



Balcia
i n s u r a n c e

PERSONAL LIABILITY INSURANCE
TERMS AND CONDITIONS NO. LT-008.01
VALID FROM 30-04-2021

ABOUT PERSONAL LIABILITY INSURANCE

Feel safe with Balcia Personal liability insurance!

We have created Personal liability insurance to provide You with financial security and support should You become obliged to indemnify damage to health, life and/or property of any third parties.

When purchasing Personal Liability Insurance, you can choose the insurance coverage that meets your needs: to choose the full insurance package, which consists of Personal Civil Liability and the Homeowner's Civil Liability, or to insure only Personal Civil Liability or only Homeowner's Civil Liability. You can also choose the most suitable insurance option, Basic or Comfort:

Insurance coverage	Insured events	Insurance option	
		Basic	Comfort
Personal civil liability	Damage done by daily actions of the Insured	✓	✓
	Damage done during the Insured's engagement in active leisure or amateur sports	✓	✓
	Damage done to a mobile handset or a PC. Limit - 25% of the sum insured, but not more than EUR 1 000.		✓
	Damage done during temporary studies and / or internships abroad		✓
	Damage done by closing (opening) car doors when it is not covered by motor third party liability insurance. Limit - not more than EUR 500		✓
	Damage done by a car catching fire or exploding. Limit - not more than EUR 10 000		✓
	Damage done while flying a drone. Limit – 50 % of the sum insured, but not more than EUR 2 000.		✓
	Damage done to a car rented by the Insured. Limit – 25 % of the sum insured, but not more than EUR 1 000		✓
Homeowner's liability	Damage done during management of real estate and operation of movable property therein	✓	✓
	Damage done during management of buildings in your land plot	✓	✓
	Damage done during ordinary repair works performed on real estate. Limit - EUR 3 000, but not exceeding sum insured.	✓	✓
	Damage done by actions of Your housekeeper, landscape maintenance staff or babysitter	✓	✓
	Damage done by Your pets	✓	✓
	Damage done by driving and / or use of self - propelled machinery in a situation other than a traffic accident	✓	✓
	Damage done to holiday rentals	✓	✓
	Damage done while Your real estate was rented out		✓

A detailed description of insurance risks has been provided in the Terms and Conditions below.

What to do in case of an event?

Notify Us in writing about an event which may be declared an insured event not later than within 30 days from the event day by one of the following ways: by mail sent to Perkūnkiemio g. 5, LT-12129 Vilnius or by filling the claim online at www.balcia.lt.

If You are unable report an event in writing, notify us by calling **19001** or **+370 5 2119 119**, if calling from abroad.

Feel calm!

Balcia Insurance SE Lithuanian branch

CONTENT

- ABOUT PERSONAL LIABILITY INSURANCE 2
- I. DEFINITIONS 5
- II. PERSONAL LIABILITY INSURANCE 6
 - 1. What is Insured 6
 - 2. What is not Insured..... 8
- III. PROCEDURE OF PAYMENT OF INSURANCE INDEMNITIES..... 9
 - 1. Upon Occurrence of an Insured Event..... 9
 - 2. Determining Damage..... 10
 - 3. Paying Insurance Indemnities..... 10
- IV. PROCEDURE OF NON-PAYMENT AND REDUCTION OF INSURANCE INDEMNITIES 11
 - 1. Reduction or Non-payment of Insurance Indemnities..... 11
- V. GENERAL CONDITIONS 11
 - 1. Insurance Contract 11
 - 2. Change in the Insurance Risk..... 12
 - 3. Your Rights and Duties 13
 - 4. Rights and Duties of the Beneficiary 14
 - 5. Our Rights and Duties 14
 - 6. Procedure of Calculation and Payment of Insurance Premiums 14
 - 7. Other Conditions..... 15

I. DEFINITIONS

1.1. Insured shall mean the person You indicated in the insurance contract, upon an occurrence of an insured event in whose life We shall pay an insurance indemnity.

1.2. Civil Liability of the Insured shall mean cases when actions or omissions of the Insured and his / her children and adoptive children under the age of 14 during the period of validity of insurance coverage cause damage or lead to subsequently damage to the health, life and / or property of a Third Party.

1.3. Housing shall mean a residential house, its part or an apartment completed, recognized as suitable for use and registered in the State Enterprise Centre of Registers, which You and/or Your family members manage under the right of ownership, joint or partial ownership, lease or other lawful grounds. Housing shall also mean an object registered as construction in progress in SE Centre of Registers, which is a permanent residence of Yours and/ or Your family members.

1.4. Gross Negligence shall mean actions (actions and/ or omission) of the Insured, which he/ she would not have taken observing at least minimum attentiveness and care requirements.

