



General terms and conditions of Insurance contracts U100/2025

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NB! This is an unofficial text. In case of the dispute the Estonian wording shall prevail



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1. PZU Kindlustus general terms and conditions of insurance contracts

- 1.1.** These General Terms and Conditions set out the regulations and principles which are common for various types of insurance and which apply together with the PZU Kindlustus terms and conditions of the type of insurance if so agreed in the Insurance Contract.
- 1.2.** In addition to these General Terms and Conditions, the terms and conditions and the special terms and conditions of the given type of insurance also apply to the Insurance Contracts of PZU Kindlustus if application of the latter has been separately agreed on between the Parties to the Insurance Contract.

2. Terms and definitions

- 2.1.** Parties to the Insurance Contract mean the Policyholder and the Insurer.
- 2.2.** Policyholder means a person who has entered into an Insurance Contract with the Insurer.
- 2.3.** Insurer means AB "Lietuvos draudimas" Estonian branch (here- inbefore and hereinafter also referred to as PZU Kindlustus).
- 2.4.** Client means a person (the Policyholder, the Insured, the Beneficiary and the Injured Party), to whom the Insurer provides the insurance service or the person who has contacted the Insurer for the purpose of using an insurance service.
- 2.5.** Consumer means a natural person who makes a transaction which is not related to the pursuit of independent economic or professional activities.
- 2.6.** Insured means the Policyholder or a third person, whose Insured Risk is insured.
- 2.7.** Beneficiary means a third person indicated in the Insurance Contract who has the right, upon the occurrence of an Insured Event, to receive the Insurance Indemnity or an agreed amount of money or the performance of another obligation by the Insurer specified in the Insurance Contract.
- 2.8.** Insured Risk means a hazard against which insurance is provided.
- 2.9.** Insured Event means an unexpected and unforeseeable event agreed on in the Insurance Contract upon the occurrence of which the Insurer must perform its obligation under the Insurance Contract.
- 2.10.** Insured Object means an object which Insured Risk is insured.
- 2.11.** Insurance Contract means an agreement entered into between the Insurer and the Policyholder at least in a format which can be reproduced in writing under which the Policyholder undertakes to pay Insurance Premiums and the Insurer undertakes to indemnify, upon the occurrence of an Insured Event, for the loss or damage occurred due to the Insured Event or pay an agreed amount of money or perform the Contract in another manner agreed on in the Insurance Contract.
- 2.12.** Insurance Terms and Conditions mean the standard and special terms and conditions indicated on the Insurance Policy which are a part of the Insurance Contract, including:
 - these General Terms and Conditions of Insurance Contracts;
 - the terms and conditions of the type of insurance;
 - the special terms and conditions of the type of insurance if application of these has been separately agreed on between the Parties to the Insurance Contract.
- 2.13.** Insurance Policy or Policy means a document which certifies the entering into the Insurance Contract.
- 2.14.** Insurance Cover means the Insurer's obligation defined in the Insurance Contract to pay out the Insurance Indemnity or perform the Contract in another agreed manner upon the occurrence of an Insured Event and upon the performance of the contractual obligations by the Policyholder.
- 2.15.** Insurance Period means the period of time specified in the Insurance Contract which serves as a basis for calculating the Insurance Premium. The Insurer may establish additional bases for calculating the Insurance Premium based on the specific nature of a type of insurance. The Insurance Period is one year unless otherwise provided in the Insurance Contract.
- 2.16.** Insurance Premium means a consideration for the Insurance Cover agreed on in the Insurance Contract which the Policyholder is obliged to pay to the Insurer.
- 2.17.** Insurance Indemnity means the monetary or non-monetary indemnity prescribed in the Insurance Contract by which the damage that has occurred as a result of an Insured Event is compensated for or which the Insurer must pay upon the occurrence of an Insured Event in conformity with the Insurance Contract.
- 2.18.** Sum Insured means the monetary amount agreed on in the Insurance Contract which is the maximum amount of payment by the Insurer during the Insurance Period or the maximum amount of payment per Insured Event if agreed so in the Insurance Contract.
- 2.19.** Deductible means a part of the loss or damage subject to indemnification per each Insured Event which is set out in the Insurance Contract as an amount, percentage or otherwise. The Deductible shall always be

covered by the Policyholder and it shall not be indemnified by the Insurer. If the Insurer has a performance obligation under the Contract to a third party (for example Mandatory Liability Insurance), the loss or damage shall be indemnified to the third party and the Deductible shall be collected from the Policyholder.

- 2.20.** Distance Insurance Contract means a Contract where the contracting parties' declarations of intention for entering into the contract, including the Consumer's declaration of intention to assume the contractual obligations, are sent exclusively by means of distance communication, e.g. by telephone, computer, fax etc.

