



# Terms and Conditions for Purchase and Warranty Insurance No. 5.2/1

## 1. Terms and definitions

- 1.1. **Insured** — a natural person or a legal entity who is interested not to suffer losses in case of the Insured Risk and in favour of whom the Insurance contract has been concluded.
- 1.2. **Insured's family members** — spouse (partner), parents (adoptive parents), grandparents, children (adopted children) and their spouses, grandchildren, brothers, sisters, mentors, and mentees, etc. constantly living together and having a common household.
- 1.3. **Deductible** — a fixed amount or a percentage from the sum insured or losses specified in the insurance contract and/or certificate that is deducted from the coverable losses for each insurable event.
- 1.4. **Policyholder** — a person who has concluded an Agreement on Purchase Insurance for his/her own or another person's benefit.
- 1.5. **Insurer** — ADB "Gjensidige" Latvian branch.
- 1.6. **Insurance coverage period** — period of validity of the insurance coverage specified in the insurance policy and/or certificate.
- 1.7. **Sum Insured** — a sum of money specified in the insurance policy and/or certificate which was paid for the purchase.
- 1.8. **Insured Risk** — an event specified in the Insurance Contract that is beyond the control of the Insured and is likely to occur in the future.
- 1.9. **Insurable Event** — an event that is causally related to the Insured Risk, upon occurrence of which the Insurance Indemnity payment is envisaged under the Insurance Contract.
- 1.10. **Insurance Value** — Purchase value expressed in money which, at the moment of concluding the contract, is equal to purchasing price of the Purchased Item and in case of an insured event is equal to the price of an analogical new item.
- 1.11. **Manufacturer's warranty** — free of charge warranty service for the Purchased Item provided by the manufacturer and/or purchase seller which the Insured may use during the period set by the manufacturer and/or seller of the Purchased Item.
- 1.12. **Purchased Item** — an item specified in the Insurance Policy, its annex and/or Certificate.
- 1.13. **Defect of Purchased Item** — internal defect specified in the manufacturer's warranty which occurred suddenly and unexpectedly during the insurance coverage period specified in the Insurance Policy and/or Certificate.
- 1.14. **Seller of Purchased Item** — selling company registered in the Republic of Latvia from where the Policyholder or the Insured bought the item.
- 1.15. **Insurance Contract** — this Insurance Contract which includes terms and conditions of the Insurance Contract, Insurance Policy and/or Certificate, as well as 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 the 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). Electronic printout of an Insurance Policy and/or Certificate shall serve as a confirmation of concluding a Distance Insurance Contract.
- 1.17. **Certificate** — a document issued to the Insured which confirms that the insurance coverage entered into force under Terms and Conditions specified in the Insurance Contract. The Certificate shall constitute an integral part of the Insurance Contract.
- 1.18. **Insurance Policy** — a document that confirms conclusion of the Insurance Contract and includes Terms and Conditions of Insurance, as well as all amendments and supplements to the Insurance Contract, upon which the Insurer and Policyholder have agreed in writing during the period of validity of the Insurance Contract.

- 1.19. **Related Persons** — Policyholder's or Insured's family members, employees or other persons with whom the Policyholder or Insured has concluded a renting, loan, storing service or another contract on the insured property or any of its part upon which they obtain the right to use the insured property.
- 1.20. **Third Parties** — any persons other than the Insurer, Policyholder, Insured and Related Persons.
- 1.21. **Public Space** — streets, squares, stadiums, parks, public gardens, beaches, public transport, as well as state and local government institutions, exhibitions, museums, shopping centres, public gathering places, sports, entertainment and similar centres or institutions.

## 2. Insurance object and insured property

- 2.1. Insurance object is proprietary interests related to the insured item which suffers damage in case of an insurable event. Purchase insurance may be applied to durable goods (e.g. household appliances, communication equipment, electronic equipment, etc.) which the Insured purchased from the Seller of the Purchased Item and which will be used to meet household, cultural or economic needs of the Insured and/or the Related Persons.
- 2.2. According to these Terms and Conditions, the following are not insured: cars, water vehicles and aircraft, their engines, spare parts, food, alcohol and tobacco products, plants, animals, birds, building materials, clothing and accessories, cosmetics and hygiene products, jewellery, precious stones, products from precious metals, stamps, works of art or their equivalent goods, products from fur, paintings, icons, utensils, hunting weapons, ammunition, fishing equipment, solar panels, wind generators, software, goods for resale, items with shorter than 365 (three hundred and sixty-five) days of the original manufacturer's warranty.