1.5. Policyholder or You shall mean a natural or a legal person, who applies to Us or Our representative for conclusion of an insurance contract, or whom We offered to conclude an insurance contract, or who concluded an insurance contract with Us in accordance with these Terms and Conditions.

1.6. Insurer or We shall mean Balcia Insurance SE, acting through Balcia Insurance SE Lithuanian branch.

1.7. Sum Insured shall mean the sum of money specified in the Insurance Contract or the amount of money calculated in accordance with the procedure prescribed in the Insurance Contract, which the insurance indemnity amount cannot exceed. The Sum Insured shall be set separately for each Insured and each selected Insurance Risk. The sum insured shall be reduced by the amount of insurance indemnities paid for each Insured. An insurance contract may provide for exceptions.

1.8. Terms and Conditions shall mean Our prepared standard terms and conditions of the insurance contract that are available online at www.balcia.lt.

1.9. Extreme Sports or High-Risk Entertainment shall mean extreme sports or leisure activities that are dangerous to health and life, and require special physical and mental abilities and preparation, using special equipment and / or performing various physical stunts, when the safety of athletes depends on their abilities and preparedness only in part - when the risk is affected by the environment in which the sport is played and / or natural forces necessary in the sport (wind, waves, snow, etc.); this includes mountaineering, wall climbing, shooting, sailing, mountain river rafting to overcome thresholds and other obstacles, windsurfing, surfing, bungee jumping, scuba diving, kite surfing, cycling, skateboarding tricks, parkouring, and the like.

1.10. Europe - The European Economic Area (EEA) states.

1.11. Kinship shall mean a blood relationship between people who are descended from each other or from a common ancestor. Relationships between adopted children and their descendants and adoptive parents and their relatives are considered kinship.

1.12. Relative shall mean direct relatives (great-grandfather, grandfather, father, child, grandchild, great-grandchild, etc.), side-line relatives up to and including the fifth degree (brother, sister, cousin, uncle, aunt, nephew, niece, etc.)

1.13. Deductible shall mean the sum deducted from the insurance indemnity payable to each Insured. Given the chosen Insurance Risk, the Deductible shall be indicated in the Insurance Contract as a specific amount and/ or a percentage of the amount of the loss calculated according to these Terms and Conditions. Where more than one person is insured under the same Insurance Contract, the Deductible shall be applicable to each Insured.

1.14. Daily Actions shall mean usual activities of the Insured not related to his/ her professional activities or performance of work functions.

1.15. Intoxication shall mean a condition when the Insured is intoxicated with alcohol, toxic, narcotic, psychotropic or other psychoactive substances, including potent drugs and drugs the use of which does not allow him/ her to engage in certain activities. For the purposes of these Insurance Terms and

Conditions, a person will be considered as not intoxicated when having tested him/ her, his/ her blood alcohol content does not exceed 0.4 per mille.

1.16. Sports Competitions and Trainings shall mean competitions and trainings organised by sports organisations, sports clubs, sports schools, sports centres, sports facilities, sport federations, associations and societies and other organisations and institutions engaged in physical education and sports activities having rights of a legal entity, which create conditions for practicing physical education and sports, preparing sportsmen, organising sports competitions and other physical education and sports events (hereinafter – Sports Organizations). Competitions shall be held according to the regulations which correspond to the rules of sports competitions. The regulations shall indicate organisers of competitions and the terms and conditions, procedure for holding competitions and safety instructions. Provisions of this clause shall not apply to sports activities that are not organized by Sports Organizations and are a form of leisure of the Insured.

1.17. Destruction shall mean a decrease in the functionality of items, which results in the loss of the possibility to use the items for their direct purpose.

1.18. Family Members:

1.18.1. a spouse or a cohabiting person sharing household for one year at the least (cohabitant);

1.18.2. Relatives living together;

1.18.3. persons who live together and are Relatives of a spouse or a cohabitant.

1.19. Third Party shall mean a person who has no contractual relationship with You or Insured. A person who is a family member of Yours or Insured, a Relative or a family member of a Relative shall not be considered a Third Party.

1.20. Damage shall mean destruction or damage of tangible property of Third Parties or health impairment of Third Parties (including death) and costs incurred as a result.

II. PERSONAL LIABILITY INSURANCE

1. What is Insured

1.1. Homeowner's Liability

1.1.1. The object of this risk is property interests related to Your and Your family members' civil liability for damage to property, health or life of a Third Party caused by management of Your real estate or real estate of Your family members, and the use of movable property therein.