3. Parts of insurance contract and interpretation of contract

- 3.1.** The Insurance Policy and the Insurance Terms and Conditions and other documents indicated on the Insurance Policy, e.g. the insurance application, the insurance offer, the consent of the Policyholder to enter into the Insurance Contract, the inspection report on the Insured Object, the list of Insured Objects etc., are integral parts of the Insurance Contract.
- 3.2.** The insurance contract as a whole is considered upon the performance and interpretation of the insurance contract. In the event of contradictions, the special terms and conditions noted on the policy shall be primary, followed by the insurance policy, then the terms and conditions of the class of insurance and, lastly, the general terms and conditions.
- 3.3.** Upon interpreting the terms used in the Insurance Contract the Parties shall proceed from the meaning assigned to the terms in the Insurance Contract.
- 3.4.** If the Insurance Terms and Conditions have been translated into a foreign language, interpretation of the terms and conditions shall be based on the Estonian text of the Insurance Terms and Conditions in the event of any contradictions.
- 3.5.** If an Insurance Policy is lost or destroyed, the Policyholder may request the Insurer to issue a replacement Policy. The Policyholder may request copies of any declarations of intention made in a format which can be reproduced in writing by the Policyholder with respect to the Contract. The Insurer shall not issue any data or copies of documents if the issue of these contradicts the requirements established in the legislation.
- 3.6.** The Insurance Contract shall be governed by Estonian law. In PZU is the trademark of AB Lietuvos draudimas Estonia branch in Estonia. AB Lietuvos draudimas is a Lithuanian insurance company that belongs to the international PZU Group. In addition to the terms and conditions of the Insurance Contract, the Insurer and the Policyholder shall be guided in their mutual relations by the legislation of the Republic of Estonia, including the Private International Law Act and the principles of good faith and reasonableness.
- 3.7.** The Insurance Terms and Conditions can be examined at the offices of PZU Kindlustus or on its website www.pzu.ee.

4. Entering into insurance contract

- 4.1.** An Insurance Contract is entered into when the Parties to the Insurance Contract have reached an agreement on the essential terms and conditions of the Contract and at least one of the following assumptions has been fulfilled:
- 4.1.1.** the Policyholder has paid the Insurance Premium or the first instalment to the Insurer;
- 4.1.2.** the Policyholder has sent the Insurer a signed consent or a consent by e-mail concerning the acceptance of the Insurer's offer;
- 4.1.3.** the Parties have signed the Insurance Contract in writing.
- 4.2.** The Insurer issues the Insurance Policy concerning the entering into the Insurance Contract to the Policyholder. The Insurer's signature on the Policy may be digital or copied. The Insurer may either deliver the Policy to the Policyholder or sent it by post or e-mail.
- 4.3.** The Insurer shall send the Policyholder the Insurance Terms and Conditions applicable to the Insurance Contract no later than together with the insurance offer. The Insurance Terms and Conditions may also be sent electronically or as a link to an Internet page.
- 4.4.** The Insurer has the right to decide whether it enters into an Insurance Contract with the person who has made the corresponding declaration of intention or not.

5. Entering into force, term, amendment and renewal of insurance contract

- 5.1.** The Insurance Contract enters into force upon entering into the Insurance Contract unless another date of or condition for its entering into force has been agreed on.
- 5.2.** The Insurance Cover commences as a rule after payment of the Insurance Premium or the first instalment but not before the initial date of the Insurance Period indicated on the Insurance Policy and shall be effective until the end of the Insurance Period set out on the Policy. The Insurance Cover commences before payment of the Insurance Premium or the first instalment if agreed so separately between the Parties.
- 5.3.** If the provision of the insurance service to the policyholder or the insured person or the beneficiary is or becomes in contravention of internationally established restrictions, prohibitions or sanctions, the insurance cover will not apply as of the day when the aforementioned restrictions, prohibitions or sanctions are applied to the persons specified above.
- 5.4.** The Insurance Contract is a contract entered into for a specified term, unless otherwise agreed on between the Parties.
- 5.5.** In order to amend the Insurance Contract the Policyholder must submit an application in a format which can be reproduced in writing to the Insurer. Upon consenting to the amendment the Insurer issues an amended Insurance Policy or an annex to the Insurance Contract to the Policyholder. The Contract is amended as of the issue of the above documents unless otherwise indicated in the document.
- 5.6.** In order to renew a fixedterm insurance contract, i.e. to conclude a new insurance contract for the next insurance period, the insurer has the right to send the policyholder a new insurance quote before the end of the current insurance period. The insurance contract is deemed to have been concluded if the policyholder accepts the quote of insurance in accordance with clause 4.1.2 or pays the insurance premium in accordance with clause 4.1.1 of the General Terms and Conditions.
- 5.7.** In the case of an Insurance Contract entered into for an unspecified term the Insurer shall issue a new Insurance Policy for each new Insurance Period to the Policyholder unless otherwise agreed on in the Contract.

