



Gjensidige



LIABILITY INSURANCE
FOR BUSINESS NO 034

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Liability insurance for business conditions (conditions of the type of insurance)

APPROVED by:

ADB Gjensidige

Upon Resolution of the Management Board as of 21 July 2020
Terms and Conditions are valid since 11 August 2020

The insurance contract is in Lithuanian language. This is a translation for information purposes.



1. Definitions

- 1.1. **Insured Activity** – economic activity or any other type of activity specified in the Policy, or a product created, or a service provided during such activity.
- 1.2. **Insured Person** – a person indicated in the Insurance Policy whose property interests related to the occurrence of civil liability are insured under the Insurance Contract. Upon the conclusion of the Insurance Contract by the Policyholder on another person's property interests related to civil liability, all conditions of the concluded insurance contract, other than the obligation to pay the insurance premium, are applied to the Insured Person as well.
- 1.3. **Environmental Pollution** – means the emission, dispersion, release, spillage or leakage to the soil, and/or ground, water bodies of smoke, steam, soot, acid, alkali, toxic chemicals, liquids or gas, waste or other irritating chemicals, pollutants.
- 1.4. **Civil Liability** – an obligation of the Policyholder to compensate damages incurred by a Third Party caused by action, omission or by violation of the general duty to act with care and diligence.
- 1.5. **Policyholder** – a person who has concluded an Insurance Contract with the Insurer. The term „Policyholder“ also includes employees of the Policyholder specified in the Insurance Policy who perform work under employment contracts if they act in the interests and instructions of the Policyholder.
- 1.6. **Property Entrusted to the Policyholder** – property owned by Third Parties which at the time occurrence of damages is:
 - 1.6.1 held or stored by the Policyholder, or the Policyholder performs its transportation, repair, assembly, mending, or it is entrusted to the Policyholder for any other purposes. Buildings or territories where the Insured is carrying out Construction Work shall not be deemed as Property Entrusted to the Policyholder;
 - 1.6.2 let to the Policyholder (including leasing) or which the Insured has borrowed or is using on any other legitimate basis for the purpose of performance of the Insured Activity.
- 1.7. **Insured Object** – Policyholder's property interests related to civil liability for damage caused to a third party due to the Insured Event.
- 1.8. **Product Liability Insurance Territory** – a territory specified in the Policy which is covered by insurance for the damages occurred.
- 1.9. **General Liability Insurance Territory** – a territory specified in the Insurance Policy or a place where Insured Activity is carried out and which is covered by insurance for the damages caused.
- 1.10. **Employer's Liability Insurance Territory** – a territory specified in the Policy which is covered by insurance in case of an accident.
- 1.11. **Construction works** – all works on the construction, repair, reconstruction or demolition of structures, civil engineering structures, networks and/or systems (including, but not limited to, excavation, bricklaying, concreting, installation, installation of foundations and roofs, joinery, finishing, installation of equipment, launching and adjustment works).
- 1.12. **Extended reporting period** – 3 months or another term indicated in the Insurance Policy, starting from expiry of the term of the Insurance Contract, during which the Policyholder, without prejudice of terms provided in Paragraph 13.1.5. of these Conditions must notify the Insurer about:
 - 1.12.1 claims for compensation received during the term of the Insurance Contract;
 - 1.12.2 events and/or circumstances occurring during the term of the Insurance Contract and/or in the retroactive period that may lead to Third Party claims for compensation.
- 1.13. **Contractor** – is another party of the contract concluded by the Policyholder whose services Policyholder uses to perform the Insured Activity (including but not limited to the Policyholder's subcontractor, supplier, service provider for Policyholder).
- 1.14. **Losses** – are monetary expressions of damage.
- 1.15. **Product** – an item (movable asset) created by the Insured during Insured Activity, or the result of a service rendered by the Policyholder during Insured Activity.
- 1.16. **Product Liability** – the Policyholder's civil liability for damage to Third Parties caused by the Product specified in the Insurance Policy.
- 1.17. **Professional activity** – activity based on respective knowledge, skills and intellectual work, which requires special vocational training and/or studies, and which is governed by laws and regulations.
- 1.18. **Claim** – a written statement of claim for compensation of the damage caused to a Third Party, which is addressed to the Policyholder as the responsible person or Insurer.
- 1.19. **Retroactive period** – a period from the retroactive date specified in the Insurance Policy until the beginning of the Insurance Contract term.
- 1.20. **Third Party** – any person other than the Policyholder. Persons related to the Insured through employment, except in case of Employer's Liability insurance, shall not be deemed as Third Parties.
- 1.21. **General liability** – the Policyholder's civil liability for damage caused to the Third Parties while carrying out the Insured Activity.
- 1.22. **Damage** – material damage, destruction of a third party's tangible property, bodily injury suffered by third party or deprivation of life, deprivation of life and the expenses incurred (direct loss), loss of earnings (indirect loss) due to material damage, destruction of a third party's tangible property, bodily injury suffered by third party or deprivation of life, deprivation of life, as well as non-pecuniary damage arising as a result of bodily injury or deprivation of life of a Third Party caused by the Insured Event.

- 1.23. **Employer** – a company, institution, organization or other organizational structure, regardless of the form of ownership, legal form, type and type of activity, paying or obliged to pay state social insurance contributions for social insurance of Accidents at Work.
- 1.24. **Employee** – a natural person employed by and for the benefit of the Policyholder for whom the Policyholder pays or is required to pay social security contributions.
- 1.25. **Accident At Work** – accident at work (service), including a car crash at work/service or at the workplace (during additional, special breaks or breaks for rest and have meal at the workplace, when employee is at the company premises or at the workplace), which causes the employee to suffer health damage and loss of capacity for work for one day or for which the employee dies, has been investigated and recognized as accident at work in accordance with the established procedure. An accident at work is also recognized as an event related to the performance of an official's official duties, during which the official is exposed to a risk factor (chemical, physical, biological, physical or ergonomic) or multiple factors resulting in an official's death or health impairment.
- 1.26. **Accident on the Way to Work or from Work** – an accident, including a car crash, on the way to the employee's work (service) or from work (service) during employee's working days between workplace and place of residence; a non-workplace location where the employee is paid; a place outside the workplace where the employee may have a break during a rest or a meal; other workplaces.
- 1.27. **Occupational Disease** – an acute or chronic illness of employee caused by one or more harmful and/or dangerous factors of the work environment, recognized as an occupational disease according to the established procedure.
- 1.28. **Conditions of Insurance Contract, that are agreed individually** – conditions in Insurance Policy, changing or complementing Liability Insurance for Business Conditions (hereinafter – Conditions) or General Conditions. In case of a conflict between Conditions of Insurance Contract, that are agreed individually these Conditions, conditions in Insurance Policy shall prevail.

2. Conditions of insurance event



- 2.1. Insured Event – is a sudden and unexpected event related to an Insured Activity that may result in the payment of insurance indemnity under the insurance coverage specified in the Insurance Contract if all of the following conditions are met:
 - 2.1.1 the event happened and damage occurred in the insurance area (territory), indicated for selected insurance condition;
 - 2.1.2 the event happened and damage occurred during the term of the Insurance Contract or in the Retroactive Period if it is indicated in the Insurance Contract;
 - 2.1.3 the Insurer shall be notified of the damage or circumstances that may be claimed in the term of the Insurance Contract or within the Extended Reporting Period;
 - 2.1.4 the claim for compensation to the Insurer has been brought within three years from the expiry of the term of the Insurance Contract if the Insurer was notified about the event or damage within the term of the Insurance Contract or during the Extended Reporting Period;
 - 2.1.5 The Policyholder did not know and should not have known about the event and/or damage before the conclusion of the Insurance Contract;
 - 2.1.6 The Policyholder is liable for damage under the legislation of the Republic of Lithuania.
- 2.2. Claims for damages arising from the same cause and under the same circumstances brought by one or more third parties within a period of three years from the expiry of the Insurance Contract shall be considered as one Insured Event. Upon notification by the Policyholder of the event, a third party's claim for damages or circumstances that may result in claims in the future, any claims made within the three-year period after the expiry of the Insurance Contract shall

be subject to the terms of the Insurance Contract in force at the time of notification.

- 2.3. The point of time when the Damage is deemed to have happened is the moment when a Third Party becomes aware (or is reasonably expected to have become aware) of the Damage. If the moment of occurrence of the damage cannot be determined precisely, the damage shall be deemed to have occurred at the moment when the first claim for damages was brought to the Policyholder.
- 2.4. If upon occurrence of the Insured Event it turns out that the same risk is insured with several Insurance Contracts in different insurance companies, then the losses shall be indemnified in accordance with this Insurance contract only if the event is not insured under the terms of previously entered into force insurance contract.