## 3. Territory of validity of the insurance coverage

- 3.1. Insurance coverage for the Purchased Item specified in the Insurance Policy and/or Certificate is valid all over the world.

## 4. Insured risks

- 4.1. The Purchased Item shall be only insured against those insurable risks that are specifically noted in the Insurance Policy and/or Certificate. If an insurable risk is not noted in the Certificate, it is not insured.
- 4.2. **Insured risks:**
  - 4.2.1. **Damage of a Purchased Item or its part** — any sudden or unexpected event which took place within the coverage period specified in the Insurance Policy and/or Certificate in the result of which the insured item has been damaged, except for the uninsured events specified in Clause 6 as non-reimbursable and events which are subject to the manufacturer's warranty.
  - 4.2.2. **Distraction of a Purchased Item** — any sudden or unexpected event which took place within the coverage period specified in the Insurance Policy and/or Certificate in the result of which the insured item has been totally destructed or damaged so that it is economically to repair it, except for the uninsured events specified in Clause 6 as non-reimbursable and events which are subject to the manufacturer's warranty.
  - 4.2.3. **Theft of a Purchased Item:**
    - 4.2.3.1. **Burglary** — entering a building, premises or another locked object by breaking into it, i.e. by illegally overcoming the obstacles installed in order to prevent entering the object by third persons (e.g. breaking a door, a window, glass, etc.) or using counterfeit or stolen keys, or tools used for stealing of items without getting into the building, premises or another locked building.
    - 4.2.3.2. **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.



4.2.4. **Extended warranty for the Purchased Item** — any defect of the Purchased Item specified in the manufacturer's warranty which arose suddenly and unexpectedly during the insurance coverage period, except for uninsured events and non-reimbursable loss specified in Clause 6.

## 5. Reimbursable loss

- 5.1. Loss caused to the Purchased Item shall be reimbursed in accordance with the reimbursement method specified in the Insurance Policy and/or Certificate.
- 5.2. Methods of loss reimbursement:
- 5.2.1.1. **Replacement of the Purchased Item by a new one** — in case of a Purchased Item warranty defect, loss or theft, the Insurer shall reimburse losses incurred by purchasing a similar or analogous item.
- 5.2.1.2. **Repair of the Purchased Item** — in case of a Purchased Item warranty defect or damage, the Insurer shall reimburse the expenses of the Purchased Item repair necessary to return it to the state it had before the insured event. If the reimbursement method specified in the Certificate is "Repair of the Purchased Item" but the repair is economically unjustified or impossible, or if the total costs of repairs of the Purchased Item during the insurance period exceeds the Sum Insured, the Insurer shall reimburse the occurred losses by purchasing an article which is similar or analogue to the Purchased Item.
- 5.3. **Additionally to the losses as specified above**, the Insurer shall reimburse the expenses of transportation of a Purchased Item with the weight exceeding 10 kg to repair/sales company, identification of the cause of damage and return of the Purchased Item to the Policyholder in the territory of the country where the Purchased Item was bought.

## 6. Exceptions

- 6.1. The Insurer shall not reimburse losses for damage, destruction or loss of the Purchased Item occurred due to:
- 6.1.1. Earthquake
- 6.1.2. Long-term accumulation of water or steam condensation
- 6.1.3. Exposure to water used for washing or cleaning
- 6.1.4. Theft without signs of breaking or theft from unprotected premises (e.g. unlocked premises or premises with open windows left)
- 6.1.5. Property fraud, appropriation, extortion etc.
- 6.1.6. Glass scratches or other damages in the result of which the glass does not fully break.
- 6.1.7. Failure of any electronic data identification, processing system
- 6.1.8. Scratches, bending, aesthetic loss, which does not preclude further asset maintenances, use and operations
- 6.1.9. Use of the Purchased Item for purposes and under conditions other than intended, operations breaching the manufacturer's instructions, improper connection or installation, improper operation, maintenance or care, manufacturing defects.
- 6.1.10. In case of internal defects of the Purchased item, except for the cases when extended purchase warranty is insured and the defect is covered by the manufacturer's warranty. Internal defect shall be considered damage or destruction of the Purchased Item which appeared due to reasons other than external factors (e.g. water, fire, actions by third parties, the Insured or other persons).
- 6.1.11. Use of defective, wrong and manufacturer's uncertified spare parts, materials (such as ink cartridges), equipment, exceedance of the manufacturer's authorized load capacity, unauthorized redesign, including inappropriate installation, repair or maintenance.
- 6.1.12. Loss or leaving of the insured Purchased Item unattended in public spaces, unused or unattended buildings, auxiliary buildings, structures or premises, unused or unattended cars, unlocked premises (premises with unlocked doors, windows, etc.), construction sites.
- 6.1.13. Intentional acts of the Policyholder, Insured or related persons.

