

# General Contractual Terms and Conditions 1/2022

Effective as of 01.09.2022

## 1. PURPOSE

The purpose of these General Contractual Terms and Conditions is to stipulate the overall principles of the Estonian Branch of Compensa Vienna Insurance Group, ADB, the brand of which in Estonia is Seesam (hereinafter Seesam), for entry into and performance of insurance contracts and indemnification for losses.

## 2. TERMS AND DEFINITIONS

- 2.1. **Insurer** is the Estonian Branch of Compensa Vienna Insurance Group, ADB (hereinafter referred to as Seesam).
  - 2.2. **Policyholder** is a person who has entered into an insurance contract with Seesam and who has the obligation to pay insurance premiums. The policyholder has the right to receive the insurance indemnity if no beneficiary has been specified in the insurance contract.
  - 2.3. **Insurance contract** means an agreement entered into in writing or in a format that can be reproduced in writing by and between Seesam and the policyholder (hereinafter jointly the parties), under which Seesam is required, upon occurrence of an insured event, to indemnify the loss arising as a result of such insured event or to perform the insurance contract in any other manner agreed (the Seesam's performance obligation) and the policyholder is required to pay insurance premiums to Seesam.
  - 2.4. **Policy** means a document issued by Seesam evidencing the entry into the insurance contract. A policy may also be titled otherwise.
  - 2.5. **Insured person** means either the policyholder or any specified or unspecified third party, with respect to whom the insured risk has been insured. It is presumed that the insured risk related to the policyholder is insured.
  - 2.6. **Insured object** means an object with respect to which the insured risk has been insured. An insured object is primarily the life and health of a person or an object, right, obligation or cost belonging to the insured person.
  - 2.7. **Beneficiary** means a person specified in the policy who, upon occurrence of an insured event, is entitled to the insurance indemnity, agreed amount of money or performance of any other obligation by Seesam according to the insurance contract. After the death of the policyholder their successors may not take the place of the beneficiary.
  - 2.8. **Third party** means any person who is not a party to the insurance contract or an insured person.
  - 2.9. **Person equivalent to the policyholder** means a person specified in section 11 of these terms and conditions, to whom the policyholder is required to introduce their obligations arising from the insurance contract and who is required to perform the obligations similarly to the policyholder. A person equivalent to the policyholder is not deemed to be a party to the insurance contract.
  - 2.10. **Person entitled to receive the insurance indemnity** means a person who has the right to receive an insurance indemnity upon the occurrence of an insured event. If the payment of an insurance indemnity to the beneficiary has been agreed under the insurance contract, the beneficiary is the person entitled to receive the insurance indemnity. If the beneficiary has not been agreed under the insurance contract, the policyholder is the person entitled to receive the insurance indemnity. If the beneficiary does not want to receive the insurance indemnity, the policyholder is the person entitled to receive the insurance indemnity.
  - 2.11. **Insurable interest** means the interest of the policyholder to insure themselves against specific insured risks.
  - 2.12. **Insured risk** means the risk against which the insurance policy is taken.
  - 2.13. **Insured event** means an event defined in the insurance contract, upon occurrence whereof Seesam has to perform its performance obligation arising from the insurance contract.
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- 2.14. **Sum insured** means an amount of money agreed upon between the parties, which is the maximum amount payable by Seesam.
- 2.15. **Insurable value** means the value of the insurable interest at the time of occurrence of an insured event.
- 2.16. **Insurance period** means a period of time specified in the policy, during which the insurance cover applies and on the basis of which the insurance premiums are calculated.
- 2.17. **Insurance cover** means Seesam's obligation limited by the insurance contract to pay insurance indemnity upon an insured event or perform the contract in any other manner specified in the insurance contract.
- 2.18. **Insurance terms and conditions** means the General Contractual Terms and Conditions, terms and conditions of insurance class, indemnity regulations and special terms and conditions.
- 2.19. **General terms and conditions of contract** means these Seesam's General Contractual Terms and Conditions.
- 2.20. **Terms and conditions of insurance class** means the terms and conditions providing for the principles of insuring and indemnifying loss applicable to the class of the object to be insured.
- 2.21. **Indemnity regulations** means the terms and conditions providing for the principles of indemnifying loss upon an insured event and for the application of which a notation has been made in the policy.
- 2.22. **Special terms and conditions** means standard terms and conditions set out in the policy for a specific insurance contract, which differ from the insurance terms and conditions and which apply to a specific insurance contract.
- 2.23. **Special agreement** means a condition separately agreed between the parties and specified in the policy, which differs from the provisions of the insurance terms and conditions or which is not set out in the insurance terms and conditions. In the event of differences between the special agreement and insurance terms and conditions, the special agreement shall apply.
- 2.24. **Safety requirements** are the requirements provided in the insurance contract or established by the manufacturer of the property or by legislation for the purpose of preventing the occurrence of damage, reducing the insured risk and ensuring the safety of the property or the person.
- 2.25. **Deductible** means an amount of money or another value indicated in the insurance contract (percentage of loss, period, etc.), which is to be borne by the policyholder in the case of any insured event.
- 2.26. **Insurance indemnity** means financial compensation paid under the insurance contract in order to indemnify the loss caused as a consequence of an insured event and costs for legal assistance and expert assessment.
- 2.27. **Coverage territory** is the territory agreed on in the insurance contract, where the insurance cover is effective.