1.1.2. Sudden and unexpected events shall be considered insured events:

1.1.2.1. damage caused by the management of real estate which You and/or Your family members manage under the right of ownership, joint or partial ownership, lease or other lawful grounds and which has been indicated in the insurance policy, and operation of movable property kept therein. Insurance coverage shall only cover housing, which is used for You and / or Your family members to live in, rather than for conducting commercial or similar activities;

1.1.2.2. damage caused by the management of the following structures on the land plot owned or rented by You and / or Your family members, where real estate specified in the insurance policy is: yard paths, wells, stairs, yard lots, outdoor lighting equipment, drainage, irrigation equipment, flagpole or holders, gazebos, car sheds, fences (including gates), greenhouses with concrete foundation, yard swings, outdoor playgrounds, swimming pools, ancillary structures (e.g. garage, sauna, firewood shed, outbuilding). The insurance coverage provided for in this clause shall not cover buildings that are on land plots managed by You and / or Your family members and Third Parties under the right of partial ownership (e.g. structures in courtyards of multi-apartment buildings);

1.1.2.3. damage caused by conducted ordinary repair works on real estate owned by You and / or Your family members and indicated in the insurance policy, the estimate of which does not exceed EUR 3 000, which do not require a construction permit and the aim of which is to renovate housing without

reconstruction or major repairs. The applicable insurance indemnity limit under this clause shall be 50% of the sum insured, but not more than EUR 3 000 for the entire validity period of the insurance contract;

1.1.2.4. damage done by actions of a housekeeper, landscape maintenance staff or babysitter hired by You and/or Your family members to the extent related to the performance of their direct duties in the housing specified in the insurance policy;

1.1.2.5. damage done by pets which You and/ or Your family members own (these include dogs, cats, bunnies, hamsters, guinea pigs, chinchillas, parrots, canaries). Insurance coverage shall not cover damage done by keeping animals other than those listed above, also fighting and dangerous dog breeds (i.e. breeds included in the list of fighting and dangerous dog breeds approved by Order of the Director of the State Food and Veterinary Service of the Republic of Lithuania or defined as fighting and / or dangerous dogs in other legislation), wild, agricultural or commercial animals or damage done by them;

1.1.2.6. damage done by driving and / or use of self - propelled machinery in a situation other than a traffic accident. Self - propelled machinery is mobile machinery which can move on its own and is intended for conducting works of maintenance and handling of the territory where the real estate indicated in the insurance policy is;

1.1.2.7. damage done to housing rented for a temporary stay, for a vacation lasting no longer than 1 month in the territory specified in the insurance policy, even if the housing was not specified in the insurance policy; also civil liability arising out of the management of such housing. This condition shall only apply to housing that is intended for You and / or Your family members to live in, and not for conducting commercial or similar activities. Insurance coverage for damage done to temporarily managed real estate itself shall only cover costs of repair and restoration of property that were incurred as a result of damage to or destruction of the property. We shall not indemnify damage to heating appliances, machines, boilers and hot water preparation devices of the temporarily managed housing, also gas and electrical appliances, and movable property inside and / or outside the housing.

1.1.2.8. Having selected an Comfort insurance option, we shall also consider damage arising out of the management of real estate indicated in the insurance policy, when the real estate object of Yours and/or Your family members has been rented out, to be insured events, if stated explicitly in the insurance policy. Insurance coverage shall cover civil liability of Yours, Your family members and Your tenants with whom a rental agreement valid for at least 1 month has been concluded. Civil liability of Yours and/ or Your family members for damage to tenants and civil liability of tenants for damage done to You and/ or Your family members shall not be insured.

1.2. Personal Civil Liability

1.2.1. The object of this risk is property interests related to civil liability of the Insured for damage done by him/ her to property, health or life of a Third Party when damage was done by actions unrelated to the management of real estate by the Insured or his/ her family members.

1.2.2. Sudden and unexpected events shall be considered insured events:

1.2.2.1. damage caused by daily actions of the Insured as a natural person unrelated to the performance of his/ her work functions;

1.2.2.2. damage done during Insured's engagement in active leisure or amateur sports and / or while driving or using non-motorized and electric land and water vehicles (with the maximum possible speed of up to 25 km / h indicated in manufacturer's specification), i. e. while cycling, scooting, skiing or snowboarding, kayaking, horseback riding, etc., unless it is an extreme sport or high-risk entertainment;

1.2.2.3. having selected the Comfort insurance option, the following sudden and unexpected events having happened shall also be considered insured events, if this has clearly been indicated in the insurance policy:

1.2.2.3.1. damage caused by the destruction of a mobile phone or a computer (the insurance indemnity limit shall be 25% of the sum insured, but not more than EUR 1 000 for the entire insurance period);

1.2.2.3.2. damage caused during temporary (not longer than 6 months) studies in higher education institutions, universities and/ or vocational practice, also while performing non-physical work abroad. Physical work is any work that causes physical activity of the Insured and requires physical force, e.g. work in production, trade, construction, repairs, etc.;

1.2.2.3.3. damage done by closing (opening) vehicle door or catching fire or explosion of a vehicle owned by You and/ or the Insured. This condition shall not include civil liability for damage done in an accident. EUR 500 shall be the limit of the insurance indemnity for damage done by closing (opening) door and EUR 10 000 – for catching fire or explosion of a vehicle.