3. General liability insurance

- 3.1. Where the Policyholder and the Insurer agree on the application of a General Liability Insurance Condition and it is specifically stated in the Insurance Policy this insurance **covers** the Poliholder's civil liability for the Damage to the property, health and life of Third Parties to the extent as it is described in insurance contract
 - 3.1.1 arising from the operation of the buildings, premises or territory specified in the Insurance Policy;
 - 3.1.2 arising from the operation of signboards, advertising stands throughout the territory of the Republic of Lithuania;
 - 3.1.3 arising from the Insured Activity while carrying out by the Policyholder in the territory specified in the Insurance Policy;
 - 3.1.4 made by using self-propelled machinery or vehicles for the purpose of carrying out an Insured Activity, except where Damage is caused by traffic accident;
 - 3.1.5 made during loading/unloading operations where self propelled machinery or vehicles are used except if Damages are caused to the cargo to be loaded/unloaded;
 - 3.1.6 arising from simple physical actions performed by Employees when participating in trade shows, fairs or conferences where the Insured takes part in relation to the Insured Activity in the territory of the European Union, as well as the territories of Norway and Switzerland, but which is not connected with the production process, operation or demonstration of production facilities or mechanisms;
 - 3.1.7 arising due to maintenance and simple repairs of existing buildings (premises) for own needs;
 - 3.1.8 arising during activity performed by Contractors that provide cleaning and maintenance services for buildings, premises or territory where Insured Activity is carried out, including simple repairs which do not require a construction permit, as well as other services related to cleaning and maintenance. Civil liability of the Contractors hired by the Insured is not covered, i.e. after payment of insurance indemnity the Insurer retains the right of subrogation against the person who has caused Damages.
- 3.2. Pursuant to the Liability Insurance for Business Terms and Conditions, General Liability Insurance **does not cover** the Policyholder's civil liability for the Damage to the property, health and life of Third Parties
 - 3.2.1 relating to the operation of buildings, premises or territory let to the activities of other persons, except where the lease of buildings, premises or territory is indicated in the Insurance Policy as an Insured Activity;
 - 3.2.2 arising from the operation of buildings, premises or installations that are in demolishable or inoperable (emergency) condition;
 - 3.2.3 made to Property Entrusted to the Policyholder, unless otherwise indicated in the Insurance Policy;
 - 3.2.4 related to Environmental Pollution, unless otherwise indicated in the Insurance Policy;
 - 3.2.5 related to the product or service provided by the Policyholder (Product Liability);
 - 3.2.6 due to the misuse of real estate, e.g.: commercial premises are used for production activities;
 - 3.2.7 related to other exceptions and non-insured events stipulated under these Terms and Conditions.

4. Additional conditions for general liability insurance



If the below mentioned insurance terms and conditions are selected and included in the Insurance Policy, the General Liability Insurance is extended with the following coverage:

4.1. The insurance condition No. 034/1 of the Civil Liability for the damage caused to the property entrusted to the Policyholder:

- 4.1.1 Where the Policyholder and the Insurer agree on the application of this Additional Condition, insurance **covers** the Policyholder's civil liability for the Damage caused to the Property Entrusted to the Policyholder.
- 4.1.2 Pursuant to this Additional Condition, insurance **does not cover** the Insured's civil liability for the Damage:
 - 4.1.2.1 made to the Property Entrusted to the Insured other than that specified in Insurance Policy;
 - 4.1.2.2 due to damage to the Entrusted Property or worsening of its condition, or impairment of value as a result of wear and tear, corrosion or any other inevitable natural processes that have occurred while the Entrusted Property is used for its intended purposes;
 - 4.1.2.3 due to theft or loss of the Entrusted Property or its damage as a result of criminal activities by third parties.
- 4.1.3 The Insurance Contract shall be subject to all provisions of these Terms and Conditions except those stipulated under Clause 3.2.3.

4.2. The insurance condition No. 034/2 of the Policyholder's Civil Liability for damage caused by the Policyholder's Contractors

- 4.2.1 Where the Policyholder and the Insurer agree on applying this Condition, insurance **covers** the Insured's civil liability for the Damage made by its Contractors (Subcontractors) while carrying out the Insured Activity in the interests of and pursuant to the instructions given by the Insured. Third party liability of the Contractors hired by the Insured is not covered, i.e. after payment of insurance indemnity the Insurer retains the right of subrogation against the person who has caused Damages.
- 4.2.2 The Insurance Contract shall be subject to all provisions of these Terms and Conditions.

4.3. The insurance condition No. 034/3 of the Pollution Liability:

- 4.3.1 Where the Policyholder and the Insurer agree on applying this Condition, insurance **covers** the Insured's civil liability for:
 - 4.3.1.1 the Damage to the health, life or property of the Third Party as a result of Environmental Pollution;
 - 4.3.1.2 for the expenses incurred by the Third Party due to removal of pollutants from water or soil.
- 4.3.2 Pursuant to this Condition, insurance **does not cover** the Insured's civil liability for the Damage:
 - 4.3.2.1 it is caused by slow, gradual processes, continuous actions (or omission), or recurring natural phenomena rather than due to sudden, unexpected and accidental causes;
 - 4.3.2.2 if the Policyholder and the competent national authorities have become aware of the fact of Environmental Pollution more than 72 hours after the moment of Pollution, or if it is impossible to determine the exact time when such Pollution occurred;
 - 4.3.2.3 due to condition of water (including groundwater), ground, flora and fauna, as well as due to decontamination, prevention or removal of pollutants from the property (water, ground, air, flora or fauna) held or managed by the Policyholder;
 - 4.3.2.4 if prevention or remedying of the particular Damages is done pursuant to the legislation implemented based on Directive 2004/35/CE of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage.
- 4.3.3 The Insurance Contract shall be subject to all provisions of these Terms and Conditions except those stipulated under Clause 3.2.4.

5. Product liability insurance



- 5.1. Where the Policyholder and the Insurer agree on Product Liability Insurance and it is specifically stated in the Insurance Policy, this insurance covers the Policyholder's civil liability for the Damage caused to the property, health and life of Third Parties:
 - 5.1.1 made due to a defective or insecure product of the Policyholder or the services provided by the Policyholder;
 - 5.1.2 arising throughout the territory of the European Union, Norway and Switzerland, provided that the cause of the damage is the product of the Insured (or the result of the provided service), which is presented in Latvia for non-business purposes, unless otherwise specified in the Insurance Policy;
 - 5.1.3 in relation to preparation or provision of calculations, detail designs, sketch drawings or instructions developed by the Policyholder, if such activity has been carried out by the Insured itself using own resources, and that constitutes an integral part of the production or implementation process for the Product supplied by the Policyholder.
- 5.2. Pursuant to the Product Liability Insurance Conditions, this insurance does not cover the Policyholder's civil liability for the Damage:
 - 5.2.1 made to the Product of the Policyholder or the result of the service provided by the Policyholder, as well as damage arising due to the repeated product presentation or performance of the service, and for damage that is and/or can be remedied by replacing or repairing product of the Policyholder;
 - 5.2.2 caused as a result of a defective Product return or market withdrawal;
 - 5.2.3 caused due to the fact that the Product did not meet the expectation, did not perform, whether in part or in full, the promised or expected functions, as well as due to the damage to or disposal of the Product manufactured or processed by the equipment ensured, repaired or maintained by the Policyholder;
 - 5.2.4 that results from the damage to or disposal of the Third Party asset where the Insured's Product forms an integral part of a mixture, component, compound, ingredients, packaging or any other elements, or which is produced or prepared by using the Insured's Products;
 - 5.2.5 that results from the use of the Product for purposes other than those intended or due to the failure to comply with the instructions provided in the user manual or other documents describing the Product features and usage, as well as in those cases when the mandatory Product description required by the laws and regulations is missing
 - 5.2.6 caused due to the Product that has no valid certificate (certification, permit), or if such certificate (certification, permit) is mandatory pursuant to the applicable laws and regulations;
 - 5.2.7 caused as a result of plant or crop dusting, weed and pest control, or the impact of chemical fertilisers;
 - 5.2.8 caused as a result of the drugs, medication, pharmaceutical products or operation of medical equipment;
 - 5.2.9 caused as a result of the impact of tobacco products, substances contained in tobacco products, tobacco by-products, or active or passive use, distribution or advertising of tobacco;
 - 5.2.10 caused due to other non-insured events stipulated under these Terms and Conditions.

6. Employer's liability insurance



- 6.1. Where Employer's Liability Insurance applies, the Third Party will be the Insured's Employee or another person who is entitled to receive insurance indemnity for the injury or death of the Employee, or damage to the property as a result of an Accident at Work.
- 6.2. Where the Policyholder and the Insurer agree on Employer's Liability Insurance and it is specifically stated in the

Insurance Policy, this insurance covers the Policyholder's as Employer's liability for the Damage caused to the Employee's health, life and personal belongings to the extent as it is described in Insurance Contract:

- 6.2.1 related to an Accident at Work or on the way to work/ from work in the insurance territory specified in the Insurance Policy from an employee's work related to the insured activity and/or travels on official duty;
- 6.2.2 during business trip in the territory of the European Union, as well as in territories of Norway and Switzerland, if the purpose of such appointment is training, conferences, seminars, business negotiations, consultations and similar activities not directly related to the production process, construction process, transportation services etc.;
- 6.3. If Accident at Work has happened outside the territory of the Republic of Lithuania, irrespective of which country's law would apply to the third party's claim for compensation, the Policyholder's civil liability conditions, its extent, the conditions for exemption from civil liability and the amount of payable insurance indemnity will be determined in accordance with Lithuanian legislation. Losses shall not be indemnified to the extent that the claim for damages exceeds the Policyholder's obligation to compensate in case the accident occurred in the Republic of Lithuania.
- 6.4. Pursuant to the Employer's Liability Insurance Condition, insurance **does not cover** the Policyholder's liability for the Damages:
 - 6.4.1 incurred as a result of the Employee's Occupational Disease;
 - 6.4.2 incurred by the Employee being under the influence of alcohol, narcotic, psychotropic or toxic substances and where it is not caused by technological production processes;
 - 6.4.3 incurred as a result of an employee's activity, that leads to administrative or penal proceedings, except in the case of traffic accidents that the Policyholder is liable for;
 - 6.4.4 incurred by the Employee while carrying out arbitrary work (without the Policyholder's consent) that contradicts the Policyholder's interests;
 - 6.4.5 caused to a natural person working illegally for the benefit of the Policyholder (in the interests of the Policyholder);
 - 6.4.6 caused to a person for whom the Policyholder does not pay and is not required to pay social or health insurance contributions;
 - 6.4.7 that may be indemnified by means of social benefits or health insurance compensations;
 - 6.4.8 caused due to other non-insured events stipulated under these Terms and Conditions.

