



Purchase Insurance Terms and Conditions No. 5.5/1

1. Terms and Definitions

- 1.1. **Insurer** — ADB "Gjensidige" Latvian branch.
- 1.2. **Policyholder** — a legal entity or a natural person who has concluded Insurance Contract in favour of oneself or another person.
- 1.3. **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.
- 1.4. **Related Person** — employees, family members or persons of the Insured or the Policyholder with whom the Insured or the Policyholder has a common household or persons who have signed an agreement of lease, rent, lending, loan or any other type of agreement of the insured property or any part thereof with the Insured or the Policyholder that entitles to use the insured property, as well as the custodial services agreement. The family members of the Insured or the Policyholder shall be considered: a spouse, close relatives and in-laws up to the third level in regard to close relatives and the second level to in-laws, the members of foster families, guardians and wards.
- 1.5. **Third Person** — any individual or a legal entity, except persons who have concluded this Insurance Contract, related persons or persons who have liabilities with regard to the execution of the provisions of this Insurance Contract.
- 1.6. **Insured Object** — goods (possessions) specified in the Insurance Policy and appendix thereof.
- 1.7. **Sum Insured** — an amount of money to the extent of which the property is insured.
- 1.8. **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.
- 1.9. **Insurance Premium** — the specified payment for the insurance.
- 1.10. **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.
- 1.11. **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.
- 1.12. **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.
- 1.13. **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.
- 1.14. **Insurance Policy** — a document proving conclusion of the Insurance Contract.
- 1.15. **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.
- 1.16. **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.
- 1.17. **Public Place** — streets, squares, stadiums, parks, public gardens, beaches, public transport, and also state and municipal institutions, exhibitions, museums, trade centres, public catering places, sports, leisure and any other similar places or institutions where people are allowed to enter, spend time or do activities during their opening hours.
- 1.18. **Seller of Goods** — a merchant registered in the Republic of Latvia where the Policyholder has purchased the Insured Object.

- 1.19. **Underinsurance** — when the Sum Insured is less than the value of the Insured Object.
- 1.20. **Overinsurance** — when the Sum Insured exceeds the actual value of the Insured Object.

2. Insured Risks

- 2.1. **Risk of damage** — any sudden and unexpected event of physical damage of the Insured Object, having regard of exceptions stated in these Regulations below. One Insurable Event shall be deemed as all losses incurred as a result of one event and due to the same cause.
- 2.2. **Risk of theft:**
 - 2.2.1. theft of the Insured Object — deliberate and unlawful appropriation of other person;
 - 2.2.2. robbery of the Insured Object — an attack to the Insured or their Related Persons 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 Object.

3. Insured Object and Validity of the Insurance Contract

- 3.1. The Insured Object is new domestic appliances, communication equipment, electric equipment, electronic equipment or any other goods directly related to their use, home heating equipment, plumbing equipment, furniture, gardening equipment, or musical equipment purchased from the Seller of Goods in the Republic of Latvia and intended for the use by the Policyholder, Insured or Related Persons or for the needs of their families or households.
- 3.2. In accordance with these Regulations the following objects shall not be insured: motor vehicles, water transport and aircrafts, their engines, equipment, spare parts or accessories, handheld tools, food, alcohol or tobacco products, plants, animals, birds, construction materials, tourism and entertainment goods, clothing and garment accessories, cosmetic and hygiene products, jewellery, gemstones, precious metal products, stamps, art or equivalent articles, furriery articles, pictures, icons, dishes, hunting weapons, munitions, fishing equipment, solar batteries, wind generators, software, articles purchased for resale, professional or commercial purposes.
- 3.3. The Insurance Contract shall be valid throughout the territory of the Republic of Latvia.
- 3.4. If due to Insurable Event the Insured Object is replaced with a new object, this Insurance Contract shall be terminated before expiry of the Insurance Contract and a new Insurance Contract shall be concluded in order to insure the new insurable object.

4. Exceptions

- 4.1. **The following losses shall not be insured which have been incurred as a result of:**
 - 4.1.1. 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;
 - 4.1.2. nuclear explosion, radiation or radioactive pollution as well as environmental pollution and poisoning;
 - 4.1.3. influence of asbestos or its compounds;
 - 4.1.4. malicious intent, gross negligence or criminal activity by the Insured and/or the Policyholder, and/or their Related Persons;
 - 4.1.5. using the Insured Object for purposes other than those intended and/or violating the manufacturer's instructions;
 - 4.1.6. depreciation, vibration or corrosion of the Insured Object, or due to the influence of dry and wet rot, mould, fungi or bacteria, insects, worms, birds or animals;
 - 4.1.7. fraudulent appropriation of the Insured Object after it has been voluntarily transferred to third persons;
 - 4.1.8. theft or robbery of the Insured Object, or unlawful activity by third persons if the police has not been immediately informed in writing thereof;