Insurance coverage shall not be valid in any cases if the damage was caused in the absence of a valid technical inspection of a vehicle and / or if a vehicle was removed from the state register. Insurance coverage shall not apply if a vehicle has been set on fire or exploded intentionally;

1.2.2.3.4. damage done by flying drones, provided that legislation governing the operation of drones has not been violated. The insurance indemnity limit shall be 50% of the sum insured, but not more than EUR 2 000 for the entire period of validity of the insurance contract;

1.2.2.3.5. damage done to a car rented by the Insured. Coverage under this clause shall be valid only if a short-term car rental agreement has been concluded with a legal entity officially providing rental services for a minimum of one day and a maximum of one month, and photographs of the vehicle were taken both before handing over the vehicle to the Insured and after it was returned. The insurance indemnity limit shall be 25% of the sum insured, but not more than EUR 1 000 for the entire period of validity of the insurance contract.

1.3. Events shall be considered insured, and We shall be obliged to pay an insurance indemnity, if all the following conditions have been met:

1.3.1. damage occurred during the insurance period specified in the insurance policy and within the territory of validity of the insurance contract;

1.3.2. We have been informed of a claim for indemnification of damage, or a claim for indemnification of damage was submitted to Us not later than within 3 (three) years from the date of the event;

1.3.3. You or the Insured are liable for damages in accordance with applicable legislation;

1.3.4. the event corresponds to the description of the selected insurance option indicated in the insurance policy;

1.3.5. the event is not included in the list of non-insured events under the terms of the insurance contract.

1.4. In case of an insured event, We shall indemnify the following without exceeding the sum insured indicated in the insurance contract and limits of indemnities set for individual events (if any):

1.4.1. direct losses;

1.4.2. loss of income which a Third Party would have received had there been no destruction, damage of property or health impairment (including death);

1.4.3. non-pecuniary damage set by court. The insurance indemnity limit for non-pecuniary damage shall be 50% of the sum insured, but not more than EUR 5 000 for the entire period of validity of the insurance contract.

2. What is not Insured

2.1. We shall consider the following to be non-insured events and shall not indemnify the following losses, unless otherwise provided for in the insurance contract:

2.1.1. damage which You, the Insured or other persons with whom You and / or the Insured share household have done to each other, family members, relatives and / or their family members;

2.1.2. damage caused to a legal entity that is directly or indirectly controlled by You, the Insured or other persons with whom You and / or the Insured share household, or their family members, relatives and/ or their family members;

2.1.3. damage caused by You and/ or the Insured, if Your permanent residence is outside the Republic of Lithuania;

2.1.4. damage to property that has been temporarily entrusted to You and/ or the Insured, except for the cases provided for in clauses 1.1.2.7., 1.2.2.3.1. and 1.2.2.3.5. of the of the Terms and Conditions;

2.1.5. damage done during Insured's preparation for and / or participation in professional sports trainings and competitions, engaging in extreme sports or high-risk entertainment;

2.1.6. damage done when engaging in various types of martial and self-defence arts, other martial and contact sports, including boxing, wrestling, karate, judo, etc.;

2.1.7. damage caused by any land or water vehicles, including driving, use or disposal of non-motorized

vehicles regardless of the place of an accident, except for the cases provided for in clauses 1.1.2.6, 1.2.2.2., 1.2.2.3.3. and 1.2.2.3.5. of the Terms and Conditions;

2.1.8. damages done by a default on or improper discharge of obligations assumed under a contract or arising out of a contract in any way (e.g. debt transfer, suretyship, guarantee, in other cases), including liability and penalties for a default on or improper discharge of the contract;

2.1.9. any fines or other sanctions provided for in contracts or legislation;

2.1.10. damage which You and/ or Your family members are guilty of as owners or managers of real estate, if this real estate has not been specified in the insurance policy, except for cases provided for in clause 1.1.2.7 of the Terms and Conditions;

2.1.11. damage caused by Your pet and/ or a pet of Your family members running out to the road, also damage caused by a loose dog and / or a dog which did not wear a muzzle;

2.1.12. damage done by Yours and/or the Insured's intentional or criminal or illegal acts;

2.1.13. damage or impairment of property due to a failure to maintain, depreciation or loss of marketability of a temporarily managed housing;

2.1.14. damage due to infectious, contagious diseases; mental reactions (affective state), mental trauma, mental illness or other mental disorder or disorder of consciousness, seizures of epilepsy or apoplexy, chronic neurological disorders with manifestation of impaired coordination or muscle weakness;

