the Policyholder's or Insured's interests in the court. The Insurer shall have a carte blanche in the selection of the form and strategy of the claim settlement and it shall be an obligation of the Policyholder or Insured to provide the Insurer with all required information or assistance in the settlement of the case.

11.4. If it is impossible to reach an agreement with the claimant as to the amount of losses the Insurer shall be entitled to request for the engagement of an independent expert. The expert's costs shall be attributed to the losses and indemnified within the limit of liability specified in the Policy.

11.5. Insurance Indemnity shall be paid to the Third Party entitled to indemnity payment, or another payout procedure may be set upon agreement by the parties.

11.6. In order to get an Insurance Indemnity, the following documents shall be filed with the Insurer at the first opportunity but no later than within (1) year after the moment of occurrence of the Insured Risk:
11.6.1. the Insurance Claim of the Insured for indemnity payment;
11.6.2. documents verifying the occurrence of an Insurable event, consequences and the amount of losses thereof.

III Accident Insurance

Additional Terms and Definitions

Insured – an individual specified in the Insurance Policy and in favour of whom the Insurance Contract has been concluded. A person who at the moment of concluding the Contract is under the age of 1 (one) year or older than 79 (seventy nine) years shall not be deemed as the Insured person.

Sum insured – an amount of money specified in the Policy, to the extent of which a person's life, health or physical condition is insured. The amount of the Sum Insured shall be defined by the Policyholder and Insurer upon mutual agreement.

Beneficiary – a natural person or a legal entity who in case of death of the Insured receives the Insurance Indemnity according to the laws and regulations of the Republic of Latvia.

Insurable Event (Accident) – a sudden and unexpected event, independent of the Insured person's will, that has occurred in causal relationship with an effect of an external force, as a result of which harm to the Insured person's life, health or physical state has been caused, and upon occurrence of which payout of the Insurance Indemnity is provided for according to the Insurance Contract.

Insurance Indemnity - the Sum Insured or a part of it, or another amount of money payable for an Insurable Event according to the Insurance Contract.

Accident Insurance Indemnity Calculation Table – a document stipulating the procedure and amount of the payable Insurance Indemnity. It represents an integral part of these Regulations. The Accident Insurance Indemnity Calculation Table is available on the Insurer's website www.gjensidige.lv or at any Customer Service Centre of the Insurer.

12. Insurable Event

12.1. The Insurable Event as a result of which payout of the Insurance Indemnity is provided for, shall be deemed events caused by:

- 12.1.1. traumas with subsequent disorders of anatomical wholeness of tissues and physiologic dysfunctions except pathological fractures;
- 12.1.2. herbal or chemical poisoning except food toxic infections, alcohol or other substance intoxication and usage of narcotic drugs without a doctor's prescription;
- 12.1.3. burns, frostbites, lightning or current impact;
- 12.1.4. weapon related injuries if such effect is not connected with illegal activity by the Insured;
- 12.1.5. accidental ingestion of foreign bodies in respiratory or gastrointestinal tract (for the risk of death);
- 12.1.6. drowning (for the risk of death);
- 12.1.7. anaphylactic shock (for the risk of death);
- 12.1.8. overcooling of a body (for the risk of death);
- 12.1.9. tick-borne encephalitis, Lyme disease;
- 12.1.10. Insurable Events listed in the special terms and conditions.

12.2. Causes referred to in Clause 12.1 of these Regulations shall be deemed as Insurable Events if such have occurred during the validity of the Insurance Contract and their consequences have manifested within 6 (six) months after expiry of the respective Insurance Contract.