- 4.1.9. leaving the Insured Object unattended in public places, unoccupied or unattended buildings, auxiliary buildings, structures or premises, vehicle, or unlocked premises (unlocked doors, windows, etc.);
- 4.1.10. internal damages of the Insured Object during the period of validity of the Insurance Contract. An internal damage shall be deemed a damaged not affected by external factors (i.e. water, fire, third person, Insured, etc.);
- 4.1.11. if the Insured has failed within 3 (three) business days or at first opportunity after occurrence of the Insurable Event, to inform the Insurer thereof as per procedure stipulated in these Regulations;
- 4.1.12. the Insured person's action under the influence of alcohol, drugs or psychotropic substances.
- 4.2. **The Insurer shall not be obliged to compensate losses:**
- 4.2.1. which manifest as natural wear and tear, ageing or corrosion of the Insured Object or any part thereof, including visual damages (also scratches on the surface) of the Insured Object related to everyday use and not affecting its normal performance;
- 4.2.2. stains caused as a result of everyday use of the Insured Object;
- 4.2.3. related to assembly, dismantling and transportation of the Insured Object;
- 4.2.4. which in accordance with the public laws and contractual liabilities effectual in the territory of the Republic of Latvia the manufacturer, supplier or repairer shall be held liable for during the period of warranty;
- 4.2.5. which may be compensated under another insurance contract;
- 4.2.6. which have been caused to the Insured Object before the Insurance Contract entering into force;
- 4.2.7. the circumstances of which may not be determined (e.g. time, place, etc.);
- 4.2.8. in case the police does not confirm information about theft or robbery of the Insured Object, or its damage caused by unlawful actions by third persons;
- 4.2.9. caused as a result of fraud, appropriation or extortion of the Insured Object;
- 4.2.10. if the Policyholder or the Insured has informed the Insurer about occurrence of an Insurable Event knowing that such statement is false and fraudulent;
- 4.2.11. if the Policyholder or the Insured has deceived the Insurer about circumstances or extent of losses of the Insurable Event with a malicious intent or due to gross negligence.
- 4.3. In case contradictions arise between provisions of Clause 4 of these Regulations and provisions of other clauses of the Insurance Contract, the provisions of Clause 4 of the Regulations shall prevail.
- 6.1.3. immediately at the first opportunity to inform the Insurer about occurrence of the Insurable Event and to submit in person to the Insurer a specific claim application form or to report the Insurable Event by completing a claim application through the Insurer's website within three business days after occurrence of the Insurable Event. If due to objective reasons it is impossible for the Insured 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;
- 6.1.4. after occurrence of the Insurable Event to take all possible and reasonable measures to reduce further losses to the Insured Object;
- 6.1.5. to prove the fact of occurrence and extent of the loss incurred to the Insured Object and provide all verifying information and documents requested by the Insurer;
- 6.1.6. to provide the Insurer and police with all available information about the person responsible for causing losses to the Insured Object;
- 6.1.7. after occurrence of the Insurable Event, to request and submit to the Insurer a statement of defects of the Insured Object issued by a repair company approved by the Seller of Goods, which states the cause of damages to the Insured Object and includes also a calculation of costs required for elimination of damages.
- 6.2. **Upon Insurer's request, the Insured shall have an obligation:**
- 6.2.1. to show the damaged Insured Object to the Insurer;
- 6.2.2. to submit purchasing documents of the Insured Object to the Insurer;
- 6.2.3. to submit photos of the damaged Insured Object to the Insurer showing the detected damages;
- 6.2.4. to submit all information requested by the Insurer and related to the particular Insurable Event;
- 6.2.5. within 30 (thirty) calendar days to refund Insurer the paid insurance indemnity if new circumstances have been found out due to which insurance indemnity would not be payable (or might be reduced) in accordance with provisions of the Insurance Contract;
- 6.2.6. to hand the salvage of the Insured Object over to the Insurer in case repair of the Insured Object is economically unjustifiable and the Insurer has made a decision of compensating losses caused to the Insured Object.

5. Sum Insured

- 5.1. The Sum Insured is the acquisition value of the Insured Object as specified in the insurance policy. In case, as to the date of the Insurance Contract coming into effect, the Sum Insured does not correspond to the actual or acquisition value of the Insured Object, the conditions of underinsurance or overinsurance shall be applied upon occurrence of an Insurable Event in accordance with the law "On Insurance Contract".

6. Obligations of the Insured

- 6.1. **The Insured shall have an obligation:**
- 6.1.1. to handle the Insured Object with due care and diligence of a careful owner by taking all measures to prevent its deliberate damage;
- 6.1.2. in case of damages caused to the Insured Object as a result of theft or robbery of the Insured Object, or unlawful actions by third persons, to inform the police immediately in writing thereof;