7. Indemnified losses



- 7.1. Indemnified losses shall be calculated and indemnified to the extent not exceeding up to the Sum Insured specified in the Insurance Contract in respect of:
 - 7.1.1 property damage – reasonable expenses incurred by the Third Party due to physical damage to, destruction or total loss of its tangible property;
 - 7.1.2 harm caused to health and life – reasonable expenses incurred by a Third Party due to his/her bodily injury or deprivation of life;
 - 7.1.3 non-pecuniary damage – person's suffering, emotional experiences, inconveniences, mental shock, emotional depression, humiliation, deterioration of reputation, diminution of possibilities to associate with others, etc., as a result of bodily injury or deprivation of life, evaluated in terms of money;
 - 7.1.4 indirect losses – Third Party's loss of earnings or unearned income as a result of damage to, destruction or total loss of its tangible property, bodily injury, deprivation of life, and loss of income of dependents;
 - 7.1.5 the following event investigation and litigation expenses:
 - 7.1.5.1 Policyholder's reasonable expenses approved by the Insurer and incurred due to investigation of an Insured Event including expert examination (establishment of reasons and circumstances of the accident, the amount of damages thereof) and litigation expenses incurred by the Policyholder in relation to defending a claim at court;

- 7.1.5.2 litigation expenses which the Policyholder is obliged to pay in favour of a Third Party or the state as imposed by court in relation to the claim for compensation of damages caused as a result of an Insured Event. Such expenses shall be compensated pursuant to the procedure stipulated under Clause 8.1 of these Terms and Conditions;
- 7.1.5.3 Policyholder's litigation expenses approved by the Insurer that exceed the reimbursable expenses imposed by court if such court judgement states that the Policyholder shall not assume third party liability and the event is not recognized as non-insured event.
- 7.2. If the Policyholder's civil liability is covered by any compulsory insurance contract, Damages under this Insurance Contract shall be indemnified only in the case and to the extent which is not covered by a compulsory insurance contract for the same event or which exceeds the liability limit stated in such compulsory insurance contract.

8. Not indemnified losses



- 8.1. Pursuant to this Insurance Contract, Losses shall not be indemnified:
 - 8.1.1 related to the event investigation and litigation costs to the extent that they arose as a result of a challenging the Insurer's decision and the dispute between the Insurer and the Policyholder;
 - 8.1.2 if the Policyholder fully or partially compensates the loss or acknowledges the claim without the written consent of the Insurer, unless the amount of the loss and liability of the Policyholder is unconditionally correct, and the actions of the Policyholder do not prevent the Insurer from making sure;
 - 8.1.3 to the extent that arises from the fact that the Insured continues rejecting the Third Party's claims regardless of the Insurer's decision to admit the event as an Insured Event. In such case the Insurer's liability shall be limited to the extent of the claim accepted by the Insured including claim handling costs or litigation expenses incurred before the date when the Insurer has made a decision to admit the event as an Insured Event.
- 8.2. Considering the reasons and consequences of the Policyholder's actions (omission), a causation with the occurrence of the Insured Event, an increase of Damages, their impact on the Insurer's ability to determine and fully investigate the causes, circumstances, the extent of Damages, or to exercise the right of regress or subrogation, the Insurer shall be entitled to reduce the amount of reimbursable Damages or to refuse a compensation thereof if:
 - 8.2.1 Policyholder, the persons related to the Policyholder or a Third Party provides the Insurer with false information, describe an event stating irrelevant circumstances, causes and/or the amount of Damages, or is trying to mislead the Insurer in any other way;
 - 8.2.2 Policyholder does not fulfill his obligations under the Insurance Contract.

9. Insurance indemnity



- 9.1. Insurance Indemnity is the amount of money payable for Insured Event, including the event investigation and the litigation costs.
- 9.2. The Insurer shall calculate Insurance Indemnity according to provisions of the Insurance Contract after it has assessed the scope of Damages and circumstances in relation to fulfilment of obligations by the Policyholder under the Insurance Contract.
- 9.3. The Insurance Indemnity is paid only after the fact of the Insured Event has been stated.
- 9.4. The Insurance Indemnity per one Insured Event and the total sum of Insurance Indemnities throughout the entire term of the Insurance Contract may not exceed the Sum Insured specified in the Insurance Policy per one Insured Event and for the entire term of the Insurance Contract.

- 9.5. Any outstanding insurance premiums due before disbursement of Insurance Indemnity shall be withheld from the payable Insurance Indemnity.
- 9.6. If as a result of an Insured Event the payable Insurance Indemnity reaches the Sum Insured, all outstanding insurance premiums regardless of their due dates shall be withheld from the payable Insurance Indemnity.

10. Sum insured



- 10.1. The Parties agree and indicate in the Insurance Contract Sums Insured per one Insured Event and for the entire term of Insurance Contract for each insurance condition individually and for all insurance conditions collectively.
- 10.2. Sums Insured for separate insurance conditions are sublimits in the total Sum Insured. Sublimit is the part of the Sum Insured which is the maximum Insurance Indemnity under insurance condition of the Insurance Policy.
- 10.3. Once the Insurer pays the Insurance Indemnity, the sublimit of Sum Insured of insurance condition and the total Sum Insured are reduced by the amount of the Insurance Indemnity paid.



11. Deductible (franchise)

- 11.1. Deductible for each insurance condition shall be specified in the Insurance Policy.
- 11.2. Where Insurance Indemnity is paid for several risks related to the same Insured Event, only the highest amount of deductible shall be deducted from the reimbursable amount of indemnified losses.
- 11.3. Deductible shall be applied after the calculated amount of Losses has been reduced by the amounts due to breach of obligations under the Insurance Contract and other reasons for reducing Insurance Indemnity.



12. Non-insured events

- 12.1. Policyholder's civil liability shall not be insured and Indemnity shall not be paid for the Damage:
- 12.1.1 caused to the Policyholder;
- 12.1.2 caused to the subcontractor of Policyholder;
- 12.1.3 arising not from any of specified in the Insurance Policy: the Insured Activity, specified supplied/produced/sold product and /or service or not related to the buildings, premises, territory, equipment, mechanisms or other objects operated by the Policyholder;
- 12.1.4 caused to other persons insured under the same Insurance Contract or persons related to the Policyholder.
- Persons related to the Policyholder** – one or several legal and/or natural persons who directly or indirectly control or are controlled by the Policyholder or, together with the Policyholder are controlled by a third party, as well as the Policyholder's family members or persons having a common economy with them.
- Control** – directly and/or indirectly acquired or owned shares (shares or other capital) package, giving the owners or managers the right to more than 20% of votes in the meeting of the legal person's members, as well as the right to appoint (elect) or to cancel the head of administration, more than half of the board or supervisory board members (or other relevant management bodies), to actually control decisions taken by the person concerned on the management of stock (shares or other capital) larger than other shareholders' stock, concluded contracts or other circumstances.
- 12.1.5 caused by Policyholder's Contractors, except the activity, stated under Clause 3.1.8 of these Terms and Conditions, unless stipulated otherwise in the Insurance Policy
- 12.1.6 caused for air, maritime or rail transport and/or parts thereof, as well as in connection with the use and/or