13. Exceptions

13.1. Events referred to in Clause 12.1 of the Regulations shall not be

deemed as Insurable Events if such have been caused by:

- 13.1.1. the Insured being under alcohol, drug or psychotropic substance intoxication;
 - 13.1.2. circulatory disorders (including infarction, stroke), psychiatric or mental disorders, loss of memory, cramp or epilepsy attacks or an acute health disorder with the loss of consciousness or cramps;
 - 13.1.3. a suicide or an attempt to commit a suicide;
 - 13.1.4. nuclear accident, nuclear or other explosion and/or radioactive irradiation;
 - 13.1.5. war (both, declared and undeclared), revolutions, mass riots, sabotage, and terror acts;
 - 13.1.6. health disorders related to disability, the existence of which was concealed while concluding the Insurance Contract, and which are the reasons for an accident;
 - 13.1.7. an epidemic;
 - 13.1.8. fulfilment of the Insured person's job duties related to a higher risk than specified in the Policy;
 - 13.1.9. participation of the Insured person in sports activities or competitions;
 - 13.1.10. performing of any action if such action is related to an increased risk of accidents, whereof the Insurer has not been duly informed;
 - 13.1.11. disregard of a doctor's recommendations and/or instructions related to work, rest and treatment;
 - 13.1.12. tick-borne encephalitis except cases when the Insured has got full preventive vaccination against encephalitis in the specified periods of time;
 - 13.1.13. traumas caused as a result of medical manipulations, alternative treatment methods.
- 13.2. Events referred to in Clause 12.1 of the Regulations shall not be deemed as Insurable Events if such have occurred while the Insured:
- 13.2.1. was taking an illegal action regardless of his/her mental, psychic or other unsound condition;
 - 13.2.2. is lawfully arrested or is in custody;
 - 13.2.3. has failed to comply with the effectual legislation or regulations in the territory covered by the Contract, including, driving a car without the driver's licence of a relevant category;
 - 13.2.4. was in active military service (including combatant service in the Home Guard) or was participating in military operations or military drills.

14. Obligations of the Policyholder

- 14.1. The Policyholder shall have an obligation to inform the Insured that he/she is insured, and about the insurance terms and conditions, as well as to ensure the fulfilment of contractual obligations of the Insurance Contract by the Insured.
- 14.2. Upon concluding the Insurance Contract, the Policyholder and the Insured shall have an obligation to provide all information requested by the Insurer about the circumstances which are significant for conclusion of the Insurance Contract.
- 14.3. The Insured or the Policyholder shall have an obligation during the term of validity of the Insurance Contract to inform the Insurer in writing within 30 days about the changes of the Insured person's profession, occupation and other circumstances that may increase the Insured Risk.
- 14.4. The Insured shall have an obligation to comply with the road traffic, fire safety, labour safety and other regulations.
- 14.5. The Policyholder, the Insured, as well as legal heirs of the Insured shall have an obligation to prove the fact and consequences of an accident, as well as to provide all information and documents requested by the Insurer verifying occurrence of the accident.
- 14.6. The Insured and the Policyholder shall have an obligation to familiarize themselves with the Accident Insurance Indemnity Calculation Table which constitutes an integral part of these Regulations.

15. Conduct of the Parties upon Occurrence of an Insurable Event

- 15.1. After occurrence of an Insurable Event the Insured shall take all possible measures to get proper emergency assistance and certificated medical aid as soon as possible.
- 15.2. The Policyholder or the Insured/his/her representative shall inform the Insurer about each single Insurable Event immediately at the first opportunity but no later than within 30 (thirty) days from the occurrence of the Insurable Event, and shall send by registered mail or shall submit to the Insurer in person the following documents:
 - 15.2.1. a specific application;
 - 15.2.2. a copy of the Insurance Policy;
 - 15.2.3. documents certifying the fact of an accident (a statement from the medical institution, in case of need x-ray images, a copy of a death certificate, a statement of an occupational accident, etc.);
 - 15.2.4. upon the Insurer's request, the Insured shall submit additional documents required for making a decision on Insurance Indemnity which prove that trauma has been caused by an accident (opinions of the medical examination, outpatient medical records and/or a hospital discharge report);
 - 15.2.5. along with the application form the Insured (or the Insured person's representative) shall present a passport or any other personal identification document;

15.2.6. a power of attorney authorising the Insured person's representative to perform all required actions in order to receive the Insurance Indemnity (the original or a notarized copy).