6. Termination of insurance contract.

- 6.1.** An Insurance Contract terminates:
 - 6.1.1. at the expiry of the Insurance Period;
 - 6.1.2. upon cancellation of the Insurance Contract;
 - 6.1.3. upon withdrawal from the Insurance Contract;
 - 6.1.4. by agreement of the Parties;
 - 6.1.5. on other bases prescribed by law.
- 6.2.** Both the Policyholder and the Insurer may ordinarily cancel an Insurance Contract entered into for an unspecified term by the end of the current Insurance Period. Notice of the wish to cancel the Contract must be given to the other Party at least one month in advance.
- 6.3.** The Insurer has the right to cancel the Insurance Contract:
 - 6.3.1. if the Policyholder has materially violated the terms and conditions of the Insurance Contract due to a circumstance arising from the Policyholder. The Insurer may cancel the Insurance Contract without a prior notice within one month from learning about the violation;
 - 6.3.2. if the Policyholder, the Insured or the Beneficiary has provided incorrect information to the Insurer about the circumstances of an Insured Event. The Insurer may cancel the Insurance Contract without a prior notice within one month from learning about the violation;
 - 6.3.3. if the Policyholder has increased the probability of Insured Risk during the term of the Insurance Contract without the Insurer's consent or has failed to inform the Insurer of an increase in the probability of Insured Risk. A list of the circumstances which affect the increase in the probability of Insured Risk is provided in clause 14.1. of these General Terms and Conditions and in the terms and conditions of the type of insurance. The time limits for cancellation are indicated in section 14 of the General Terms and Conditions;
 - 6.3.4. if the policyholder has failed to pay the second or subsequent insurance premium also after the additional payment deadline specified in clause 7.4.1. of the general terms and conditions;
 - 6.3.5. after the occurrence of the insured event (clause 15.7 of the general terms and conditions);
 - 6.3.6. if internationally established restrictions, prohibitions or sanctions directly or indirectly obstruct the performance of the insurance service to the policyholder or the insured person or the beneficiary;
 - 6.3.7. on other bases provided by law.

- 6.4.** The Insurer has no right to cancel the Insurance Contract if the violation of the Policyholder's obligation prescribed in the Insurance Contract (except for failure to pay a periodic Premium) has no material effect on the increase in the probability of Insured Risk or the Insurer's performance obligation.
- 6.5.** The Insurer has the right to withdraw from the Insurance Contract:
 - 6.5.1.** if the Policyholder failed, upon entering into the Contract, to notify the Insurer about all the circumstances known to the Policyholder that due to their nature affect the Insurer's decision to enter into the Contract or to do it on the agreed terms and conditions (clause 12.1. of the General Terms and Conditions). In such case the Insurer may withdraw from the Contract within one month after the time when the Insurer learnt or had to learn about the violation of the Policyholder's notification obligation;
 - 6.5.2.** if the Policyholder fails to pay the Insurance Premium or first Insurance Premium within 14 days after entering into the Insurance Contract. The Insurer may withdraw from the Contract until payment of the Insurance Premium (clause 7.3.1. of the General Terms and Conditions);
- 6.6.** If the Policyholder is a Consumer, the Policyholder has the right to withdraw from the Distance Insurance Contract within 14 days after entering into the Contract.
- 6.7.** Upon termination of the Insurance Contract by cancellation, withdrawal or on other grounds prematurely, the Policyholder has the right to recover the Insurance Premium paid for the time remaining from the termination of the Contract until the end of the Insurance Period, from which the Insurer's reasonable administrative costs may be withheld. The above principle shall not be applied if the Insurance Period was not used as a basis for calculating the Insurance Premium due to the specific nature of the type of insurance. If the Insured Object is destroyed as a result of an Insured Event or the Insurance Indemnity is paid out to the extent of the entire Sum Insured during the Insurance Period, the Insurance Contract terminates prematurely and the Insurer has the right to the Insurance Premium for the entire current Insurance Period.
- 6.8.**

7. Insurance premium and its payment

- 7.1.** The Policyholder is obliged to pay the Insurance Premium agreed on in the Insurance Contract within the time limit indicated on the Insurance Policy or periodic Premiums according to the payment schedule indicated on the Insurance Policy. The Insurance Premium is deemed paid if it is paid by a bank transfer and received in the Insurer's current account or paid to a representative of the Insurer in cash or by bank card. If the Policyholder enters into the Insurance Contract through an insurance intermediary (insurance broker or insurance agent), payment of the Insurance Premium to the insurance intermediary is equivalent to payment to the Insurer.
- 7.2.** In the case of delaying with payment of the Insurance Premium the Insurer has the right to demand a penalty for late payment at the rate provided in subsection 113 (1) of the Law of Obligations Act.
- 7.3.** Delay in payment of the first Insurance Premium:
 - 7.3.1.** If the Policyholder fails to pay the Insurance Premium or the first Insurance Premium within 14 days after entering into the Insurance Contract, the Insurer may withdraw from the Contract until payment of the Premium.
 - 7.3.2.** The Insurer is presumed to have withdrawn from the Contract if the Insurer does not file an action to collect the Insurance Premium within three months after the Premium becomes collectable.
 - 7.3.3.** If the Insurance Premium or the first Insurance Premium which has become collectable has not been paid by the time the Insured Event occurs, the Insurer shall be released from its performance obligation.
- 7.4.** Delay in payment of subsequent insurance premiums:
 - 7.4.1.** If the Policyholder fails to pay the second or a subsequent Insurance Premium in time, the Insurer may set an additional time limit for payment of at least two weeks (in the case of insuring a building, at least one month) for the Policyholder in a format which can be reproduced in writing.
 - 7.4.2.** If the Policyholder fails to pay the Insurance Premium within the additional time limit for payment, the Insurer has the right to withdraw from the Insurance Contract without a prior notice. The Insurer may declare in the notice on additional time limit for payment that it would deem the Contract cancelled upon the lapse of the time limit if the Policyholder fails to pay the Premiums within the additional time limit.
 - 7.4.3.** If an Insured Event occurs after the lapse of the additional time limit for payment and the Policyholder has not paid the Premium by the time of occurrence of the Insured Event, the Insurer shall be released from its performance obligation, except if failure to pay the Insurance Premium occurred due to a circumstance not arising from the Policyholder.
 - 7.4.4.** If the Policyholder pays all the Insurance Premium arrears within one month after cancellation of the Contract or after the lapse of the time limit set for payment and no Insured Event has occurred before the payment, the Contract shall not be deemed to be withdrawn.