- 6.1.14. Unauthorized modification, including improper installation, repair or maintenance which was carried out not by a maintenance specialist.
- 6.1.15. Policyholder's, Insured's or related persons' actions under the influence of alcohol, drugs or psychotropic substances.
- 6.1.16. Foreign enemies' actions, military actions (regardless of whether martial situation was declared), civil war, revolution or usurpation of authority, restrictions imposed by state authorities, strikes, riots, mass unrest, rebellion, revolution, insurrection, terrorist activity, activities of the country armed forces, army, police and special services.
- 6.1.17. Asset seizure, arrest or execution under the order of law enforcement authority.
- 6.1.18. Radiation or other nuclear energy effects, radiation exposure.
- 6.2. The Insurer shall not compensate the following loss:
- 6.2.1. Fee for diagnostics and transportation of the Purchased Item if carried out without prior agreement with the Insurer.
- 6.2.2. Property damaged or destroyed due to unavoidable natural processes (corrosion, decay, natural wear, etc.), gradual property deterioration or loss.
- 6.2.3. Damage or destruction of property which appeared due to temporary effect of power lines.
- 6.2.4. Losses which occurred when using a Purchased Item for commercial purposes, i.e. not for household, cultural, economic purposes which are not related with business or profession of the Policyholder, Insured or related persons, unless it is specified in the Certificate.
- 6.2.5. Losses related to installation, dismantling and transportation of a Purchased Item carried out by third parties.
- 6.2.6. Losses which occurred to the Purchased Item before or after the insurance coverage period specified in the Insurance Contract or Certificate.
- 6.2.7. Losses caused by unknown, unidentified circumstances (e.g. time, location, etc.).
- 6.2.8. Losses caused by failures which are subject to the manufacturer's warranty.
- 6.2.9. Property damaged or destroyed due to its processing by fire or other thermal treatment (e.g. melting, welding, drying, ironing, smoking, baking, etc.).
- 6.2.10. Damage to the Purchased items, if the item was rented or transferred to use for the related or third parties, except the family members and employees.
- 6.2.11. Stolen/robbed items the loss of which was not immediately reported to the police, or the fact of theft/robbery has not been confirmed by the police.
- 6.2.12. Items stolen from a vehicle left in a well-seen place inside of it or unlocked vehicle or its trunk.
- 6.2.13. Repair of errors, shortage and defects for which under the warranty or by law the manufacturer, contractor, supplier, carrier or the company or organization performing warranty service or maintenance is responsible.
- 6.2.14. Losses which may be reimbursed under other insurance contracts.
- 6.2.15. Losses which occurred due to a computer virus or spyware, performance flaws due to software update omission or faults related with the software.
- 6.2.16. Indirect losses (e.g., monthly instalment for the purchase of the Item or its loan instalment payable by the Insured) occurred due to impossibility to use the Purchased Item.
- 6.2.17. Losses caused by the loss of personal possessions left in the Purchased Item or data stored in the memory of the insured property and/or SIM card.
- 6.2.18. Losses caused by the internal fault in Purchase insurance extended warranty period, if consistently was exceeded determined operating cycle monthly rate.
- 6.2.19. Losses which occurred while repairing or testing the Purchased Item, performing studies or experiments with the Purchased Item.
- 6.2.20. Losses which appeared due to a change, absence, non-compliance or damage of the product serial numbers.