2.1.15. damage due to air, water, land pollution or other harmful effects that caused a change in the natural state of air, water or ground;

2.1.16. damage caused by or in any way affected by the following chemical substances (in any form, composition or shape): asbestos, lead, polychlorinated biphenyls (PCBs), chlorohydrocarbons, urea formaldehydes, urea-formaldehyde foam (UFF) diethylbestrol (DES), tobacco and tobacco products, halons, chlorofluorocarbons (CFC's) or chlorinated hydrocarbons (CHC's) or a genetically modified component (GMO), any derived protein or any product containing such a component or protein, use of chemical and biological agents for non-peaceful purposes;

2.1.17. damage resulting from strikes, mass unrest, riots, acts of war or similar events;

2.1.18. any damage done by hunting or shooting;

2.1.19. damage done by damage, destruction or loss of any, information stored on data media contained therein, cash, jewellery, precious stones, precious metals, works of art, antiques;

2.1.20. damage caused while serving a remand prison or imprisonment sentence;

2.1.21. damage done while the Insured was intoxicated or if the Insured avoided to have his/ her intoxication checked.

III. PROCEDURE OF PAYMENT OF INSURANCE INDEMNITIES

1. Upon Occurrence of an Insured Event

Upon occurrence of an event, You and/ or the Insured shall be obliged to:

- 1.1. take all reasonable and available measures in an effort to reduce possible damage;
- 1.2. immediately, not later than within 24 (twenty-four) hours, report the event to competent authorities (police, fire, emergency services, medical assistance, etc.);
- 1.3. immediately, not later than within 30 (thirty) calendar days, notify Us in writing about the event that may be recognized as insured;
- 1.4. having received any claims of third parties, notify Us in writing within 3 business days, regardless of the fact that the event has already been reported;
- 1.5. provide Us with all the required documents and information necessary to establish the fact and circumstances of the insured event and to calculate the insurance indemnity amount;
- 1.6. if Third Parties apply to court for damage done, immediately notify Us in writing thereof, even if that insured event has already been reported;
- 1.7. if Third Parties file a lawsuit in court for indemnification damages, follow all of Our instructions in the court proceedings, and provide all requests, explanations and available evidence which We believe to be necessary;

- 1.8. at Our request, authorize Us to make statements on behalf of the Insured regarding the satisfaction or rejection of claims of Third Parties, including representation in court;
- 1.9. do not admit Your guilt in whole or in part and do not satisfy any Third-Party claims for indemnification of damages without Our consent;
- 1.10. in all cases, do not act against Our interests;
- 1.11. We shall be provided with all the information and documents specified in these Terms Conditions in writing in at least one of the following ways: by registered mail or by completing the report available online at www.balcia.lt. If You are unable report an event in writing, notify us by calling **19001** or **+370 5 2119 119**, if calling from abroad.

2. Determining Damage

- 2.1. Having received initial information, We shall start an investigation of an event which may be recognized as an Insured Event during which respective justice, law enforcement, personal health care, social security, medical examination establishments and institutions compiling lists of psychoneurological, toxicological, narcological records and other institutions which may have data on the fact, circumstances and consequences of the event, shall be contacted. When recording circumstances of an event, We shall be entitled to take photos and make video (audio) recordings. We may hire various experts, specialists or researchers for the investigation of the Insured Event.
- 2.2. Our conclusions shall be binding unless they have been proven not to reflect the actual situation.

3. Paying Insurance Indemnities

- 3.1. We shall pay an Insurance Indemnity or the first instalment thereof not later than within 30 days from the date of receipt of all documents relevant for determining the reasons, circumstances and consequences of the Insured Event, and calculating the Insurance Indemnity amount.
- 3.2. In case of an Insured Event, if determination and approval of the Insurance Indemnity amount takes longer than 3 (three) months, We shall pay the sum equal to the undisputed Insurance Indemnity amount at Your request.
- 3.3. Having determined in case of an insured event that the respective property interests of the Insured have been covered under more than one loss insurance contract (e.g. in more than one insurance company), an insurance indemnity payable under the insurance contract shall be reduced in proportion to the ratio of sums insured under such insurance contracts. The amount of insurance indemnities under all insurance contracts may not exceed the loss incurred by the Insured and the insurance value.
- 3.4. In all cases, when paying an insurance indemnity, We shall not exceed the sum insured provided for in the insurance contract.

IV. PROCEDURE OF NON-PAYMENT AND REDUCTION OF INSURANCE INDEMNITIES

1. Reduction or Non-payment of Insurance Indemnities

1.1. In case of an Insured Event, We shall be entitled to reduce the Insurance Indemnity amount by:

- 1.1.1. 50% if You, the Insured or the Beneficiary failed to report an insured event to competent authorities and institutions in a timely manner and in the result the loss amount increased;
- 1.1.2. 50 %, if You, the Insured or the Beneficiary have deliberately failed to comply with all or a part of obligations or Our legally justified requirements;
- 1.1.3. If the Beneficiary has received full or partial indemnification of losses from another person, the Indemnity amount shall be reduced by the amount received from the other person.