- operation of all types of air, maritime and rail transport, the management of airport, port or railway infrastructure or any operation performed in their territories;
- 12.1.7 arising from activities and/or works being performed and/or performed in oil refineries, energy industries, nuclear power plants and their territories;
- 12.1.8 arising from the construction of a new building, reconstruction of a structure, overhaul or renovation of a building (modernization), demolition works, unless such activity is specified as Insured activity in Insurance policy;
- 12.1.9 arising from Environmental Pollution, unless specified otherwise in the Insurance Policy
- 12.1.10 arising from quarrying, exploitation and management of quarries;
- 12.1.11 arising from the construction, management and operation of bridges, viaducts, tunnels, dams, dykes, towers;
- 12.1.12 arising from the boreholes, wells excavation, management, operation;
- 12.1.13 arising from an activity or the product created or service rendered during its performance which was carried out without receiving a necessary permission of state or municipal authorities;
- 12.1.14 arising from violation of copyright and related rights, use of trademarks;
- 12.1.15 arising for violation of personal privacy, honor and dignity, violation of the right to privacy and secrecy, humiliation of the legal person's reputation, sex, race, age discrimination as well as for Policyholder's, as controller's or manager's of personal data, actions;
- 12.1.16 arising from improper performance or non-performance of the contract (contractual liability) to the extent that the contractual liability for damage is wider than that established by law in the absence of the contract;
- 12.1.17 arising from fines, penalties, contractual penalties, default interest or other similar penalties laid down in the contracts and laws;
- 12.1.18 related to the loss or non-pecuniary damage of a third party arising from other than as a result of bodily injury, deprivation of life or damage to tangible property, destruction due to the insured event (pure financial loss);
- 12.1.19 related to damage, destruction, loss, deprivation, transfer or misuse of documents, illegal use of the documents, software, data, regardless of their shape, and their media, including software or data recovery costs, as well as caused while developing, installing, updating, rewriting software;
- 12.1.20 related to damage, destruction or loss of values, cash, works of art or antiques, as well as objects with artistic, historical, cultural or other special value, their details or elements (stained glass, frescoes, carvings, paintings, sculptures, artworks of precious and inexpensive metal, etc.). Values – are precious metals (all kinds of gold, silver, platinum group metals), precious stones, pearls, products made of precious metals and precious stones, bijouterie, jewelry and works of art, philately, antiques, numismatics.
- 12.1.21 caused to the property of the third party on the Policyholder's intention or the Policyholder's activity, which, irrespective of the consequences caused, entails criminal liability;
- 12.1.22 arising from the activities of the Policyholder or its authorized persons, when he/them were intoxicated with alcohol, narcotic, psychotropic or toxic substances;
- 12.1.23 related to the operation of land motor vehicles or self-propelled machinery when the damage is caused by a traffic accident;
- 12.1.24 arising from the impact or decrease in the value of natural processes (micro-organisms, corrosion, rusting, rotting, fungus, evaporation, weight loss, natural depreciation, discoloration or change of odor, etc.);
- 12.1.25 which is inevitable and predetermined consequence of Policyholder's activity;
- 12.1.26 due to continuous and/or long-term and/or gradual temperature, gas, vapor, smoke, soot, dust, humidity, precipitation, water dispersion, vibration, noise, repetitive action, or other similar factors and/or effects including cases when damages are sudden and unexpected;
- 12.1.27 arising from changes in groundwater level, soil sedimentation, landslides, flooding;
- 12.1.28 caused by wild and domestic animals being at the disposal of the Policyholder;

- 12.1.29 arising from the production, use, management, storage or distribution of fireworks and all types of ammunition and/or explosives;
- 12.1.30 arising from the production, use of combustible materials unless the use of combustible materials is part of a technological process and is used in accordance with all safety requirements;
- 12.1.31 arising from the supply, sale, installation of plastic heating and/or plumbing tubes or parts thereof (elbows, valves, joints, etc.) provided by the Policyholder without a metal frame, internal or external metal layer, except for pipes and parts thereof certified in the European Union.
- 12.1.32 related or directly and/or indirectly due to:
 - 12.1.32.1 electromagnetic field (EMF) and/or electromagnetic radiation (EMR) of any kind, including but not limited to EMF/EMR emitted by mobile phones, power lines or any kind of electrical device;
 - 12.1.32.2 storage, use, loading, transportation and contamination with prohibited or prohibited to use materials or parts thereof;
 - 12.1.32.3 Directly or indirectly arising in a result of ionising radiation or radioactive contamination or radioactive, toxic, explosive or other hazardous impact of any explosive nuclear mixture or component thereof;
 - 12.1.32.4 genetically modified components or products with genetic information that have been modified, as well as products containing genetically modified components;
 - 12.1.32.5 diethylbestrol or its derivatives (DES), active and passive consumption or use of contraceptives;
 - 12.1.32.6 asbestos, asbestos dust or materials containing asbestos, ureaformaldehyde, lead, polychlorinated biphenyl (PCB), dioxins, any organic pollutants; asbestos, asbestos dust or materials containing asbestos, ureaformaldehyde, lead, polychlorinated biphenyl (PCB), dioxins, any organic pollutants;
 - 12.1.32.7 ingestion, inhalation, absorption or presence of any form of silicon dioxide in the presence of silica;
 - 12.1.32.8 transmissible (infectious) spongiform encephalopathies (TSEs), including but not limited to spongiform bovine encephalopathy (BSE) or a new variant of Jakob-Kreutzfeldt disease;
 - 12.1.32.9 Human Immunodeficiency Virus (HIV), mutant derivatives and/or strains of this virus, as well as any condition associated with acquired immunodeficiency syndrome (AIDS) or other similar syndrome;
 - 12.1.32.10 any infectious diseases other than sudden and unexpected gastrointestinal diseases caused by the activity or product provided by the Policyholder;
 - 12.1.32.11 the presence, inhalation or being under effect of any „Fungi“ and/or „Spores“, as well as any cost or expense related in any way to, or arising out of, the elimination, mitigation, removal, retention, detoxification, neutralization, monitoring, control, disposal; any obligation to investigate or evaluate the presence or effect of any „Fungi“ and/or „Spores“; The term „Fungi“ includes, but is not limited to, molds, fungi, yeasts or bioterics of any shape or type; The term „Spores“ includes, but is not limited to, any material arising from any „Fungi“;
 - 12.1.32.12 the use of nanotechnology; Nanotechnology – is an interdisciplinary branch of applied science and technology that includes work with small particles of particles – nanoparticles, measured in nanometers (one billionth of a meter), and their application in technology. Nanotechnologies include materials and objects up to about 100 nm;
- 12.1.33 arising from professional activities;
- 12.1.34 caused by war, domestic unrest, civil war, military invasion, strike, aggression, hostile acts of foreign forces, civil war, military action (regardless of whether war was declared or not), rebellion, revolution, uprising, terrorism, vandalism, malicious damage or sabotage, as well as directly and/or indirectly related to political decisions or actions of state or municipal institutions, activities of armed forces, internal troops, police, special services; Terrorism – is a threat to the life or health of many people, to property or to infrastructure, by using or threatening to use force or coercion (e.g. by blasting, firing, spreading radioactive, biological or chemical harmful substances, preparations or micro-organisms, etc.), for political, religious, ideological or ethnic purposes, including for the purpose of influencing or intimidating the government and/or the public or part thereof.

- 12.1.35 arising and/or increased due to the fact that the Policyholder has not eliminated the circumstances that the Insurer and/or the relevant state institutions have legitimately required to remove within a specified period of time;
- 12.1.36 related to claims containing fines and/or penalties, warning and/or instructional measures and exceeding the real harm for instructive, educational, or explanatory purposes to the public and/or the Policyholder (punitive, exemplary, or treble damages);
- 12.2. The Insurance Contract shall also be subject to other non-insured events provided for in these Conditions or in the individual conditions of the Insurance Policy.

13. Rights and obligations of the policyholder



- 13.1. In addition to the duties specified in the General Conditions of these Terms and Conditions, **the Policyholder must:**
 - 13.1.1 to comply with fire safety, production technology, occupational safety and established in other legal acts performance requirements during the performance of the Insured Activity;
 - 13.1.2 upon the request of the Insurer, to enable the Insurer or its representative to assess how the Policyholder complies with the obligations specified in the Insurance Contract;
 - 13.1.3 at its own expense take all reasonable measures and/or measures referred to by the Insurer (if such instructions have been given) to avoid damage or reduce risk;
 - 13.1.4 immediately notify the competent authorities, including, but not limited to the police, ambulance service, fire service, emergency services, etc., of any incident;
 - 13.1.5 within 3 business days to inform the Insurer about the claims received and/or about the events and circumstances that may cause such claims in the future;
 - 13.1.6 to carry out lawful instructions of the Insurer, related to the determination of the causes of the event, circumstances and/or the amount of damage and the preservation of the evidence supporting these circumstances, as well as the implementation of the Insurer's right to recourse;
 - 13.1.7 to provide the Insurer with the requested information and explanations, as well as documents confirming the causes, circumstances and/or the amount of the damage;
 - 13.1.8 within 3 business days to inform the Insurer about the legal proceedings even if the Insured Event has been reported;
 - 13.1.9 to inform the Insurer about the increase of risk immediately, but no later than within 3 business days;
 - 13.1.10 to fulfill other legitimate requirements of the Insurer.
- 13.2. In addition to the rights specified in the General Conditions of these Terms and Conditions, **the Policyholder has the right:**
 - 13.2.1 to participate independently in proceedings and court cases;
 - 13.2.2 at his own expense and initiative to designate and hire assessors, experts, lawyers for claims handling and court cases;
 - 13.2.3 to become aware of the claim handling process and the circumstances established during it.
- 13.3. In addition to the obligations specified in the General Conditions of these Terms and Conditions, **the Insurer must:**
 - 13.3.1 make a decision on the recognition of the event as insured/ non-insured and on the insurance indemnity and its amount within 30 calendar days after receipt of all necessary documents and information.
- 13.4. In addition to the rights specified in the General Conditions of these terms and Conditions, **the Insurer has the right:**
 - 13.4.1 demand from the Policyholder documents confirming the circumstances of the event, the reasons, the fact and the amount of the damage;
 - 13.4.2 verify the circumstances indicated, to apply to natural, legal persons, investigating institutions;
 - 13.4.3 designate and hire appraisers, experts, lawyers, and other persons to investigate the circumstances of the incident, respond to demands and/or claims or determine the amount of loss;
 - 13.4.4 provide recommendations and requirements for risk or loss reduction;

- 13.4.5 postpone the decision on the recognition of the event as insured / non-insured and payment of the payment / non-payment of the insurance benefit until the pre-trial investigation has ended, the legal proceedings related to the event;
- 13.4.6 at its own expense, to defend the Policyholder against the claims, to represent his interests, to act on his behalf, to claim damages from other persons;
- 13.4.7 to accept, in whole or in part, the claims made to the Policyholder, to participate in negotiations with third parties and/or to compensate for the damage they have experienced.
- 13.5. the actions performed by the Insurer provided in Paragraph 13.4.1. – 13.4.5. of these Conditions do not mean that the Insurer acknowledges the Policyholder's liability for the event, the obligation to pay the Insurance Indemnity or denies it.