- 6.2.21. Losses incurred due to the Purchased Item's parts and/or components:
- 6.2.21.1. which are indicated by the manufacturer to be changed during normal use of the product, including but not limited to electric light bulbs, filters, electrostatic powder, cartridges, bands, drums, drills, knives, saws, abrasive wheels .
- 6.2.21.2. which are indicated by the manufacturer to quickly wearing and tending details, including but not limited to sieves, hoses, brushes, rubber tires, cables, wires, chains, belts and glass, porcelain and ceramic parts;
- 6.2.21.3. boilers, furnaces or tanks tile, heating grates, burner nozzles;
- 6.2.21.4. fuel filter, the refrigerant, cleaning materials, lubricants, oil filler, chemicals.
- 6.2.22. Losses caused by repair work which was carried out in accordance with the manufacturer's warranty.
- 6.2.23. Losses incurred due to defects, spare parts and/or works in the result of a recall of goods by manufacturer.
- 6.2.24. Losses caused by fault of controls, consumables, such as batteries, rechargeable batteries, chargers, etc., unless it is clearly indicated in the Insurance Policy and/or Certificate.
- 6.2.25. Costs related with the Purchase periodical technical inspection (daily, monthly, annual, etc.) and the costs of the Purchase parts, which should be changed regularly during the technical inspection.
- 6.2.26. Losses caused using already damaged Purchase after the event when the repair of the Purchase, which ensure the normal operation (ie a producer or supplier's) performance, is not still done.
- 6.2.27. Losses caused by using the Purchase without technical inspection, when it is necessary Purchase repair.
- 7.2.7.2. To inform immediately:
- 7.2.7.2.1. the Fire and Rescue Service in case of fire;
- 7.2.7.2.2. the respective emergency service in case of explosion;
- 7.2.7.2.3. the respective emergency service and/or the manager (owner) of the building in case of engineering network accident;
- 7.2.7.2.4. the Police in case of illegal activities of third parties;
- 7.2.7.2.5. the Traffic Police in case of collision with a motor vehicle.
- 7.2.7.2.6. Within 5 (five) working days, to inform the authorized representative of the Insurer about the event by phone or e-mail specified in the Insurance Policy and/or the Certificate.
- 7.2.7.2.7. To submit the documents related to the purchase of the item, accurate information regarding the reasons of occurrence of the insurable event and its circumstances to the authorised representative of the Insurer. In case of theft of the Purchased Item — to submit the documents confirming the insurable event, all other event-related documents necessary to establish the fact of the insurable event and the amount of damage, or necessary for the Insurer to implement the subrogation right against the person responsible for the damage caused.
- 7.2.7.2.8. In case of the Purchase destruction, apply to the repair partner specified or agreed with Insurer or Insurer Partner for the Purchase repair.
- 7.2.7.2.9. In case of replacement of the Purchased Item by a new one, to transfer usable remains of the Purchased Item to the Insurer or his authorised representative if repair of the Purchased Item is not financially feasible or the Insurer took a decision to reimburse loss caused to the Purchased Item.
- 7.2.7.2.10. To repair a Purchased Item only in the repair shops specified and/or approved by the Insurer.
- 7.2.7.2.11. If the Insured has recovered stolen property which was stolen during the period while it was subject to the insurance coverage, he/she shall immediately notify the Insurer hereof.
- 7.2.7.2.12. To fulfil legal requirements of the Insurer.