- 7.5. If the Policyholder pays the Insurance Premium with a delay, the Insurer shall deem this to cover the penalties for late payment first and then the payable Insurance Premium that has arisen first under the Insurance Contract for which the Policyholder paid the Insurance Premium.
- 7.6. When paying an Insurance Premium, the Policyholder must indicate for which Insurance Policy (Insurance Contract) and Insurance Period the Insurance Premium is paid. If the specified information is not present with the Insurance Premium and the Insurer is unable to decide on the basis of the available information for which Insurance Contract the Insurance Premium has been received, the Insurance Premium shall be deemed not paid and the paid amount shall be returned to the person who has paid it.
- 7.7. If the Policyholder pays the Insurance Premium that has become collectable to an extent which is smaller than prescribed in the Insurance Contract, the Insurer shall contact the Policyholder and clarify the circumstances related to the inappropriate payment. The Insurance Premium shall be deemed paid only after receipt of the entire Insurance Premium that has become collectable.
- 7.8. If the Policyholders pays an amount that is greater than the Insurance Premium that has become collectable, the surplus amount is deemed, if possible, to be paid to cover the next instalment for the same Insurance Period under the same Insurance Contract. Such prepayment is not regarded as a loan and the Insurer has no obligation to pay interest thereon. If the Policyholder has paid the Insurance Premium or Insurance Premium instalments for the entire Insurance Period under the Insurance Contract in excess of the amount payable under the Insurance Contract, the Insurer shall return the excessively paid amount.

8. Designation of beneficiary

- 8.1. The Beneficiary is designated and the designated person is changed on the basis of the Policyholder's declaration of intention. If the Beneficiary is specified in the Insurance Contract, the consent of the Beneficiary is also required for the designation or changing of the Beneficiary.
- 8.2. After the death of the Policyholder who is a natural person the successors have no right to change the Beneficiary.
- 8.3. After the death of the Insured who is a natural person the Beneficiary cannot be changed.
- 8.4. If the Beneficiary loses the right to the Insurance Indemnity due to the circumstances arising from the Beneficiary or the Beneficiary dies before the occurrence of the Insured Event, it is deemed that no Beneficiary has been designated.

9. Persons equivalent to policyholder

- 9.1. The Policyholder is liable for the following persons within the framework of the Insurance Contract:
 - 9.1.1. the Insured;
 - 9.1.2. the legal possessor of the Insured Object;
 - 9.1.3. the family members living together with the Policyholder or the Insured or the persons who live in a joint household with the Policyholder or the Insured;
 - 9.1.4. the person who has gained possession of or the right to use the insured object with the consent of the policyholder or the insured person;
 - 9.1.5. the Policyholder's employees as well as persons whom the Policyholder uses in the Policyholder's economic or professional activities or upon the performance of the Policyholder's duties.
- 9.2. The Policyholder is obliged to introduce and explain to the persons specified in clause 9.1. of the General Terms and Conditions the safety requirements and other obligations of the Policyholder under the Insurance Contract, including the obligations specified in section 14 of these General Terms and Conditions.
- 9.3. The knowledge and behaviour of the persons specified in clause 9.1. of the General Terms and Conditions is attributed to the Policyholder. If a person specified in clause 9.1. of the General Terms and Conditions violates the Insurance Contract, it shall be deemed that the Policyholder has violated the Insurance Contract.

10. Insurer's notification obligation

- 10.1. If the Insurer's name, legal form or address of the office where the Insurance Contract was entered into or the address of the insurance supervisory body or the body settling insurance disputes changes during the

term of the Insurance Contract, the Insurer shall notify the Policyholder thereof in a format which can be reproduced in writing.