14. Increase in insurance risk



- 14.1. An increase in insurance risk is considered to be:
- 14.1.1 Increase in the number of employees of the Policyholder by more than 30 per cent of the number indicated at the time of conclusion of the Insurance Contract;
- 14.1.2 use of explosive, flammable materials, if this is not declared before concluding the Insurance Contract or is not usual in performing the specified Insured Activity;
- 14.1.3 production processes, technologies and materials used in production process change to more dangerous;
- 14.1.4 other circumstances specified by the Policyholder or whose Insurer inquired when concluding the Insurance Contract.



General insurance conditions

APPROVED:

ADB "Gjensidige" during the meeting of the Board 29 of April, 2021.
Entered into force on 11 of May, 2021.



1. Definitions

- 1.1. **Policyholder** - the person who has approached the insurer for the conclusion of an insurance contract or to whom the insurer has proposed to conclude an insurance contract, or who has concluded an insurance contract with the insurer.
- 1.2. **Insurer** - ADB Gjensidige.
- 1.3. The lists of distributors of ADB Gjensidige insurance products are published at www.gjensidige.lt and www.lb.lt.
- 1.4. **Insured event** - an event defined in the insurance contract, upon the occurrence of which the insurer must pay the insurance indemnity.
- 1.5. **Insurance cover** - the insurer's obligation to pay an insurance indemnity upon the occurrence of an insured event.
- 1.6. **Insurance premium** - the amount of money specified in the insurance contract, which the policyholder shall pay to the insurer for the insurance cover in accordance with the procedure determined in the insurance contract.
- 1.7. **Insurance indemnity** - the amount of money that the insurer must pay the policyholder or another person entitled to the insurance indemnity upon occurrence of an insured event, or another indemnity form specified in the insurance contract.
- 1.8. **Insurance period** - the time period from the beginning to the end of the insurance cover, which does not necessarily coincide with the period of the insurance contract. Unless specified otherwise in the terms and conditions of the insurance contract, the insurance cover is considered to be valid only during the insurance period.
- 1.9. **The period of the insurance contract** - the period of validity of the insurance contract specified in the insurance policy, applicable under the proper and timely performance of the contractual obligations by the parties.
- 1.10. **Insurance policy** - the document issued by the insurer confirming the conclusion of the insurance contract.
- 1.11. **Insurance risk** - the probable danger to the object of insurance.
- 1.12. **Sum insured** - the amount of money specified in the insurance contract or calculated in accordance with the procedure determined in the insurance contract, which the insurance indemnity cannot exceed, except for the cases specified in the insurance contract.
- 1.13. **Insurance contract** - the written agreement between the insurer and the policyholder concluded on the basis of the terms and conditions of insurance type. In keeping with the contract, the policyholder shall undertake to pay the insurance premium specified therein. In keeping with the contract, the insurer shall undertake to pay an insurance indemnity upon the occurrence of an insured event. The insurance contract consists of:
- insurance policy and its appendices;
 - insurance terms and conditions and (or) other provisions of insurance contract agreed upon in writing between the policyholder and the insurer (individual terms and conditions of the insurance contract);
 - application for the conclusion of an insurance contract if one was submitted.
- 1.14. **Insurance terms and conditions** - standard terms and conditions of the insurance contract prepared by the insurer and consisting of:
- general insurance conditions;
 - conditions of insurance type;
 - additional conditions of insurance type. The insurance contract is subject only to the additional conditions of insurance type specified in the insurance policy.
- In case of discrepancies between the general insurance conditions and the conditions of insurance type, the conditions of insurance type shall prevail. In case of discrepancies between the additional conditions of insurance type and the general insurance conditions or the conditions of insurance type, the additional conditions of insurance type shall prevail.
- The terms and conditions of the insurance are published on the website of the insurer www.gjensidige.lt. Also, its copy shall be presented to the policyholder upon concluding an insurance contract.
- If certain cases are not discussed in these Insurance Terms and Conditions, the laws of the Republic of Lithuania shall apply.
- 1.15. **Insurance value** - the value of the insured property or property risk value.
- 1.16. **Deductible** - a fixed amount of money or an amount expressed in percentage or otherwise specified in the insurance contract, by which the insurance indemnity to be paid upon occurrence of an insured event is reduced (the policyholder shall contribute this amount to the compensation of losses himself).

- 1.17. **Unconditional deductible** - an amount of money by which the insurer reduces the indemnity to be paid upon occurrence of any insured event. Unless specified otherwise in the insurance contract, the deductible shall be deemed to be unconditional.
- 1.18. **Conditional deductible** - the share of the loss expressed in the amount of money that the policyholder shall cover in case the loss incurred does not exceed the amount of deductible. In case the loss exceeds the amount of deductible, the indemnity shall be paid without deducting the deductible.
- 1.19. **Beneficiary** - the person specified in the insurance contract or the person assigned by the policyholder or, in certain cases specified in the insurance contract, by the insured entitled to receive insurance indemnity.
- 1.20. **Non-insured event** - an event defined in the insurance contract or by law upon occurrence of which the insurer shall not pay the insurance indemnity.

2. Concluding the insurance contract



- 2.1. The insurance contract is concluded upon agreement between the insurer and the policyholder.
- 2.2. If the terms and conditions of insurance type do not specify otherwise, the policyholder is entitled to conclude the insurance contract in regard to the financial interests of himself or of another person specified in the insurance policy. Such person becomes the insured. The terms and conditions of the insurance contract that apply to the policyholder also apply to the insured except for the obligation to pay insurance premium.
- 2.3. The policyholder shall submit to the insurer a written application for the conclusion of an insurance contract or shall otherwise express his will to conclude it (on internet, by phone, by e-mail, in customer service office).
- 2.4. The policyholder is responsible for the accuracy of the data provided in the application for the conclusion of the insurance contract.
- 2.5. The conclusion of the insurance contract is confirmed by the insurance policy issued by the insurer. Until the insurance premium or the first instalment of it is paid, the insurance policy shall be considered as insurance proposal, unless the insurance contract provides for the deferment period of the insurance premium or the first instalment of it.
- 2.6. The Insurer processes data of the object of insurance when assessing insurance risk. Depending on the object of insurance such data may be obtained from entities such as the Real Property Register of the State Enterprise Centre of Registers, State Enterprise Regitra or the Motor Insurers' Bureau of the Republic of Lithuania. More information is provided in the Principles of Personal Data Processing that can be found on the website of the insurer www.gjensidige.lt.
- 2.7. A different procedure for conclusion of the insurance contract may be defined by the conditions of insurance type.

3. Validity and amendment of the insurance contract



- 3.1. The insurance contract is made for the period agreed upon by the parties and specified in the insurance policy.
- 3.2. The insurance contract comes into effect from 00:00 (Lithuania time) of the day specified in the insurance policy, unless a different time is specified in the insurance contract, but not before the full insurance premium or the first instalment thereof is paid, unless the insurance contract provides for the deferment period of the insurance premium or the first instalment thereof:
 - 3.2.1. If the insurance premium (or the first instalment thereof in case the premium is paid in instalments) is paid prior to the commencement of the insurance contract specified

in the insurance contract, the insurance contract comes into effect and the insurance cover applies from the commencement of the insurance contract specified in the insurance contract;

- 3.2.2. If the insurance premium (or the first instalment thereof in case the premium is paid in instalments) is not paid prior to the commencement of the insurance contract specified in the insurance contract but the payment is delayed less than 30 calendar days, the insurance contract comes into effect but the insurance cover applies from 00:00 of the day following the day of the payment; the period of the insurance contract shall not be prolonged in such case;
- 3.2.3. If the insurance premium (or the first instalment thereof in case the premium is paid in instalments) is not paid prior to the commencement of the insurance contract specified in the insurance contract and the payment is delayed 30 calendar days or more, the insurance contract does not come into effect, and the insurance cover does not apply, and the late payment of the insurance premium shall be returned to the policyholder;
- 3.2.4. If the insurance premium (or the first instalment thereof in case the premium is paid in instalments) is paid only partially, the insurance contract does not come into effect and the insurer shall not provide the insurance cover, unless specified otherwise in the written insurance contract.
- 3.2.5. If the insurance contract provides for the deferment period of the insurance premium or the first instalment thereof, the commencement of the insurance contract is not linked to the payment of the premium and the insurance contract comes into effect and the insurance cover applies from the commencement of the insurance contract specified in the insurance contract. If the policyholder fails to pay the deferred insurance premium (or the first instalment thereof in case the premium is paid in instalments) within the time specified in the contract, standard consequences of non-payment of the insurance premium shall apply as specified in clauses 4.6-4.7 of these General Insurance Conditions.
- 3.3. If the insurance contract is concluded by means of communication (clause 7.3.2 of these General Insurance Conditions), the commencement of the contract is set at 14 days from the conclusion except for the cases when the policyholder indicates an earlier date. If the policyholder indicates an earlier date for the commencement of the contract, the insurance cover shall be deemed to apply from the date indicated by the policyholder (before the cancellation term applicable to the contracts made by means of communication expires) but not before the full agreed insurance premium or the first instalment thereof is paid.
- 3.4. The insurance contract may be amended only by a written agreement between the insurer and the policyholder, except for the cases specified therein.