- 7.2.7.2.13. If after paying the insurance indemnity it is determined that it (or its part) did not have to be paid — to repay any amount paid unreasonably within 14 calendar days after receipt of written request of the Insurer.
- 7.3. **The Policyholder's rights:**
- 7.3.1. To conclude the Insurance Contract.
- 7.3.2. To request amendments of the Insurance Contract and to terminate it in accordance with the procedure specified in applicable legislation and the Insurance Contract.
- 7.4. **The rights of the Insured:**
- 7.4.1. To request amendments of the Insurance Contract and to terminate it in accordance with the procedure specified in applicable legislation and the Insurance Contract.
- 7.4.2. To obtain information about the course of investigation of the Insurable Event.
- 7.4.3. In case of an Insurable Event, to claim payment of the insurance indemnity from the Insurer in accordance with the procedure specified in applicable legislation and the Insurance Contract.
- 7.5. **Obligations of the Insurer:**
- 7.5.1. To provide the Policyholder and/or Insured with information regarding the Insurer's name, type and address of the insurance company, the address of the Insurer's organisational unit or authorised representative (if the place of conclusion of the Insurance Contract was other than the Insurer's office), the procedure for settlement of disputes arising from or related to the Insurance Contract, actions of the Insurer in cases when the Policyholder and/or Insurer breaches the terms of the Insurance Contract, as well as in cases of potential increase in risk.
- 7.5.2. In case of an Insurable Event, to pay the insurance indemnity in accordance with the procedure specified in applicable legislation and the Insurance Contract.
- 7. Rights and obligations**
- 7.1. **Policyholder's obligations:**
- 7.1.1. To provide the Insurer with accurate, complete and correct information necessary for assessing insurance risks and concluding the Insurance Contract. The Policyholder shall provide the Insurer with the information as follows:
- 7.1.1.1. Policyholder's contact data (name, surname, personal ID number and residential address):
- 7.1.1.2. Exact name of a purchased item (manufacturer's name, mark, model, identification number), manufacturing year and value.
- 7.1.2. To introduce the Insured with the Terms and Conditions of the Insurance Contract and to provide the Insured with the Insurance Policy and/or Certificate confirming insurance coverage.
- 7.1.3. To pay insurance premiums within the periods indicated in the Insurance Contract.
- 7.2. **Obligations of the Policyholder and the Insured:**
- 7.2.1. To use a Purchased Item properly and responsibly is following the manufacturer's requirements and recommendations regarding the maintaining of a good condition of the Purchased Item and ensuring of its proper operation.
- 7.2.2. To notify the Insurer of other insurance contracts for the same Purchased Items.
- 7.2.3. To allow inspection of the Purchased Item upon the Insurer's request.
- 7.2.4. To allow the Insurer getting familiar with the information essential for the assessment of the insurance risk. To satisfy written requests of the Insurer for reduction of the insured risk.
- 7.2.5. To take all reasonable and available precautions to prevent the insured event. To comply with fire safety, property storing and operation rules.
- 7.2.6. Immediately (within 12 hours) to inform the police about the theft of the key or security system code of the building (premises) where a Purchased Item is stored, and to arrange the protection of the Purchased Item until the replacement of locks, the keys of which had been stolen.
- 7.2.7. Upon occurrence of an Insurable Event:
- 7.2.7.1. To take reasonable measures for minimization of damage.