11. Policyholder's notification obligation

- 11.1.** Upon entering into the Insurance Contract the Policyholder must provide the Insurer with true and complete information about all the relevant circumstances known to the Policyholder which due to their nature may affect the assessment of Insured Risk by the Insurer and/or the Insurer's decision to enter into the Insurance Contract or to do it on the agreed terms and conditions (including the amount of the Insurance Premium). The notification obligation applies even if the Policyholder assumes that such circumstance may already be known to the Insurer.
- 11.2.** Relevant circumstances shall be deemed to primarily include, but are not limited to the circumstances concerning which the Insurer has requested information from the Policyholder in the insurance application or before entering into the Insurance Contract as well as the relevant circumstances specified in the terms and conditions of the type of insurance about which the Policyholder is obliged to inform the Insurer before entering into the Insurance Contract.
- 11.3.** The Policyholder must notify the Insurer immediately in writing or in a format which can be reproduced in writing if during the term of the Insurance Contract:
 - 11.3.1. changes have occurred in relevant circumstances or in other data indicated in the Insurance Contract or if any earlier provided information proves incorrect;
 - 11.3.2. the probability of Insured Risk has increased;
 - 11.3.3. the Insured Object is transferred;
 - 11.3.4. the registered immovable on which the construction works are located is encumbered with a mortgage.

12. Consequences of violation by policyholder of obligation to notify of relevant circumstances

- 12.1.** If the Policyholder failed to notify the Insurer of relevant circumstances (including circumstances affecting the Insured Risk) upon entering into the Insurance Contract violating thereby the notification obligation provided in section 11 of the General Terms and Conditions or if the Policyholder intentionally avoided the obtaining of knowledge about relevant circumstances or if the Policyholder provided incorrect information about relevant circumstances, the Insurer may withdraw from the Contract within one month after the time when the Insurer learnt or had to learn about the violation of the notification obligation provided in section 11 of the General Terms and Conditions.
- 12.2.** The Insurer may not withdraw from the Contract relying on the violation of the notification obligation if:
 - 12.2.1. the Insurer knew that the information provided thereto was incorrect or knew the circumstance of which the Insurer was not notified;
 - 12.2.2. the Policyholder was not at fault upon failure to notify of the relevant circumstances or upon providing incorrect information;
 - 12.2.3. the circumstance of which the Insurer was not notified or concerning which incorrect information was provided ceased to exist before the occurrence of the Insured Event;
 - 12.2.4. the Insurer, knowing the relevant circumstance, has waived the right of withdrawal.
- 12.3.** If the Policyholder must notify the Insurer of relevant circumstances on the basis of the questions asked by Insurer, the Insurer may withdraw from the Contract due to failure to notify of a circumstance which was not directly asked only if the circumstance was intentionally concealed.
- 12.4.** If the Insurer may not withdraw from the Contract on the basis of the provisions of clauses 12.2. and 12.3. of the General Terms and Conditions, the Insurer may still increase the Insurance Premium as of the beginning of the current Insurance Period. The Insurer may increase the Insurance Premium on the specified grounds within one month after the time when the Insurer learnt or had to learn about the violation of the notification obligation provided in clause 11.1. of the General Terms and Conditions.

13. Format requirements for declarations of intention related to contract. Submission of declarations of intention

- 13.1.** All notices that the Policyholder, the Insured or the Beneficiary is obliged to submit to the Insurer in conformity with the Insurance Contract or the legislation as well as all applications and consents related to the Insurance Contract must be sent at the Insurer's contact address indicated on the Insurance Policy at least in a format which can be reproduced in writing unless otherwise agreed on between the Parties.

- 13.2.** The Insurer shall deliver the Insurance Policy and the Insurance Terms and Conditions to the Policyholder according to the provisions of clause 4.3 of the General Terms and Conditions or send them at the Policyholder's postal address or e-mail address specified on the Insurance Policy.
- 13.3.** All notices that the Insurer is obliged to send to the Policyholder, the Insured, the Beneficiary or the mortgagee under the Insurance Contract or the legislation shall be sent by the Insurer in writing or by e-mail at the address of such person indicated on the Insurance Policy. The Insurer shall publish notices with information of general nature on its website www.pzu.ee or communicate these through mass media.
- 13.4.** The Insurer has the right to record the information communicated thereto through means of communications (including telephone, e-mail and website) and conversations with the Policyholder and other persons related to the Insurance Contract as well as to use such recordings if necessary to prove and interpret the declarations of intention and acts of such persons.