15.3. The Insurer shall be entitled to request originals of all documents listed above.

15.4. The Insurer shall be entitled to carry out medical examination of the Insured by engaging the necessary experts at its own expense with a purpose to determine the harm caused to health of the Insured as a result of occurrence of the Insurable Event.

15.5. If the Insured (his/her representative) disagrees with the conclusions of the experts engaged by the Insurer, he/she shall be entitled to engage independent experts at his/her own expense.

16. Amount and Receipt of the Insurance Indemnity

16.1. The Insurer shall calculate the Insurance Indemnity according to the procedure and extent stipulated in the Accident Insurance Indemnity Calculation Table.

16.2. Insurance indemnity shall be paid to the Insured but in case of death of the Insured it shall be paid to legal heirs of the Insured in accordance with the procedure and terms stipulated in the legislation of the Republic of Latvia.

16.3. The Insurer shall be entitled to refuse the payment of the Insurance Indemnity if the harm caused to the Insured does not correspond to the Insured Risk or is not listed in the Accident Insurance Indemnity Calculation Table.

IV Validity Period and the Effective Date of the Insurance Contract

17. The period of the Insurance Contract shall be the period of validity specified in the Insurance Policy.

18. The Contract shall come into effect on the next day following the payment of the Insurance Premium or its first instalment, unless specified otherwise in the Policy.

V Payment of the Insurance Premium

19. The amount of the Insurance Premium shall be defined independently by the Insurer based on the effectual rates set by the Insurer for the particular type of insurance.

20. The Policyholder shall have an obligation to pay the Insurance Premium within the term specified in the Insurance Contract.

21. The Insurance Premium shall be paid as a single payment for the entire period of validity of the Insurance Contract, unless specified otherwise in the Insurance Contract.

22. If upon conclusion of the Insurance Contract the Insurer grants the Policyholder the right to pay the Insurance Premium specified in the Insurance Contract by instalments:

22.1. the Policyholder shall have an obligation to comply with the payment schedule stipulated in the Insurance Contract;

22.2. in case of violating the payment schedule of the Insurance Premium, insurance is suspended and the Insurer shall send to the Policyholder a written notification with a request to pay the respective part of the Premium by a certain date. If the Insurance Premium is not paid within the term and to the extent specified in the notification, the Insurer shall be entitled to terminate the Insurance Contract;

22.3. the Insurer shall be entitled to deduct the outstanding parts of the Insurance Premium from the Insurance Indemnity payable in accordance with the respective Insurance Policy.

23. The Policyholder shall be entitled to pay the Insurance Premium in cash or by a bank transfer. If the Insurance Premium is paid by a bank transfer, the date of payment shall be deemed the date when it has been transferred to the bank account of the Insurer.

24. If the Insurance Premium or its first instalment is not paid within the term set in the policy, the Insurance Contract shall be deemed null and void as of the moment of its conclusion.

VI Early Termination of the Insurance Contract

25. The Insurance Contract may be terminated before the term of its expiry in case:

25.1. as a result of occurrence of an Insurable Event the Insurance Indemnity is paid in full amount of the Sum Insured;

25.2. upon mutual agreement by the Parties;

25.3. in other cases provided for in these Regulations, the special terms and conditions of the Insurance Contract and the legislation of the Republic of Latvia;

25.4. the Insurance Contract is a Distance Insurance Contract and the Policyholder has exercised its right of withdrawal and has unilaterally withdrawn 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 entire Insurance Contract shall become null and void with regard to the entire Insurable Object on the date of sending the Policyholder's notice of withdrawal, and the Insurer shall refund that part of the Insurance Premium which is calculated by deducting the respective part of the Insurance Premium corresponding

to the actual period of validity of the Insurance Contract from the paid Insurance Premium.