- 7.5.3. To prove circumstances exempting the Insurer from payment of the insurance indemnity or granting the right to reduce the insurance indemnity.
- 7.6. **Rights of the Insurer:**
- 7.6.1. To require information from the Policyholder and/or Insured necessary to assess the insured risk.
- 7.6.2. To examine the Purchased Item.
- 7.6.3. To use the information provided by the Insured in compliance with the procedure prescribed by applicable laws and regulations. To receive additional information from state registers, banks, law enforcement authorities necessary to deal with an application for conclusion of the Insurance Contract.
- 7.6.4. To participate in works of salvage and preservation of the Purchased Item, to give mandatory instructions to the Insured for damage reduction.
- 7.6.5. To refuse paying of the insurance indemnity or to reduce its amount in cases specified in Chapter 9 hereof.
- 7.6.6. To claim the repayment of the insurance indemnity (or its part):
- 7.6.6.1. If it was paid unreasonably;
- 7.6.6.2. If the property, for the theft of which insurance indemnity was paid, was found.
- 8. Procedure for calculation and payment of insurance indemnity**
- 8.1. The insurance indemnity shall be equal to the amount of loss incurred due to the insurable event deducting the amount specified in the Insurance Contract as deductible. The amount of losses and insurance indemnity shall be determined by the Insurer in accordance with the terms specified in the Insurance Contract and documentation provided to him.
- 8.2. Losses shall be calculated depending on the loss nature (damage, destruction, theft of the Purchased Item or warranty fault) and compensatory method specified in the Insurance Policy and/or Certificate.
- 8.3. The Purchased Item shall be considered as damaged if its repair is possible and financially feasible (i.e. the repair costs of the Purchased item do not exceed its insurance value).
- 8.4. In case of repair of the Purchased Item, the Insured applies for the repair in the repair partner, indicated by the Insurer or Insurer partner, who inspects the damaged property and assesses whether its repair is financially feasible.
- 8.5. If the method of loss indemnity specified in the Insurance Policy and/or Certificate is "Repair of the Purchased Item", or if the Insured regardless of the loss indemnity method specified in the Insurance policy and/or Certificate as "Replacement of the Purchased Item by a new one" demands to perform the repair of the Purchased Item and the repair is financially feasible, repair partner repairs the Purchased Item and the Insurer pays the Insurance Indemnity to the repair partner, withholding the deductible from the amount of repair costs. The Insured shall pay a deductible to the repair partner before collecting the repaired item.
- 8.6. If repair of the Purchased Item is not financially feasible, it shall be considered to be destroyed.
- 8.7. In case of damage, destruction, theft of the Purchased Item or warranty failure after the method of loss indemnity **"Replacement of the Purchased Item by a new one"** has been selected in the Insurance Policy and/or Certificate, the insurance indemnity shall be equal to a purchase value of similar or analogical item purchase value by withholding a deductible and all unpaid insurance premiums.
- 8.8. In case of damage, destruction, theft of the Purchased Item or warranty failure the method of loss indemnity **"Replacement of the Purchased Item by a new one"** has been selected in the Insurance Policy and/or Certificate, the Insured shall apply for a similar or analogical Item purchase to the seller of the Item and the Insurer shall pay the insurance indemnity directly to the seller of the Item upon an advance invoice provided by withholding a deductible and all unpaid insurance premiums.
- 8.9. Should it be established during the diagnostics that internal defect is not subject to the extended purchase warranty according to these Terms and Conditions, i.e. the defect does not comply with the requirements specified herein, the Insured shall be offered to repair the Purchased Item for a fee.
- 8.10. The Insurer shall be entitled to take over usable remains of a Purchased Item if its repair is not financially feasible and the Insurer took a decision to reimburse losses caused and to replace the Purchased Item by a new one.
- 8.11. The insurance indemnity shall be paid no later than within 30 days upon the receipt of all information related to the determining of the fact of the insured event, its circumstances, consequences and the amount of the insurance indemnity.
- 8.12. Insurance indemnity shall be paid only after the documents confirming the occurrence of the insured event and the amount of loss are provided to the Insurer:
- 8.12.1. Insurance claim for indemnity payment with the detailed and accurate description of circumstances and facts of an insured event;
- 8.12.2. Documents for the Item purchase;
- 8.12.3. Documents confirming the fact of an insured event; when the event was reported to competent authorities (No.7.2.7.2.) — documents issued by these authorities confirming the fact of an insured event;
- 8.12.4. Documents confirming the amount of loss (invoices, estimates, cheques, cash receipts, etc.);
- 8.12.5. If a third person is responsible for the insured event — all available information on it as well as all available documents confirming his/her responsibility.
- 8.13. If damage, destruction or loss of the Purchased Item due to theft or robbery resulted in criminal proceedings, the Insurer shall be entitled to make a decision on payment of the Insurance Indemnity only after the Insurer is provided with a court judgement or decision regarding the termination of a criminal case.
- 8.14. Double Insurance — in case of double insurance (i.e. several insurance contracts on the same property are concluded), insurance indemnity shall be paid in proportion to the insurance amount ratio of the effective insurance contracts, but the total insurance indemnity shall not exceed the total amount of losses.
- 8.15. Having paid the insurance indemnity, the Insurer shall be entitled to refund losses from the person liable for the damage.
- 8.16. In case the Parties disagree on the amount of loss, the Insurer shall pay the amount equal to the insurance indemnity indisputable by the Parties if the process of establishment of a loss amount lasts for more than 3 months.
- 8.17. In case the Parties are unable to agree on the loss amount estimated by the Insurer, the Insurer shall be entitled to involve independent experts. In this case, the expenses related to independent expert services shall be paid by the Insured.