14. Increase in probability of insured risk and its consequences

- 14.1.** An increase in the probability of Insured Risk is deemed to be any increase in the probability of realisation of Insured Risk, occurrence of Insured Event or damage arising as its consequence or the probability of such increase in the future.
- 14.2.** After entering into the Insurance Contract the Policyholder may not increase the probability of Insured Risk without the Insurer's consent or allow such increasing by the persons specified in clause 9.1. of the General Terms and Conditions.
- 14.3.** If the Policyholder violates the obligation specified in clause 14.2. of the General Terms and Conditions and an Insured Event occurs after the increase in the Insured Risk, the Insurer shall be released from its obligation to perform the Insurance Contract to the extent of the increase in the probability of Insured Risk.
- 14.4.** Upon a violation of the obligation provided in clause 14.2. of the General Terms and Conditions the Insurer may cancel the Insurance Contract without a prior notice. If the violation did not occur due to the Policyholder's fault, the Insurer may cancel the Insurance Contract by giving a notice thereof one month in advance.
- 14.5.** The Policyholder must notify the Insurer immediately of an increase in the probability of Insured Risk even if in the opinion of the Policyholder the circumstance of increase in the risk is common knowledge and the circumstance does not affect the increase in the probability of Insured Risk of the given Policyholder exclusively.
- 14.6.** If the Policyholder violates the obligation to notify of an increase in the probability of Insured Risk, the Insurer shall be released from the obligation to perform the Insurance Contract if the Insured Event occurs later than one month after the time when the Insurer should have received the corresponding notice.
- 14.7.** The provisions of clauses 14.3. and 14.6. of the General Terms and Conditions shall not apply if:
 - 14.7.1.** the time limit during which the Insurer could cancel or demand amendment of the Contract due to an increase in the probability of Insured Risk had expired by the time of occurrence of the Insured Event without the Insurer having cancelled or demanded amendment of the Contract;
 - 14.7.2.** the increase in the probability of Insured Risk did not affect the occurrence of the Insured Event;
 - 14.7.3.** the increased Insured Risk would not have affected the validity or extent of the Insurer's performance obligation;
 - 14.7.4.** the probability of Insured Risk increased by fault of the Insurer.
- 14.8.** If the Insurer is released from the performance obligation under the provisions of clause 14.3. or 14.6. only in respect of some Insured Objects or some of the Insured, it shall be released from the entire performance obligation if it can be assumed based on the circumstances that it would not have entered into the Contract in respect of this part only on the same terms and conditions.
- 14.9.** If the probability of Insured Risk increased due to a change made by the Policyholder without the consent of the Insurer and the Policyholder failed to notify timely of the increase in the probability of Insured Risk, the Insurer may demand amendment of the Contract retroactively, including payment of an additional Insurance Premium, as of the increase in the Insured Risk or cancel the Insurance Contract within one month after learning about the increase in the Insured Risk.
- 14.10.** If Insured Risk increases after entering into the Contract irrespective of the Policyholder, the Insurer may demand amendment of the Contract as of the increase in the Insured Risk. If the Policyholder fails to agree with the amendment of the Contract or if the Insurer would not have entered into in the Contract in the case of the increased Insured Risk, the Insurer may cancel the Contract by giving a notice thereof one

month in advance. The Insurer has the right to demand amendment or cancellation of the Insurance Contract within one month after learning about the increase in Insured Risk.

- 14.11.** In the cases specified in clauses 14.9. and 14.10. of the General Terms and Conditions the Insurer has the right to cancel the Insurance Contract even if the situation prior to the increase in Insured Risk is restored.

15. Occurrence of insured event

- 15.1.** Upon the occurrence of an Insured Event the Policyholder must act pursuant to the procedure established by the legislation and depending on the nature of the Insured Event notify the police, the Rescue Board or another body conducting rescue work or investigation of the circumstances of the event thereof immediately and enable the clarification of the circumstances related to the Insured Event.
- 15.2.** The Policyholder must inform the Insurer of the occurrence of an Insured Event in person or through a representative immediately, but not later than within five working days after learning about the occurrence of the Insured Event. The notice must be sent at least in a format which can be reproduced in writing (e-mail, letter, telephone). The notice must include all the information known to the Policyholder about the event, including the place and time (date, time of day) of the occurrence of the event, information about the damaged Insured Object and its location, information about the injured parties, the estimated amount of loss or damage, description of the circumstances of the event, information about the persons involved in the event and witnesses as well as possible persons at fault, the Insurance Policy number, the Policyholder's name, personal identification code, contact telephone and (e-mail) address.
- 15.3.** The Insurer shall treat the notification of loss specified in clause 15.2. of the General Terms and Conditions as the Policyholder's claim for indemnification of loss. After submission of the notice, the Insurer has the right to demand from the Policyholder the information necessary for ascertaining the obligation to perform the Contract.
- 15.4.** Upon the occurrence of an Insured Event the Policyholder must exercise necessary care and act prudently, including to take, within available means, all measures to limit any further damage and avoid possible additional losses, to clarify the circumstances and causes of the Insured Event, the amount of damage, the person who has caused the damage and the witnesses and to preserve the evidence. The Policyholder must comply with the Insurer's instructions.
- 15.5.** The Policyholder must immediately provide comprehensive, true and complete information about the Insured Event and its circumstances (including the amount of loss or damage, the persons having caused the loss or damage etc.) to the Insurer. If demanded by the Insurer, the Policyholder must provide the Insurer with the documents about the circumstances of the Insured Event as well as oral and written explanations and participate in the inspection of the scene or the Insured Object at the Insurer's invitation. A sample list of the documents is provided by the Insurer in the terms and conditions of the type of insurance or in a separate document.
- 15.6.** The Policyholder must ensure that the persons for whom the Policyholder is liable in conformity with clause 9.1. of the General Terms and Conditions would comply with the requirements provided in clauses 15.1. to 15.2. and 15.4. to 15.5. of the General Terms and Conditions.
- 15.7.** After the occurrence of an Insured Event either Party to the Insurance Contract may cancel the Insurance Contract within one month after termination of the acts for ascertaining the loss or damage by giving a notice thereof to the other Party to the Insurance Contract one month in advance. The Policyholder may cancel the Insurance Contract on these grounds no later than at the end of the current Insurance Period.