26. In case of property insurance, if during the validity of the Contract an indemnity for any Insurable Object (a group of possessions) has been paid in full amount of the Sum Insured, the Insurance Contract is subject to early termination in respect to such Insurable Object (a group of possessions).

27. In all cases of early termination or cancellation of the Insurance Contract (except as stipulated in Clause 25.4) the Insurance Premium paid by the Policyholder shall not be refundable, unless specified otherwise in the special terms and conditions of the Insurance Contract and in the effectual legislation of the Republic of Latvia.

VII Decision regarding Insurance Indemnity Payment and Payout of the Insurance Indemnity

28. The Insurer shall make a decision on the payment of or a refusal to pay the Insurance Indemnity within 1 (one) month following the day of receipt of all required documents. If due to objective reasons the Insurer is unable to comply with this term, the Insurer may prolong it for the period of up to 6 (six) months from the date when an insurance claim was received, informing the person entitled to receive the Insurance Indemnity in writing thereof.

29. If in connection with the Insurable Event an administrative or a criminal case is initiated against the Policyholder, the Insured or Third Party, the Insurer shall take a decision on the payment of Insurance Indemnity only after receipt of the court judgement or decision, legally having entered into force, on termination of the criminal case.

30. Upon agreement of the parties, before a complete calculation of losses is carried out, the Insurer may pay out a part of the Insurance Indemnity to the extent that is not contested by either of the parties.

31. The Insurance Indemnity payment shall be made within 5 (five) days following the day of passing a decision.

32. The Insurance Contract, under which the Insurance Indemnity is paid, shall remain in force until the end of the term specified in the Policy in the amount of the difference between the Sum Insured specified in the Insurance Contract and the amount of the Indemnity paid.

VII Rights of the Insurer to Refuse and Reduce the Insurance Indemnity

33. The Insurer shall be entitled to refuse payment of the Insurance Indemnity:

33.1. if the Policyholder (or the Insured) fails to fulfil any of the obligations provided under these Regulations with a malicious intent or due to gross negligence;

33.2. if upon conclusion of the Insurance Contract or during its validity period or after the occurrence of the Insurable Event the Policyholder, the Insured, the owner or the user of the Insurable Object, with a malicious intent or due to gross negligence, provides false information or refuses to submit the information requested by the Insurer. In such case the Insurer shall be entitled to terminate the Insurance Contract;

33.3. if the Insured, the Beneficiary or the Policyholder has provided incomplete or false information about an Insurable Event or the circumstances of its occurrence, or has failed to submit the required documents and a written claim for Insurance Indemnity within 30 (thirty) days;

33.4. if the harm caused to the Insured is not listed in the Accident Insurance Indemnity Calculation Table;

33.5. in other cases referred to in these Regulations.

34. The Insurer shall be entitled to reduce the Insurance Indemnity by up to 50% if the Policyholder/ Insured has failed to fulfil obligations provided under these Regulations as a result of minor negligence.

IX Subrogation Claim

35. The payment of the Insurance Indemnity entitles the Insurer to raise a subrogation claim against the person whose action or failure to act has caused the occurrence of an Insurable Event and losses to the insured property.

X Final Provisions

36. The Insurer shall be entitled to set additional conditions and limitations of liability, agreeing thereupon with the Policyholder in advance.

37. In all other cases not specified in these Regulations or the special terms and conditions of the Insurance Contract, the Parties agree to follow the law "On Insurance Contract" and other legislation of the Republic of Latvia in governing mutual relations.

38. All disputes arising from this Insurance Contract shall be settled by means of negotiations. Should the Parties are unable to resolve the dispute by means of negotiations, they shall be subject to the court procedure provided for in the effectual laws and regulations of the Republic of Latvia as per jurisdiction of the civil case.