4. Insurance premium and its payment procedure



- 4.1. The amount of the insurance premium is calculated by the insurer, taking into consideration the information provided by the policyholder, the object of insurance, the sum insured, the insurance risk, other conditions specified in the insurance contract and other relevant information.
- 4.2. Insurance premiums may be paid by bank transfer, in cash, using electronic banking or the network of insurer's partners. It is possible to pay insurance premiums in cash or by payment card only in some branches indicated by the insurer. The policyholder is responsible for ensuring that the insurance premium he pays reaches the bank account of the insurer on time and that all details identifying the payer and the insurance contract are provided in the payment documents as requested by the insurer.
- 4.3. The actual date of payment of the insurance premium is the day when the insurance premium is credited to the bank account specified by the insurer or the insurance intermediary authorized by the insurer or paid in cash and meets the requirements of clause 4.2 of these General

- Insurance Conditions; otherwise it is the day when the insurer identifies the received insurance premium.
- 4.4. Other persons may pay insurance premiums for the policyholder without acquiring any rights to the insurance contract and the insurance premiums paid.
If the policyholder terminates the insurance contract prior to its termination date or a refundable balance of the insurance premium appears on other basis, it shall be refunded to the policyholder in spite of who has paid the insurance premium or the instalment thereof, except for the special cases specified in the insurance contract or separately agreed upon by the policyholder and the insurer in written.
- 4.5. If the insurance premium or the instalment thereof is not paid on time, the insurer is entitled to charge interest at the rate of 0.02% of the unpaid amount for every day delayed.
- 4.6. If the policyholder does not pay the insurance premium or the instalment thereof within the time specified in the insurance contract (except for the cases when commencement of the insurance contract is linked to the payment of the insurance premium or the instalment thereof), the insurer must inform the policyholder about this in written notifying that the insurance contract will be terminated if the policyholder does not pay the insurance premium or the instalment thereof within 30 days from the day when the notification was sent to the policyholder. The procedure for providing information is specified in clause 13 of these General Insurance Conditions.
- 4.7. In case the insurance premium was paid partially and a refundable balance appears when the contract is terminated due to the failure of payment of the premium, the amounts of money specified in clause 8.3 of these General Insurance Conditions shall be deducted from the refundable balance.

5. Rights and responsibilities of the policyholder and the insurer



5.1. Rights of the policyholder:

- 5.1.1. to get acquainted with the insurance terms and conditions and receive the copy thereof;
- 5.1.2. in the event of an insured event, to demand that the insurer pay the insurance indemnity in accordance with the procedure established by law and (or) the insurance contract;
- 5.1.3. to receive information about the investigation of the insured event;
- 5.1.4. to terminate the insurance contract in accordance with the procedure specified therein;
- 5.1.5. to demand the amendment of the terms and conditions of the insurance contract or reduction of the insurance premium if the insurance risk decreases, and, if the insurer refuses to amend the terms and conditions of the insurance contract or to reduce the insurance premium, to go to court for the termination or amendment of the insurance contract due to fundamental changes in the circumstances or to terminate the insurance contract in accordance with the procedure specified therein.

5.2. Responsibilities of the policyholder:

- 5.2.1. to submit the written application for the conclusion of an insurance contract and to provide other documents specified therein before concluding the insurance contract. The written application for the conclusion of an insurance contract must be submitted if it is required by the conditions of insurance type.
- 5.2.2. to provide the insurer with all the information known about circumstances that might have fundamental impact on the probability of occurrence of an insured event or on the extent of probable loss in case of such event (on the insurance risk). Fundamental circumstances about which the policyholder must inform the insurer before concluding the insurance contract:
- 5.2.2.1. the information provided in the written application for the conclusion of an insurance contract (if such application is

- required by the terms and conditions of insurance type);
- 5.2.2.2. the information requested by the insurer in written;
- 5.2.2.3. the information requested by the insurer when the insurance contract is concluded on internet or by phone;
- 5.2.2.4. the information about other insurance contracts under which the object of insurance is insured against the same risks;
- 5.2.2.5. in addition to the circumstances mentioned above, the conditions of insurance type might define other circumstances that might have fundamental impact on risk assessment;
- 5.2.3. to inform the insured, the beneficiary and (or) the payer about the insurance contract to be concluded and (or) the insurance contract concluded; to acquaint the insured and (or) the beneficiary with the terms and conditions of the insurance contract and their amendments; to ensure that the insured and (or) the beneficiaries do not object to their appointment as the insured and (or) beneficiary throughout the period of the insurance contract. to inform the insured, the beneficiary and (or) the payer that their personal data has been provided to the insurer for the purpose of concluding the insurance contract, and to acquaint them with the ADB Gjensidige policies of processing personal data;
- 5.2.4. to pay insurance premiums within the terms specified in the insurance contract; when making the payment, to provide in the payment documents all details identifying the payer and the insurance contract as requested by the insurer;
- 5.2.5. to follow the insurer's instructions in order to reduce the risk and to comply with the security measures specified in the conditions of insurance type, additional conditions or in the insurance contract; also, to follow the insurer's instructions given throughout the period of the insurance contract;
- 5.2.6. to inform the insurer immediately about the increase in risk or other cases when the circumstances specified in the insurance contract changes fundamentally; the increase in risk and other cases that fundamentally change the circumstances specified in the insurance contract are defined in the conditions of insurance type, additional conditions or in the insurance contract;
- 5.2.7. upon the occurrence of an insured event or upon the occurrence of circumstances that cause actual risk of the occurrence of an insured event, to register the event on the insurer's website www.gjensidige.lt, on self-service or by phone (1626) and to exercise the responsibilities specified in the conditions of insurance type, additional conditions or in the insurance contract; also, to follow the instructions given by the insurer upon the registration of the event.

5.3. Rights of the insurer:

- 5.3.1. before concluding the insurance contract, the insurer is entitled (but is not obliged) to inspect or to assess the object of insurance and, if necessary, to appoint experts to assess the insurance risk at its own expense. Assessments performed by the insurer, any written report thereof, opinion expressed orally or in written shall be considered only insurance risk assessment and may not be used by the policyholder as the proof that the object of insurance is safe, does not cause danger to the environment, complies with the laws and regulations, engineering, industry standards or other requirements;
- 5.3.2. if the interest of the insurance is linked to the health of a natural person, the insurer is entitled to require the policyholder to provide documents confirming the age, health status, profession of the policyholder (the insured) and other circumstances affecting the insurance risk;
- 5.3.3. to refuse to conclude the insurance contract without indicating the reason;
- 5.3.4. to demand the amendment of the terms and conditions of the insurance contract or recalculation of the insurance premium if the insurance risk increases or other fundamental circumstances of the insurance contract changes; and, if the policyholder refuses to amend the terms and conditions of the insurance contract or to pay an increased insurance premium, to go to court for the termination or amendment of the insurance contract due to fundamental changes in the circumstances of the contract;

- 5.3.5. in case the policyholder fails to inform the insurer about the increase in insurance risk or about the fundamental changes in the circumstances of the insurance contract, the insurer is entitled to demand termination of the contract and compensation of losses to the extent that exceeds the premiums received; the cases of the increase in insurance risk are defined in the conditions of insurance type, additional conditions and other documents constituting insurance contract.
- 5.3.6. to terminate the insurance contract in accordance with the procedure established by law and terms and conditions of insurance;
- 5.3.7. to apply fee for issuing a duplicate of the insurance policy.
- 5.4. **Responsibilities of the insurer:**
- 5.4.1. to pay insurance indemnity only after assuring that the insured event has actually occurred;
- 5.4.2. to amend conditions of the insurance contract and to recalculate insurance premium if the insurance risk decreases due to fundamental changes in circumstances during the period of the contract;
- 5.4.3. if the insurance contract is terminated, to refund the insurance premium paid for the remaining period of the insurance contract, except for the cases specified in the terms and conditions of insurance when unused part of the premium is not refunded.
- 5.5. Additional rights and responsibilities of the parties may be specified in the conditions of insurance type, additional conditions and in the insurance contract.