16. Indemnification for loss or damage

- 16.1.** The Insurer shall handle the claim for loss or damage as quickly as possible and pay out the Insurance Indemnity on the terms and conditions and pursuant to the procedure agreed on in the Insurance Contract.
- 16.2.** The Policyholder is obliged to submit all the required evidence and documents to the Insurer about the occurrence of the Insured Event and the arising of loss or damage and for ascertaining the amount of loss or damage.
- 16.3.** The Insurer is obliged to complete loss adjustment acts and make a decision on indemnification for loss or damage in respect of the Insured Event no later than within 10 working days after the receipt of all the required evidence and documents about the circumstances of occurrence of the loss event and the amount of loss or damage.

- 16.4.** For the purposes of clauses 16.2. and 16.3. of the General Terms and Conditions the required evidence specified in clause 16.3. of the General Terms and Conditions includes a judgment made in civil, criminal or misdemeanour proceedings in connection with the loss event if the circumstances to be established in the proceedings are of major importance for ascertaining the Insurer's performance obligation and such circumstances cannot be established by other documents and evidence which collection is within the competence of the Insurer.
- 16.5.** The Insurer has no obligation to pay a monetary Insurance Indemnity before the person entitled to receive the Insurance Indemnity provides the Insurer with the account number where the Indemnity should be transferred, the name of the account holder and other necessary account details.
- 16.6.** The Insurer has the right to withhold from the Insurance Indemnity:
- 16.6.1. the Policyholder's Deductible, except in the case of indemnification for loss or damage to a third person under a liability insurance contract, where the part of the Deductible is collected from the Policyholder;
- 16.6.2. unpaid Insurance Premiums for the current Insurance Period. This applies even if the Insurance Indemnity is paid to a person other than the Policyholder (except for obligatory liability insurance).
- 16.7.** If the Insurer delays with payment of the Insurance Indemnity, the Insurer is obliged to pay a penalty for late payment of 0.03% of the unpaid Insurance Indemnity per each delayed day if demanded by the person entitled to receive the Insurance Indemnity.

17. Reduction of and refusal to pay insurance indemnity

- 17.1.** The Insurer has the right to reduce or refuse to pay the Insurance Indemnity if:
- 17.1.1. the Policyholder has breached an obligation set forth in the insurance contract, including the obligation to comply with security requirements, and this breach had an impact on the emergence of the damage or the size of the damage or the scope of the performance obligation of the insurer;
- 17.1.2. the Policyholder, the Insured or the Beneficiary has caused the Insured Event intentionally or by gross negligence;
- 17.1.3. the Policyholder, the Insured or the Beneficiary has caused the Insured Event in connection with committing or concealing a criminal offence or has aided the committing of a criminal offence;
- 17.1.4. the Policyholder has intentionally violated an obligation specified in the Insurance Contract which was to be performed after the occurrence of an Insured Event;
- 17.1.5. other grounds prescribed in the terms and conditions of the type of insurance exist for reduction of or refusal to pay the Insurance Indemnity.
- 17.2.** The Insurer has the right to refuse to pay the Insurance Indemnity if
- 17.2.1. the Insured Event was caused by or directly or indirectly related to expropriation of property, uprising, mass disturbance, coup d'état, strike or interruption of work, terrorist act, nuclear energy or radioactivity (including a nuclear weapon), cybercrime or attack; war (including cyberwarfare), military hybrid, cyber or special operation, armed conflict, other military activity or the use, testing, exercise, repulsion, failure or fall of an object or device (e.g. firearm, drone, missile, grenade, mine, armed land, air or water vehicle) designed or adapted for military purposes, regardless of its purpose of use;
- 17.2.2. the person who is entitled to insurance benefit or the person who is an ultimate recipient of insurance benefit or the person who caused the loss or damage or cost is a subject to Estonian Governmental or international sanctions.
- 17.3.** Upon refusal to pay or reduction of the Insurance Indemnity as well as upon determining the extent of reduction of the Insurance Indemnity, the Insurer shall proceed inter alia from the extent of the violation, the excuse for the violation or the extent of the fault in the event of liability for fault, the impact of the violation on the occurrence of the event, on the occurrence and amount of loss or damage and on the ascertainment of circumstances of the event.
- 17.4.** If the Insurer learns about a violation of the Insurance Contract or the grounds for refusal to pay or reduction of the Insurance Indemnity after payment of the Insurance Indemnity, the Insurer has the right to claim the return of the paid Insurance Indemnity in part or in full if the Insurer would have refused to pay or would have reduced the Insurance Indemnity if the Insurer had knowledge about the violation of the Insurance Contract or the grounds for refusal to pay or reduction of the Insurance Indemnity.