## 9. Cases of insurance indemnity reduction and non-payment

- 9.1. The Insurer shall be entitled to refuse payment of the insurance indemnity or to reduce its amount if the Policyholder and/or Insured failed to fulfil the obligations specified in Clause 7 hereof and/or failed to provide the documents specified in Clause 8.12 hereof.
- 9.2. The Insurer shall be entitled to refuse payment of the insurance indemnity if the insured event occurred due to the fact that the Policyholder and/or Insured failed to comply with a written demand of the Insurer requiring to reduce the probability of insurance risk occurrence.
- 9.3. The Insurer shall be entitled to refuse payment of the insurance indemnity if the Policyholder and/or Insured fails to satisfy written demands of the Insurer, avoids or refuses to cooperate, renders no assistance or hinders clarifying of circumstances, deludes the Insurer, provides unreliable information or documents, or performs other actions to obtain undue insurance indemnity.
- 9.4. The Insurer shall be entitled to refuse payment of the insurance indemnity and demand the repayment of paid insurance indemnity if due to actions of the Policyholder, Insured or related persons the Insurer cannot exercise its right of claim against the person responsible for the losses caused.
- 9.5. Insurance indemnity shall be reduced for the amount which the Insured has received from other persons.
- 9.6. Insurance indemnity payable shall be reduced for the amount of all matured unpaid insurance premiums. If the insured property is totally lost in the result of the insured event, all outstanding insurance premiums regardless of their due dates shall be deducted from the insurance indemnity payable.

## 10. Entry into force, execution and termination of the insurance contract

- 10.1. The Insurance Contract shall be concluded in writing and approved by the Insurance Policy and/or Certificate issued by the Insurer.
- 10.2. The Insurance Contract shall enter into force on the date specified therein.
- 10.3. Purchase insurance coverage for the insured risks shall be valid during the period specified in the Insurance Policy and/or Certificate.
- 10.4. The Insurance Contract may be amended by a written agreement of both Parties.
- 10.5. The Insurance Contract shall be terminated:
  - 10.5.1. upon termination of the Insurance Contract validity period;
  - 10.5.2. terminating the Insurance Contract:
    - 10.5.2.1. by agreement between the Parties;
    - 10.5.2.2. upon the Policyholder's initiative. According to the provisions of these Clause, the Insurance Contract shall be deemed terminated 10 days after the Insurer receives a written request to terminate the Insurance Contract or on the date specified in the request (should the latter be taken).
    - 10.5.2.3. If this Insurance Contract represents a Distance Insurance Contract, the Policyholder/Insured shall be entitled to exercise the right of withdrawal and to unilaterally withdraw from this Insurance Contract within 14 (fourteen) days after conclusion of this 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 whole insurable object on the date of sending the Policyholder's notice of withdrawal. The Insurer shall refund the Policyholder the part of the received insurance premium payment which is calculated proportionally to the actual period of validity of the Insurance Contract in comparison to the period of validity specified in the Insurance Contract;
    - 10.5.2.4. After the pay out of the Insurance Indemnity if any of the Parties has sent a notification on termination of the Insurance Contract to other Party. The Insurance Contract shall be terminated after 15 days from the day when the respective contracting party has sent a notification on termination of the contract.
    - 10.5.2.5. in other cases provided for in these Terms and Conditions, special terms and conditions of the Insurance Contract and applicable legislation of the Republic of Latvia.

10.6. Insurance coverage shall terminate:

- 10.6.1. Upon ending of the insurance period indicated in the Insurance Policy and/or Certificate.
- 10.6.2. In case the Insured refuses from the insurance coverage.
- 10.6.3. In case of loss of the insurance object:
  - 10.6.3.1. due to the insurable event. if the Purchased Item in case of insurable event is replaced by a new property, the insurance coverage shall be terminated;
  - 10.6.3.2. due to reasons not related to the insurable event.
- 10.6.4. In case of change of a property owner. Insurance coverage shall not lose its validity if at the moment of signing the Insurance Contract a property owner was a person who has concluded a financial rent, lease or another similar contract with the Policyholder and the right of ownership to the insured property has been transferred to the Insured basing of this contract, or the Insurer was notified in writing about a new property owner and his/her data.
- 10.6.5. In case the manufacture's defect, when the Item was returned to the manufacture or Purchase seller;