1.2. In case of an Insured Event, We shall be entitled to refuse to pay an Insurance Indemnity if:

- 1.2.1. You, the Insured or the Beneficiary have failed to report to Us the suffered insured event in a timely manner, and therefore We are unable to determine the exact amount of the expenses incurred;
 - 1.2.2. the incurred expenses were a consequence of a non-insured event;
 - 1.2.3. You, the Insured Person or the Beneficiary or Your representatives intentionally provided Us with false information or documents having a substantial impact on the assessment of the insurance risk and/ or possible losses, or unlawfully increased the amount of the loss. In case of such suspicions, We shall be entitled to refer to the responsible pre-trial investigation institutions with a view to establishing features and the fact of a possible criminal act;
 - 1.2.4. the payment of an insurance indemnity would violate trade, economic or other sanctions or embargoes imposed by the Republic of Lithuania, EU or international organizations, as well as other national or international legal acts regulating Our activities;
 - 1.2.5. You, the Insured or the Beneficiary have defaulted on duties indicated in the Insurance Terms and Conditions intentionally or through Gross Negligence;
 - 1.2.6. The insurance contract or relevant legal acts lay down other conditions for refusing to pay an insurance indemnity.
- 1.3. If having paid out an insurance indemnity or a part thereof it turns out that the indemnity should not have been paid or it should have been paid in a lesser amount, the insurance indemnity or the overpaid amount shall be refunded to Us at Our written request, within 30 (thirty) calendar days from Our request, except for the cases provided for by laws.

V. GENERAL CONDITIONS

1. Insurance Contract

1.1. Concluding an insurance contract

- 1.1.1. The Insurance Contract is a complex document consisting of the aforementioned Insurance Policy, Your application (We may ask You to submit it in writing), these Terms and Conditions and other annexes and conditions, which We will agree on. If the individual insurance conditions laid down in the Insurance Policy and the conditions established in these Terms and Conditions differ, the Policy shall prevail.
- 1.1.2. An insurance contract shall be concluded at a free Your and Our will, so both You and We shall have the right to refuse to conclude an insurance contract without giving any reasons therefor.
- 1.1.3. An insurance contract shall be concluded at Your verbal or written request, in which You will provide Us with the information necessary to assess the insurance risk.
- 1.1.4. You shall be responsible for the accuracy of the data provided in the request, as well as for the accuracy of the data indicated in the insurance policy and annexes thereto.
- 1.1.5. Having made a decision to conclude an insurance contract, both You and We shall be mutually honest - in order to properly identify Your needs and assess Your insurance risk, We shall receive from You all correct information known to You and / or requested by Us, which is important both for concluding and

executing the insurance contract. Should You improperly discharge this obligation, We shall acquire the right to declare the concluded insurance contract invalid.

1.1.6. An insurance contract may be concluded in one of the following ways:

1.1.6.1. by signing an insurance contract (by a regular or electronic signature);

1.1.6.2. by Us signing an insurance contract and You confirming the payment of the insurance premium or its first instalment (if we agree on setting out the premium in instalments).

1.1.7. An insurance contract concluded during Insured's stay outside of the Republic of Lithuania shall be invalid.

1.2. Validity of the insurance contract

1.2.1. The period of validity of the insurance contract shall be specified in the insurance policy.

1.2.2. If entry into force of insurance coverage is associated with the payment of an insurance premium or its first instalment, insurance coverage shall take effect when the insurance premium or its part is credited to Our bank account.

1.2.3. Insurance coverage shall only be valid in the territory of the Republic of Lithuania unless the insurance policy indicates otherwise.

1.2.4. Insurance contract may be supplemented or amended by a written agreement of You and We.

1.3. Expiry of the insurance contract

1.3.1. The insurance contract shall terminate:

1.3.1.1. upon the expiry of the insurance contract;

1.3.1.2. after We have paid out all insurance indemnities provided for in the insurance contract, even if the insurance contract has not yet expired;

1.3.1.3. in case of Your liquidation as a legal entity, in the absence of successors to Your rights and duties. In such a case, the insurance contract shall be deemed to have expired from the first day of the period for which insurance premiums have not been paid;

1.3.1.4. in case of death of the Insured or in the event of redundancy of the insured position when there are no more employees;

1.3.1.5. on Your own initiative, by giving a written notice to Us not later than 15 (fifteen) calendar days before the expected day of termination of the insurance contract. The insurance contract shall be deemed terminated on the day specified in the notice, but not earlier than on the 15th (fifteenth) day after the date of receipt of the termination notice. In this case (when calculating the amount to be refunded, We shall treat each started day as a full day):

1.3.1.5.1. if the insurance indemnity has not been paid out or no claims have been filed during the validity period of the insurance contract, We shall refund the unused part of the insurance premium within 20 (twenty) calendar days from the date of receipt of Your notice;

1.3.1.5.2. if the insurance indemnity has been paid and/ or reserved, or claims have been filed during the validity period of the insurance contract, We shall refund to You the part of the insurance premium equal to the difference between the unused part of the insurance premium and the insurance indemnity paid within 20 (twenty) calendar days from the date of receipt of Your notice.