6. The procedure of paying insurance indemnity



- 6.1. Insurance indemnities for insured events shall be paid within the limits of insurance cover as agreed upon in the conditions of insurance type.
- 6.2. The insurance cover shall apply for all insured events occurred within the period of insurance contract. If the insurance contract provides for the application of insurance cover to the insured events that have occurred before the insurance contract has come into effect, such condition shall apply if the parties of the insurance contract were not aware, were not obliged to be aware and could not be aware of the insured event that occurred before the insurance contract came into effect.
- 6.3. The policyholder, the insured and (or) the injured third party must provide the insurer with all the documents and information on the causes and consequences of the event that may be recognized as insured event necessary to assess the amount of insurance indemnity, as well as all the documents and information confirming certainty of the insured event, persons liable and extent of damage.
- 6.4. The terms of paying insurance indemnity:
 - 6.4.1. insurance indemnity shall be paid within 30 days from the day when the insurer receives all the documented information relevant and essential to assess the fact of the event, its circumstances, consequences and to calculate the amount of insurance indemnity;
 - 6.4.2. if, as a result of the event that may be recognized as insured event, the policyholder, the insured or the beneficiary is sued in civil action, criminal proceedings are instituted, legal proceedings are initiated against him or her, a pre-trial or other mandatory investigation by a state institution is carried out, the insurer is entitled to defer the payment of insurance indemnity until the end of pre-trial investigation or until the end of other mandatory investigation by a state institution and (or) until the court decision comes into effect or until the suspension or termination of the case;
 - 6.4.3. if the insurance indemnity is not paid, the insurer shall inform the policyholder (the beneficiary or the injured third party) in written about the progress of the investigation of the insured event every 30 days from the day when the notification about the insured event was received, except for the cases when documents or information are missing only from the policyholder (the beneficiary or the injured third party) and the policyholder (the beneficiary or the injured third party) is already informed about the documents or information that must be provided for the investigation of the insured event;
 - 6.4.4. if the event is recognized as insured event, but the policyholder and the insurer do not agree on the amount of the insurance indemnity, and the assessment of the exact extent of damage continues for more than 3 months, upon the request of the policyholder, the insurer must pay the amount equal to the undisputed insurance indemnity.
- 6.5. The insurance indemnity shall be paid by bank transfer to the current account.
- 6.6. If the insured is a minor, the insurance indemnity shall be paid:
 - 6.6.1. to his personal bank account, if the minor has it and its number is provided to the insurer;
 - 6.6.2. if the minor is under fourteen years old and does not have a personal bank account, insurance indemnity shall be paid to the bank account of one of his parents or guardians upon receipt of a request of one of the parents or guardians and written agreement of the other parent or guardian;
 - 6.6.3. if the minor is between fourteen and eighteen years old and does not have a personal bank account, insurance indemnity shall be paid to the bank account of one of his parents or guardians upon receipt of the written agreement of the minor.
- 6.7. When paying the insurance indemnity to the policyholders who are entitled to claim for a tax refund in accordance with the procedure determined by law in order to restore the object of insurance to the previous condition, the insurer shall reduce the insurance indemnity by the amount corresponding to the possible tax refund. In such case, when calculating insurance indemnity, the amount of tax is deducted first and then the deductible.
- 6.8. The exemption from paying insurance indemnity:
 - 6.8.1. the insurer shall be exempt from paying the insurance indemnity if the insured event occurred due to the intention of the policyholder, the insured or the beneficiary, except for the cases specified by legal acts;
 - 6.8.2. the insurance indemnity shall not be paid if the claim for payment is based on fraud, i.e. if the policyholder, the persons related to him, the insured or the beneficiary have tried to mislead the insurer by falsifying the facts, providing incorrect data, unlawfully increasing the amount of loss;
 - 6.8.3. legal acts may provide for additional cases for exemption from paying insurance indemnity.
- 6.9. The insurer is entitled to reduce the insurance indemnity or to refuse to pay it if the policyholder, the insured and the beneficiary, or anyone of them:
 - 6.9.1. do not inform the insurer properly, provide incorrect or incomplete information on the insured event;
 - 6.9.2. do not take measures to prevent occurrence of damage or to reduce its extent;
 - 6.9.3. do not comply with the terms and conditions of the insurance contract or with the reasonable requirements of the insurer related to the reduction of insurance risk;
 - 6.9.4. do not provide the insurer with an opportunity to properly assess the amount and (or) causes of losses;
 - 6.9.5. do not take measures to enable the recovery of compensation for the damage from the person who has caused it, or act in a way that impedes the insurer to exercise the right of this claim (subrogation);
- 6.10. If, upon occurrence of the insured event, the policyholder fails to provide information on fundamental circumstances due to negligence, the insurer must pay a part of the insurance indemnity that would be paid to the policyholder under proper performance of his obligations in proportion to the ratio between the agreed insurance premium and the insurance premium that would have been calculated knowing the missing information.
- 6.11. Deduction of insurance premium:
 - 6.11.1. the insurer is entitled (but is not obliged) to deduct from the insurance indemnity an unpaid insurance premium corresponding to any insurance contract concluded if the term of the payment has passed; also, other amounts that have not been paid on time; if no deduction is made, the policyholder remains obliged to pay the determined insurance premiums and other arrears;

- 6.11.2. if the insurance contract terminates upon the payment of the insurance indemnity, all the unpaid insurance premiums corresponding to this insurance contract shall be deducted from the insurance indemnity.
- 6.12. If the same object is insured under several insurance contracts with different insurers (double insurance) and the sum insured exceed the insurance value, the insurance indemnity shall be paid in proportion to ratio of the sums insured under all insurance contracts.
- 6.13. If, after paying the insurance indemnity or part thereof, it turns out that according to the conditions established in the insurance contract the indemnity should not have been paid or should have been lower, upon the written request by the insurer, the policyholder must refund him the insurance indemnity or the amount overpaid within 30 calendar days, except for the cases determined by law. The same obligation applies to the insured or the beneficiary.
- 6.14. The insurer shall not provide insurance cover and shall not pay insurance indemnity if the provision of insurance cover and payment of insurance indemnity is subject to United Nations, European Union or other international trade, economic or other sanctions, prohibitions, restrictions and other laws and regulations applicable to the insurer.



7. Termination of the insurance contract

- 7.1. The period of the insurance contract terminates at 24:00 (Lithuania time) of the day indicated in the insurance contract (policy) unless different time is indicated in the insurance contract (policy).
Towards the expiration of the insurance contract, within reasonable time limit, the insurer is entitled to remind the policyholder about the expiration of the insurance contract and to propose to prolong the insurance cover by sending an insurance proposal of the same insurance type for a new period. The insurance proposal shall specify the sums insured, premiums and other conditions applicable. It should also specify how the policyholder can express his will in regard to accepting the proposal. The policyholder who does not wish to receive the reminder about the expiring insurance contract may submit his refusal to the insurer by phone 1626.
- 7.2. **The insurance contract shall terminate prior to the expiration date:**
 - 7.2.1. if the probability of the insured event or the insurance risk has disappeared due to reasons unrelated to the insured event;
 - 7.2.2. if the insurer pays all indemnities corresponding to the sum insured for the entire period of insurance contract as determined by the insurance contract;
 - 7.2.3. if the object of insurance is completely destroyed (as specified in the conditions of insurance type);
 - 7.2.4. if the policyholder (legal entity) is liquidated and there is no successor of his rights and responsibilities;
 - 7.2.5. if the owner of the insured property changes, unless the parties of the insurance contract and the new property owner agree otherwise in writing or when the policyholder becomes the new owner himself (e.g. the policyholder redeems the property by leasing or otherwise). On the basis specified in this section the insurance contract is terminated the next working day after the policyholder is informed about the corresponding changes;
 - 7.2.6. if the policyholder does not pay insurance premium or the instalment thereof after the notification from the insurer (clause 4.6 of these General Insurance Conditions);
 - 7.2.7. if there are other grounds for termination of the contract or the obligations determined by law or the insurance contract.
- 7.3. **Termination or withdrawal of the insurance contract at the initiative of the policyholder:**
 - 7.3.1. the policyholder is entitled to terminate the insurance contract for any reason by notifying the insurer in written at least 15 days prior to the desired date of termination;
 - 7.3.2. the policyholder who is a natural person and has concluded insurance contract for purposes that are not related to

business, trade, craft, or profession remotely, only by the means of communication (on internet, by phone, by email), or in another way without physically meeting the insurer is entitled to withdraw from such insurance contract within 14 calendar days after concluding the contract, except for:

- 7.3.2.1. insurance contracts with the period thereof shorter than one month;
- 7.3.2.2. insurance contracts that, upon the request of the client, have been exercised completely by both parties (i.e. the insurer has provided the insurance cover and the policyholder has paid the insurance premium) before the end of the 14 days term from the date of the conclusion of the insurance contract;
- 7.3.3. the policyholder is entitled to terminate the insurance contract in other cases and in accordance with the procedure determined by other legal acts, or by the insurance contract.
- 7.4. **Termination of the insurance contract at the initiative of the insurer:**
 - 7.4.1. if, after concluding the insurance contract, it turns out that the policyholder or the insured has provided the insurer or his representative with the knowingly false information on fundamental circumstances, the insurer is entitled to declare the insurance contract invalid, unless the circumstances concealed disappeared before the occurrence of the insured event or did not affect it;
 - 7.4.2. if the policyholder or the insured have failed to provide information on fundamental circumstances due to negligence, within two months after the revelation of such circumstances the insurer is entitled to propose to the policyholder to amend the insurance contract. If the policyholder refuses to amend the contract or does not respond to the proposal of the insurer within one month, the insurer is entitled to demand termination of the insurance contract;
 - 7.4.3. if the insurer knowing the circumstances, about which the policyholder failed to inform due to negligence, would not have concluded the insurance contract, the insurer is entitled to terminate the insurance contract within two months from the revelation of the fact that the policyholder has failed to provide necessary information due to negligence;
 - 7.4.4. the terms and conditions of insurance type may provide for additional cases when the insurance contract may be terminated at the initiative of the insurer or may expire.