## 11. The sum insured, insurance premium estimation, payment and refund

- 11.1. The Sum Insured shall be specified in the Insurance Policy and/or Certificate. Unless otherwise is stated in the Insurance Contract, the Sum Insured shall be considered equal to the insurance value. The Insured shall be responsible for provision of correct information related to the insurance value.
- 11.2. Should it be established that concluding the Insurance Contract the Policyholder and/or Insured provided false information about the insurance value which resulted in the wrong Sum Insured specified in the Insurance Policy and/or Certificate, then in case of an Insurable Event the Insurance Indemnity shall be paid according to underinsurance regulations (i.e. the Insurer shall reimburse a part of the loss proportionally to ration of the amount specified in the Insurance Contract and actual insurance value as of the day of occurrence of the Insurable Event).
- 11.3. The total amount of the Insurance Indemnity for the repair works performed during the period of validity of the Insurance Contract shall not exceed the Sum Insured of the respective object specified in the Insurance Contract.
- 11.4. The Insurer shall determine the amount of the Insurance Premium with regard to the insurance rates, property insured, insurance value, sums insured, duration of the insurance coverage and other factors affecting the insured risk. The amount of the insurance premium and conditions of its payment are specified in the Insurance Policy and/or Certificate.
- 11.5. On the day of concluding the Insurance Contract, the Policyholder and/or the Insured shall pay the whole amount of the Insurance Premium or its first instalment when the Insurance Contract provides that the premium is paid by instalments.
- 11.6. Unless otherwise is stated in the Insurance Contract, the total amount of the Insurance Premium shall be paid at once for the entire period of Insurance Coverage.
- 11.7. If the Insurance Premium has not been paid until the day specified in the Insurance Policy and/or Certificate, the Insurance coverage shall be deemed null and void.
- 11.8. When terminating the Insurance Contract prior to its date of expiration, unless otherwise provided for by these Terms and Conditions or legal enactments of the Republic of Latvia, the Insured shall receive repayment of the unused part of the Insurance Premium from which the Insurer may deduct the expenses related to the conclusion of the Insurance Contract in the amount of 25% of the Insurance Premium.
- 11.9. The Insurance Premium shall not be refunded if the Insurance Indemnity is paid out and it exceeds the amount of Insurance Premium.



## 12. Notifications

- 12.1. Any notifications communicated by one Party to the other must be submitted in writing.
- 12.2. Notices may be sent via intermediaries (insurance brokers, authorized persons, etc.). Correctness of the information transferred via intermediaries is sole responsibility of the party sending the notification. In all cases, intermediaries are not authorized to accept such notifications.
- 12.3. A notification shall be deemed as duly communicated if it is sent:
  - 12.3.1. When a notification is sent to the Insurer:
  - 12.3.2. by mail or via a courier at the Insurer's office address specified on the website [www.gjensidige.lv](http://www.gjensidige.lv);
  - 12.3.3. to the email specified in the Insurance Policy and/or Certificate;
  - 12.3.4. by calling to the Client Service Centre;
  - 12.3.5. by submitting on the Insurer's website [www.gjensidige.lv](http://www.gjensidige.lv).
- 12.4. When a notification is sent to the Policyholder and/or Insured:
  - 12.4.1. by mail or via a courier at the Policyholder's and/or Insured's address specified in the Insurance Policy and/or Insured;
  - 12.4.2. sent to the Policyholder's and/or Insured's email specified in the Insurance Policy and/or Certificate.
  - 12.4.3. in case the Insurer receives a notification regarding the change of mail or email address of the Policyholder and/or the Insured, notifications shall be sent to the new address.
- 12.5. The date of submission of the notification shall be deemed:
  - 12.5.1. when sent by email — the following working day after the notification has been sent;
  - 12.5.2. when the notification is sent by unregistered letter — within 3 working days after sending;
  - 12.5.3. when sent via a courier or by registered letter — the day on which the notification has been handed over to the addressee;
  - 12.5.4. when the notification is left on the Insurer's website — the following working day after the date of submission of notification.

## 13. Other provisions

- 13.1. Disputes arising out of the Insurance Contract shall be settled by negotiations, but in case if agreement cannot be reached disputes shall be referred to courts of the Republic of Latvia.
- 13.2. The Insurance Contract shall be subject to the laws and regulations of the Republic of Latvia.
- 13.3. In cases prescribed or permitted by law, the Insurer's rights and duties under the Insurance Contract can be transferred to another insurance company, the other European Union member country insurance company or a foreign branch of an insurance company established in the Republic of Latvia or another European Union member state. If the Insurer is intending to transfer rights and obligations under the Insurance Contract, the Insurer shall inform the Policyholder and/or Insured in accordance with the procedure prescribed by law. If the Policyholder and/or Insured does not agree with the transfer of rights and obligations under the Insurance Contract, he/she shall be entitled to terminate the Insurance Contract in accordance with the defined procedure within one month following the transfer of rights and obligations.
- 13.4. In case of discrepancy or ambiguity of this regulation between the Latvian language text and foreign language, the Latvian language text shall prevail.