1.3.1.6. on Our initiative, in accordance with the procedure established by legislation, if You commit a material violation of the contract (for example, have been late to pay an insurance premium in a timely manner, intentionally refused to disclose information important for risk assessment, etc.).

1.3.1.7. on other grounds established by laws.

1.3.2. Regardless of the grounds of termination of the insurance contract, You shall have a duty to pay the insurance premium for the insurance coverage period till the termination/ expiry of the insurance contract.

2. Change in the Insurance Risk

2.1 You shall immediately, but not later than within 3 (three) business days, notify us in writing about the increase in risk, e.g. a change in the circumstances and exceptions discussed in the insurance policy.

2.2. Upon an increase in the insurance risk, We shall have the right to amend the terms and conditions of the insurance contract and request to pay an additional insurance premium. If You do not agree with the amended terms and conditions, or fail to express Your opinion within the set time limit from the day of

sending a notice on new conditions of the insurance contract, We shall acquire the right to terminate the insurance contract upon the expiry of the time limit specified in this clause without any separate notice.

2.3. A failure to notify Us of an increase in the insurance risk shall be a material breach of the terms and conditions of the insurance contract and shall form a reason for Us to terminate the insurance contract, also to refuse to pay an insurance indemnity upon an occurrence of an event.

2.4. If the insurance risk decreases, You shall have the right to request to amend terms and conditions of the insurance contract and to reduce the insurance premium.

2.5. If We, having been aware of the increased risk, had not concluded the insurance contract, We shall acquire the right to demand termination of the insurance contract.

3. Your Rights and Duties

3.1. You shall have the right to:

3.1.1. get an insurance offer that best suits Your interests and needs;

3.1.2. get familiar with the Terms and Conditions and the insurance product information document, and to receive a copy thereof before concluding an insurance contract;

3.1.3. submit to Us an application for concluding an insurance contract;

3.1.4. conclude an insurance contract in one of the ways offered in these Terms and Conditions convenient to You;

3.1.5. offer to amend, supplement and/or terminate the insurance contract in accordance with the procedure established by legislation and/or the Terms and Conditions;

3.1.6. request to pay an insurance indemnity in case of an insured event, if a written consent of the Beneficiary specified in the insurance contract has been obtained;

3.1.7. receive information on the progress of an investigation of an insured event without violating the applicable legal acts;

3.1.8. disagree with the assignment of Our rights and duties arising out of the insurance contract to another (other) insurance company (-ies). In such a case, You shall have the right to terminate the insurance contract within 1 month from becoming aware of such an assignment of rights and duties, by giving Us a 15 (fifteen) days' written notice thereof. In such a case, You shall be refunded Your paid insurance premiums for the remaining period of validity of the insurance contract.

3.2. You shall be obliged to:

3.2.1. submit to Us Your written application for concluding an insurance contract;

3.2.2. before concluding an insurance contract, provide Us with correct information on all the circumstances that may have a material impact on the assessment of the insurance risk which You are aware of or which We request. This can be done by completing Our questionnaire, notifying us verbally or in writing and furnishing documents;

3.2.3. during the validity period of the insurance contract, to immediately, but not later than within 3 (three) business days, notify Us of any changes in the circumstances that may affect the occurrence of an insured event and/or damage, the amount of losses and a change in the insurance risk;

3.2.4. notify Us of all the insurance contracts concerning the same risks concluded or planned to be concluded with other insurance companies (including their terms and conditions). The Insured shall also be subject to this requirement;

3.2.6. pay an insurance premium within the time limits set in the insurance policy;

3.2.7. notify Us of a change in contact details (address, phone number, e-mail address) in writing not later than within 3 business days.

4. Rights and Duties of the Beneficiary

4.1. The Beneficiary shall have the right to:

- 4.1.1. receive an insurance indemnity;
- 4.1.2. receive information on the progress of investigation of an insured event and other related information without prejudice to applicable legal acts.

4.2. The Beneficiary shall be obliged to:

- 4.2.1. in case of an insured event, to furnish Us with all the available documents and/or known information on the circumstances and consequences of the insured event.