7. Insurance Indemnity, Its Calculation, Procedure and Terms of Indemnity Payment

- 7.1. The Insurer shall make a decision on the payment of or a refusal to pay the Insurance Indemnity as soon as possible but no later than within 30 (thirty) days following the day of receipt of all necessary documents including those requested by the Insurer, unless specified otherwise in the Insurance Contract.
- 7.2. If a criminal case is initiated in connection with damaging or destroying the Insurable Object, the Insurer shall be entitled to make a decision on payment of the Insurance Indemnity only after completion of investigation or coming into force and submission of a court judgement or decision on termination of the criminal case to the Insurer.
- 7.3. Upon occurrence of the risk of damage stipulated in these Regulations, an inspection of the Insured Object shall be carried out in order to assess whether the damage to the Insured Object has been caused as a result of occurrence of the Insured Risk and whether repair of the Insured Object in the particular case is economically justifiable. Repair of the Insured Object shall be deemed economically justifiable if repair costs do not exceed the Sum Insured, and economically unjustifiable if they exceed the Sum Insured.
- 7.4. If repair of the Insured Object is economically justifiable, Insurance Indemnity shall be calculated in the amount of repair costs minus Deductible.
- 7.5. If repair of the Insured Object is economically unjustifiable or the risk of theft stipulated in these Regulations has occurred, Insurance Indemnity shall be calculated in the amount of Sum Insured minus the total amount of previous Insurance Indemnities paid for the Insured Object, and minus Deductible.



- 7.6. The Insurer shall have the right to replace the Insured Object with a new equivalent object, the value of which does not exceed the Sum Insured.
- 7.7. The Insurer shall have the right to take over the salvage of the Insured Object in case repair of the Insured Object is economically unjustifiable and the Insurer has made a decision of compensating losses caused to the Insured Object.
- 7.8. Insurance Indemnity payable for each Insurable Event may not exceed the Sum Insured minus Deductible. The total amount of Insurance Indemnities payable (as per the Insurance Contract) may not exceed the Sum Insured.

8. Validity Period and Effective Date of the Insurance Contract

- 8.1. The Insurance Contract shall be valid 12 months from the date of buying an insurance policy.
- 8.2. 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.

9. Payment of the Insurance Premium

- 9.1. 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.
- 9.2. The Policyholder shall have an obligation to pay the Insurance Premium within the term specified in the Insurance Contract.
- 9.3. 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.
- 9.4. 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.
- 9.5. If the Insurance Premium 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.

10. Early Termination of the Insurance Contract

- 10.1. The Insurance Contract may be terminated before the term of its expiry in case:
 - 10.1.1. as a result of occurrence of the Insurable Event, an Insurance Indemnity is paid which is calculated based on the fact that repair of the Insured Object is economically unjustifiable in the particular case or the Insured Object is replaced with a new one;
 - 10.1.2. upon mutual agreement by the Parties;
 - 10.1.3. 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 becomes invalid with regard to the whole Insured Object on the date of sending the Policyholder's notice of withdrawal. The Insurer shall refund the Policyholder that part of the received Insurance Premium payment which is calculated proportionally to the actual period of validity of the Insurance Contract comparing it to the period of validity specified in the Insurance Contract;
 - 10.1.4. in other cases provided for in these Regulations, the special terms and conditions of the Insurance Contract and the effectual legislation of the Republic of Latvia.
- 10.2. In all cases of early termination or expiration of the Insurance Contract (except as stipulated in Clause 10.1.3) 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.

11. The Insurer's Rights to Refuse and Reduce the Insurance Indemnity

- 11.1. The Insurer shall be entitled to refuse payment of the Insurance Indemnity:
 - 11.1.1. 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;
 - 11.1.2. if upon conclusion of the Insurance Contract, during its validity period or after incurring losses 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;
 - 11.1.3. in other cases stipulated in these Regulations.

12. Change of the Owner

- 12.1. In case of change of the owner of the insured item and if no other agreement with the Insurer exists thereof, the Contract shall be terminated as of the moment when the insured item is handed over to its new owner.

13. Term of Submission of Complaints

- 13.1. The Insurer shall accept complaints made by the Policyholder in regard to this concluded Insurance Contract within the period of one year starting from the day when the Insurer has made a decision on the payment of the Insurance Indemnity or a refusal to pay the Insurance Indemnity.

14. Regress Claim

- 14.1. As of the moment of the receipt of the Insurance Indemnity the Insured shall transfer to the Insurer his/her right of claim against the person responsible for loss or damage in the amount of the paid indemnity.

15. Recovery of the Insurance Indemnity Paid

- 15.1. In case the Insured has retrieved the stolen or robbed property that has been insured, he/she shall have the obligation to inform the Insurer immediately and no later than within the period of 1 (one) month from the moment of retrieval to pay back the received Insurance Indemnity to the Insurer.
- 15.2. In case of default of obligations stipulated in Clause 15.1, the Insured shall have an obligation no later than within the period of 1 (one) month following the expiry of the above mentioned period to hand over the retrieved Insured Object to the Insurer.

16. Final Provisions

- 16.1. The Insurer shall be entitled to set additional conditions and limitations of liability, agreeing thereupon with the Policyholder in advance.
- 16.2. 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.
- 16.3. All disputes arising from this Insurance Contract shall be settled by means of negotiations. Should the Parties fail to come to an agreement, the disputes shall be subject to the procedure provided for in the effectual laws and regulations of the Republic of Latvia as per jurisdiction of the civil case.
- 16.4. In case of discrepancy or ambiguity of this regulation between the Latvian language text and foreign language, the Latvian language text shall prevail.