### 3. INSURANCE CONTRACT DOCUMENTS AND INTERPRETATION

- 3.1. The insurance contract documents means one or several of the following documents: an application of the policyholder for entry into the insurance contract, a Seesam's offer, the policyholder's consent to entry into the insurance contract, the policy, insurance terms and conditions, the inspection report of the insured object, the list of insured objects, and other documents specified in the insurance contract.
- 3.2. The insurance terms and conditions applicable to the insurance contract have been specified in the policy.
- 3.3. Upon the performance and interpretation of the insurance contract, any and all documents belonging to the insurance contract are proceeded from in their entirety. In the event of any controversies, first the policy shall be proceeded from, followed by other contract documents, the terms and conditions of the insurance class and, finally, the General Contractual Terms and Conditions.
- 3.4. If the insurance contract documents have been translated to a foreign language, in the event of any controversies the Estonian text of the insurance contract documents shall prevail.
- 3.5. Disputes between the parties arising from the insurance contract are subject to Estonian law.
- 3.6. The policyholder may demand that Seesam issue a replacement policy and a copy of the declaration of intention made by the policyholder in writing or in a format that can be reproduced in writing. In the event of the legitimate interest, the policyholder may also demand issuance of the data and copies of the documents pertaining to the policyholder's insurance contract that are in Seesam's possession if the policyholder proves that the data or documents have been collected or prepared in the interests of the policyholder or if documents and data specify the legal relationship or preparation of a transaction between the policyholder and Seesam.

#### **4. SENDING AND RECORDING NOTICES**

- 4.1. Any and all notices by the policyholder, insured person and beneficiary, which shall be given to Seesam pursuant to the insurance contract or legislation, as well as any and all applications and consents related to the insurance contract shall be sent to Seesam in writing or in a format that can be reproduced in writing, unless agreed otherwise.
- 4.2. Seesam shall hand the policy and other documents related to the insurance contract over or send them to the postal address or e-mail address sent by the policyholder specified in the insurance contract to Seesam.
- 4.3. Any and all notices that Seesam shall give to the policyholder, insured person, beneficiary or mortgagee under the insurance contract or legislation shall be sent by Seesam in writing or in a format that can be reproduced in writing to the contact address provided by the policyholder. Seesam shall publish public notices of general nature at [www.seesam.ee](http://www.seesam.ee) or via the mass media.
- 4.4. Seesam has the right to record any and all notices and other acts given to it via a means of communication and use, where necessary, the respective recordings for proving the declarations of intention and acts of the policyholder or other persons related to the insurance contract.