5. Our Rights and Duties

5.1. We shall have the right to:

- 5.1.1. request and receive all information necessary for risk assessment from You, the Insured and/ or the Beneficiary;
- 5.1.2. in case of a change in the insurance risk, amend conditions of the insurance contract and request to pay an additional insurance premium or to terminate the insurance contract with You in accordance with the procedure prescribed by legal acts;
- 5.1.3. if an insurance contract is concluded through Your representative, familiarise him/ her, rather than You directly, with the Terms and Conditions and submit a copy thereof. This will be considered as duly discharged duty of Ours to disclose the terms and conditions of the insurance contract to You;
- 5.1.4. refuse to conclude an insurance contract without giving any reasons therefor;
- 5.1.5. refuse to pay an insurance premium or reduce its amount, if You or the Insured (if he/ she was aware of the conclusion of the insurance contract on his/ her behalf) intentionally or through Gross Negligence:
 - 5.1.5.1. failed to notify Us of the occurrence of an insured event within the time limits specified in the Terms and Conditions, and this affected the increase in damage or the determination of circumstances and/ or consequences of the event;
 - 5.1.5.2. despite Your obligation, You have failed to take action that may reduce or eliminate the damage done;
 - 5.1.5.3. failed to follow Our other legitimate instructions;
- 5.1.6. assign Our rights and duties arising from the insurance contract to another insurance company (-ies) in accordance with the procedure established by legal acts. You shall be informed of such an intention at least 2 (two) months in advance and in at least two national newspapers;
- 5.1.7. for the purpose of providing the Services, without prejudice to Your interests, disclose confidential information to independent and Our hired experts, reinsurance companies, Our legal representatives and advisers, companies related to Us, courts and arbitration, the Beneficiary and in other cases prescribed by laws.

5.2. We shall be obliged to:

- 5.2.1. pay insurance indemnities in case of the occurrence of an insured event in accordance with the procedure and within the time limits established by legal acts and these Terms and Conditions;
- 5.2.2. process Your personal data, personal data of the Insured, the Beneficiary and other persons related to the insurance contract in strict compliance with provisions of legal acts;
- 5.2.3. notify You and the Beneficiary of the progress of the insured event in accordance with the procedure established by legal acts.

6. Procedure of Calculation and Payment of Insurance Premiums

- 6.1. We shall calculate the amount of the insurance premium, due payment of which is one of Your key obligations, according to Your provided information, including the sum insured, the selected insurance risks, insurance territory and other important information.

6.2. You shall pay the total insurance premium amount at the moment of conclusion of the insurance contract, however, we may agree on the payment of the insurance premium in instalments. In such a case, the sums and the terms of their payment shall be specified in the insurance policy.

6.3. The insurance premium or its instalment shall be considered paid after making a transfer to the bank account of Ours or Our representative's. The date of crediting funds in Our or Our representative's bank account shall be deemed the date of payment of the insurance premium.

6.4. The payment of the total insurance premium amount or its total instalment shall be considered proper discharge of Your duty to pay an insurance premium.

6.5. If You fail to pay an insurance premium or pay it only in part, We shall additionally charge default interest of 0.02 (two hundredths) percent of the outstanding amount for each day of delay, calculating of the outstanding amount.

6.6. If You fail to pay an insurance premium within 30 days from the date of sending Our call for payment to You, the insurance contract shall terminate on the grounds referred to in clause 1.3.1.6. hereof. If We hire for debt recovery persons engaged in the provision of such services, You shall cover the costs which We incur as a result.

6.7. In case of a change in the insurance risk, We shall have the right to recalculate the insurance premium amount.

7. Other Conditions

7.1. We and You (the Parties) shall not be entitled to disclose confidential information of the other Party received in the course of provision of insurance services (including information received before conclusion of the Insurance Contract) to third parties without a prior written consent of the other Party, except for the cases set out in legal acts and these Terms and Conditions.

7.2. The Insurance Contract and any legal relationship arising out of the Insurance Contract shall be governed by law of the Republic of Lithuania.

7.3 In the event of a dispute, we shall resolve it in good faith. In case of a failure to reach an agreement, the dispute may be referred to courts in accordance with the procedure established by legal acts of the Republic of Lithuania. If You are a natural person, You may also refer the dispute for resolution to the institution supervising Our activities - the Financial Market Supervisory Authority of the Bank of Lithuania, www.lb.lt.

7.4. In order for communication between us to run smoothly, We shall send notifications to each other in writing:

7.4.1. by post;

7.4.2. by e-mail / on the self-service portal, indicating this in the insurance policy or the self-service;

7.4.3. by other means that we agree on.

7.5. Mutual notifications shall be deemed to have been duly served within a reasonable period time after they were sent in an agreed manner.