18. Transfer of claim

- 18.1.** The claim of the Policyholder, the Insured or the Beneficiary to compensate for the loss or damage against the person having caused the loss or damage shall transfer to the Insurer (hereinafter recourse) to the

extent of the loss or damage indemnified by the Insurer. If recourse is against an ascendant or descendant or a spouse, likewise against another family member living together with the Policyholder, the Insured or the Beneficiary, the Insurer has the right of recourse only if the liability of such person is insured or if the person caused the loss or damage intentionally.

- 18.2.** If the Policyholder, the Insured or the Beneficiary waives the claim thereof against the person having caused the loss or damage or waives the right which secures such claim, the Insurer shall be released from its performance obligation to the extent to which it would have been able to claim indemnification on the basis of such claim or right.
- 18.3.** The Policyholder must deliver to the Insurer all the documents and other evidence which prove the claim for indemnification for the loss or damage and which enable and facilitate the filing and enforcement thereof and which are in the possession of the Policyholder or the person specified in clause 9.1. of the General Terms and Conditions. The Policyholder must also provide the Insurer with the information necessary for exercising recourse and help the Insurer upon exercising recourse. Upon an intentional violation of the specified obligation or if the exercising of recourse by the Insurer is more complicated due to the violation, the Insurer may postpone the payment of the Insurance Indemnity until the performance of such obligation.
- 18.4.** If the person having caused the loss or damage or another person compensates for the loss or damage to the Policyholder, the Policyholder must notify the Insurer thereof immediately. The Insurer has the right to reduce the Insurance Indemnity by the indemnity received from a third person or to demand the return of the Insurance Indemnity which has already been paid to the corresponding extent.

19. Limitation period of claims

- 19.1.** The limitation period of claims under the Insurance Contract is three years. The limitation period shall be deemed to commence as of the end of the calendar year when the claim becomes collectable.
- 19.2.** If the Policyholder has submitted a claim for indemnification for loss or damage to the Insurer and the Insurer has notified of refusal to indemnify for the loss or damage or reduction of the Insurance Indemnity in writing, the Insurer shall be released from the performance obligation if the person entitled to receive the Insurance Indemnity fails to file an action with the court within one year after receiving from the Insurer a written decision on refusal to indemnify for the loss or damage or reduction of the Insurance Indemnity. The Insurer shall not be released from its performance obligation if it fails to notify the Policyholder of the legal consequences of the expiry of the time limit of one year in its written decision.

20. Customer data processing and protection

- 20.1.** The insurer processes customer data in accordance with the privacy policy of PZU Kindlustus, which are available on the insurer's website www.pzu.ee/isikuandmete-tootlemine.

21. Processing of client's complaints

- 21.1.** If the Policyholder or another Client of the Insurer is not satisfied with the activities of the Insurer, the person may file a complaint with the Insurer.
- 21.2.** Complaints shall be processed in conformity with PZU's Procedure for Processing Clients' Complaints, the principles of which are published on PZU's website.
- 21.3.** Registered as a complaint is any Client's dissatisfaction which is filed either in writing or in a format which can be reproduced in writing. The Insurer's employees shall instruct the Client upon formulating a complaint if necessary.
- 21.4.** The Insurer shall register a complaint filed by the Client as soon as possible, but not later than within one working day after receipt of the complaint. The Client shall be notified of registration of the Complaint and of the time limit for responding thereto. The Client shall be responded as soon as possible, but not later than within 15 days after communication of the complaint. The Insurer may extend the time limit for responding to a complaint due to a good reason by notifying the Client of the new time limit and the reason for postponing the responding as soon as the need for extending the time limit appears.

22. Procedure for resolution of disputes

- 22.1.** Attempts will be made to resolve any disagreements and disputes arising from insurance contracts by way of negotiations. If the parties fail to reach an agreement, the dispute will be resolved according to the legislation applicable in the Republic of Estonia.
- 22.2.** The policyholder has the right to refer the dispute with the insurer to the insurance conciliation body of the Estonian Insurance Association. Before the conciliation proceedings, the policyholder must file a complaint with the insurer and give the insurer the chance to respond to the complaint. Additional information about the conciliation proceedings is available on the website of the Estonian Insurance Association www.eksl.ee.
- 22.3.** A policyholder who is a consumer may refer a dispute concerning the contract to the Consumer Disputes Committee of the Consumer Protection and Technical Regulatory Authority. Detailed information about the rules of procedure of the Consumer Disputes Committee is available on the website www.komisjon.ee.
- 22.4.** The policyholder has the right to file a complaint about the activities of the insurer with the Financial Supervision Authority. Additional information about filing complaints with the Financial Supervision Authority is available on the website www.fi.ee.
- 22.5.** The policyholder has the right to go to court on the conditions and pursuant to the conditions stipulated by legislation in order to resolve a dispute.