8. Settlement procedure upon termination of the insurance contract



- 8.1. If the insurance contract is terminated or expires before the end of its period, the insurer is entitled to the part of the premium for the term of validity of the insurance contract.
- 8.2. If the insurance contract expires or is terminated in accordance with clauses 7.3.2-7.3.3, 7.5.1 of these General Insurance Conditions, the remained part of insurance premium is not refunded to the policyholder.
- 8.3. If the insurance contract expires or is terminated at the initiative of the policyholder or in accordance with clauses 7.3.4-7.3.7, 5.1.2 or 8.4.2 of these General Insurance Conditions, the insurer shall deduct from the refundable part of the premium the expenses of conclusion and exercise of the contract (20% of the premium for the unused part of insurance period no longer than one year but not less than 14 EUR); if it is impossible to deduct the expenses of conclusion and exercise of the contract from the part of the premium paid by the policyholder (the amount paid is insufficient), such expenses shall be covered by the policyholder. The fees to be paid or refunded are revised not sooner than the next day after the insurer is informed about the circumstances that form the basis for termination or expiration of the insurance contract.
- 8.4. In case the policyholder withdraws from the insurance contract concluded by means of communication (clause

- 7.3.2 of these General Insurance Conditions) within 14 days from the conclusion of the insurance contract:
- 8.4.1. if the insurance cover has not been provided, the full paid insurance premium shall be refunded without deducting administrative costs;
 - 8.4.2. if the insurance cover has been provided, the unused premium is refunded after deducting the part of the premium that corresponds to the period when the insurance cover was valid.
 - 8.5. If the policyholder had not paid all the insurance premiums agreed before the termination or expiration of the insurance contract, upon the termination or expiration of the insurance contract he must pay the part of insurance premium corresponding to the insurance cover provided until the termination or expiration of the insurance contract.
 - 8.6. The refundable insurance premium or the part thereof shall be transferred to the current account indicated by the policyholder within 14 working days from the receipt of written request by the policyholder but not before the termination or expiration of the insurance contract.

9. Terms and conditions for the insurance contract longer than one year



- 9.1. If the period of the insurance contract is longer than one year, at the end of each current insurance year, the insurer is entitled to:
 - 9.1.1. determine different sums insured, insurance premiums and deductible for the next year (e.g. in order to avoid incomplete insurance, due to inflation, amendments of law or reinsurance conditions, loss history, etc.);
 - 9.1.2. apply new edition of insurance terms and conditions for the next year.
- 9.2. The new terms and conditions of the insurance contract shall come into effect from the beginning of the next insurance year only if both of the following conditions are met:
 - 9.2.1. the insurer has submitted to the policyholder (and, if applicable, to the beneficiary) the written proposal for the amendment of the terms and conditions of the insurance not later than 1 month before the end of the current insurance year, and
 - 9.2.2. the policyholder and (or) the beneficiary have not notified the insurer in written about the disagreement to the amendment of the terms and conditions of the insurance before the end of the current insurance year.
- 9.3. If the policyholder and (or) the beneficiary disagree with the amendments of the terms and conditions of the insurance proposed by the insurer and notify the insurer about this in written before the end of the current insurance year, the insurance contract shall terminate at the end of the current insurance year and all the insurance premium paid for the remaining period of the insurance contract shall be refunded to the policyholder without deducting the expenses of the conclusion and exercise of the insurance contract.
- 9.4. If the insurer does not submit the proposal to amend the terms and conditions of the insurance, the insurance contract remains valid for the next year under the same terms and conditions and the same premium must be paid at the same terms as the previous year.

10. The responsibility of data protection



- 10.1. The insurer shall protect the information received about the policyholder, the insured or the beneficiary and shall not disclose it to third persons, except for the cases specified by legal acts.
- 10.2. Information about the policyholder, the insured and the beneficiary may be revealed:

- 10.2.1. to courts, law enforcement, supervisory, dispute resolution and other institutions in cases specified by law;
- 10.2.2. to reinsurers and to the companies of the insurer's shareholder group;
- 10.2.3. to the experts, representatives, consultants and other entities hired by the insurer and providing services to the insurer;
- 10.2.4. upon receipt of a written request or approval by the policyholder, to the insured or the beneficiary;
- 10.2.5. in other cases specified by legal acts.

11. Transfer of rights and responsibilities determined by the insurance contract



- 11.1. The insurer is entitled to transfer the rights and responsibilities arising from the insurance contract to other insurers in accordance with the procedure determined by law. The insurer must notify about the intention to transfer the rights and responsibilities arising from the insurance contract in accordance with the procedure determined by law.
- 11.2. The policyholder is not entitled to transfer his rights and responsibilities arising from the insurance contract without written approval of the insurer.

12. Procedure for resolving disputes between the policyholder and the insurer



- 12.1. Complaints regarding the activities of the insurer or the distributor of insurance products can be submitted to ADB Gjensidige by e-mail info@gjensidige.lt or by post to the insurer's registered office address Žalgirio 90, Vilnius.
- 12.2. Detailed information on the procedure for submitting complaints and resolving disputes, including complaints regarding the activities of the distributor of insurance products, is published on the insurer's website www.gjensidige.lt.
- 12.3. Disputes arising from the insurance contract shall be resolved by negotiations. If the parties do not reach an agreement, the dispute shall be resolved out of court at the Bank of Lithuania, Totorių 4, LT-01103 Vilnius (for more information visit www.lb.lt) or in the competent court of the Republic of Lithuania.
- 12.4. Insurance contracts are subject to the law of the Republic of Lithuania, unless the parties have agreed otherwise in the insurance contract (individual insurance contract or insurance policy).

13. Procedure for providing information to the other party of the contract



- 13.1. Any notification that must be submitted by one party of the insurance contract (as well as by the insured and the beneficiary) to the other party must be submitted in written.
- 13.2. Notifications sent to the other party by ordinary mail, by e-mail or by courier to the addresses specified in the insurance contract or submitted on the insurer's self-service website shall be deemed to be presented properly.
- 13.3. It shall be considered that the proper day of presenting the notifications is:
 - 13.3.1. the next working day after sending the notification by e-mail;
 - 13.3.2. if the notification is sent by post:

- a) the notification sent by ordinary mail shall be considered as submitted after a reasonable time from the day it has been sent;
 - b) the date of the receipt of the notification sent by registered mail is indicated on the official stamp of the post office;
 - c) the date of the receipt of the notification sent by courier is considered to be the day of its delivery to the addressee;
- 13.3.3. the next working day after submitting the notification on the self-service website of the insurer;
- 13.4. The parties of the insurance contract must inform each other about the changed address or other contact details within 15 days from the day such data has changed. The policyholder may provide the insurer with the information about the changed contact details by telephone (1626), on the self-service website of the insurer, or by other means specified in clause 13.3 of these General Insurance Conditions.

14. Protection of personal data



- 14.1. The insurer in performance of the contract acts as a controller of the data and processes personal data in accordance with the General Data Protection Regulation (hereinafter referred to as GDPR), the Law on Legal Protection of Personal Data of the Republic of Lithuania and other legal acts that regulate protection of personal data.
- 14.2. The insurer shall process personal data only for predefined purposes in order to be able to conclude and exercise insurance contract and to exercise actions related to it: to identify the party of the insurance contract, to acquire information about the property insured, to assess and control insurance risk, to prepare insurance proposal and draw insurance contract, to assess the extent of the damage, to administer insured events, as well as operations of insurance premiums and insurance indemnities (including invoicing and debt recovery), to contact the policyholder in regard to the exercise of the contract or to remind about the ending insurance contract.
- 14.3. The insurer in compliance with the legal acts applicable is entitled to process personal data not only of the policyholder but also of other parties involved. Depending on the specifics of insurance product and particular situation the insurer shall process personal data of the beneficiaries, the insured, the payers and other persons involved in the exercise of the insurance contract.
- 14.4. As a controller of the data, the insurer is entitled to use services of data administrators that process personal data on behalf of the insurer.
- 14.5. The insurer shall process personal data only when: it is necessary for the conclusion of the insurance contract and/or for the exercise of the insurance contract that has already been concluded; the insurer must process personal data as he is obligated so by legal acts; approval to process personal data is granted; personal data has to be processed for legal interests of the insurer or a third party.
- 14.6. Persons whose personal data is processed by the insurer (hereinafter referred to as the data entities) have following rights: to familiarize with the personal data processed by the insurer; to request to correct their data that is incorrect or inaccurate; to delete personal data that is processed illegally; to request the insurer to restrict the processing of the personal data; to request the insurer to transmit the data processed; to object to the processing of personal data; to cancel direct marketing authorizations at any time; to submit a claim to the supervisory authority.
- 14.7. The insurer shall review the request of the data entity and give a response within one month from the receipt of the request. This period may be prolonged by two more months taking into consideration the complexity and number of requests.
- 14.8. The Insurer has appointed a data protection officer, whose contact e-mail address is dpo@gjensidige.lt.
- 14.9. Detailed information on how the insurer processes personal data and on procedure for the exercise of the rights of the data entities is provided in the Principles of Personal Data Processing on Insurer's website www.gjensidige.lt.



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