#### **5. ENTRY INTO AND AMENDMENT OF INSURANCE CONTRACT**

- 5.1. The insurance contract has been entered into if the policyholder has fulfilled one of the following terms and conditions:
  - 5.1.1. the policyholder has sent Seesam their consent to enter into the insurance contract in a format that can be reproduced in writing;
  - 5.1.2. the policyholder has paid the first insurance premium to Seesam;
  - 5.1.3. the policyholder has met another term or condition specified in the insurance contract.
- 5.2. Seesam shall issue the policyholder with a policy signed by Seesam to confirm entry into the insurance contract. The signature on the policy may be handwritten, digital or mechanically reproduced. Seesam may hand the policy over to the policyholder or send it to the policyholder by post or electronically.
- 5.3. Seesam shall send the policyholder the website address where the standard terms and conditions applicable to the insurance contract can be found. If requested by the policyholder, Seesam shall submit the standard terms and conditions applicable to the insurance contract not later than upon sending the offer. The policyholder can access the insurance terms and conditions at Seesam's offices or website [www.seesam.ee](http://www.seesam.ee).
- 5.4. If the policyholder meets the term and condition specified in the policy as the prerequisite for entry into the insurance contract, it shall be presumed that the policyholder has received the policy, examined the insurance terms and conditions and consented to them. If the policyholder does not receive the policy or cannot access the insurance terms and conditions, the policyholder shall immediately notify Seesam thereof.
- 5.5. In order to amend the insurance contract, the policyholder shall file an application with Seesam in a format that can be reproduced in writing. The insurance contract has been amended if Seesam has issued a new policy on the amendment and the policyholder has met the term and condition serving as the prerequisite for enforcement of the amended insurance contract as specified in the given document.

#### **6. ENTRY INTO FORCE AND TERM OF INSURANCE CONTRACT**

- 6.1. The insurance contract shall enter into force upon entry into the contract, unless a different condition or term for enforcement has been prescribed in the insurance contract.
- 6.2. The insurance cover shall be effective for the duration of the insurance period agreed between the parties and indicated in the policy, unless otherwise provided for in the insurance contract.
- 6.3. It may be stipulated in the insurance contract that the insurance cover shall commence retroactively before entry into the insurance contract.
- 6.4. The insurance contract shall be made for a specified or unspecified term.
  - 6.4.1. A fixed-term insurance contract shall be valid from entry into the insurance contract until the expiry of the agreed insurance period, unless the parties terminate the insurance contract earlier in accordance with the grounds for cancellation of the insurance contract specified in the General Contractual Terms and Conditions (see section 26).

- 6.4.2. An insurance contract made for an unspecified term shall, after the expiry of the insurance period, remain in force for another insurance period, unless the parties terminate the insurance contract on the grounds for cancellation of the insurance contract specified in the General Contractual Terms and Conditions (see section 26.3). If the insurance terms and conditions have changed in comparison with the previous insurance period, Seesam shall send new insurance terms and conditions to the policyholder. If the policyholder does not agree with the new insurance terms and conditions, they have the right to cancel the contract pursuant to section 26.3.

## **7. SPECIFICATION OF BENEFICIARY**

- 7.1. The beneficiary shall be specified and changed in the insurance contract by agreement between the policyholder and Seesam. The beneficiary shall be specified in the policy. If the policyholder and the insured person are not the same person, the written consent of the insured person shall be required for changing the beneficiary.
- 7.2. If the beneficiary loses the right to the insurance indemnity due to circumstances depending on the beneficiary or if the beneficiary has deceased or been dissolved prior to the occurrence of an insured event, it shall be deemed that no beneficiary has been specified.

## **8. PAYMENT OF INSURANCE PREMIUM**

- 8.1. The policyholder shall pay insurance premiums to Seesam by the due date and in the amount specified in the policy or invoices.
- 8.2. The policyholder shall pay the insurance premiums specified in the policy or invoices by the due date regardless of whether Seesam has sent the policyholder a reminder or invoice.

## **9. DELAY IN PAYMENT OF FIRST INSURANCE PREMIUM**

- 9.1. If the policyholder has not paid the insurance premium or the first instalment within 14 days after entry into the insurance contract, Seesam may withdraw from the insurance contract until the payment has been made (section 26.12).
- 9.2. If within three months after the insurance premium fell due Seesam has not filed an action with the court claiming payment of the insurance premium, it shall be presumed that Seesam has withdrawn from the insurance contract.
- 9.3. If the insurance premium or the first instalment that has fallen due has not been paid by the time of the occurrence of an insured event, Seesam shall be released from its performance obligation.
- 9.4. Sections 9.1–9.3 shall apply if the payment of the first insurance premium is not the prerequisite for entry into the insurance contract according to section 5.1.

## **10. DELAY IN PAYMENT OF FOLLOWING INSURANCE PREMIUMS**

- 10.1. If the policyholder fails to pay the second or following instalment by the due date, Seesam gives the policyholder at least a two-week additional term and in the case of insuring construction works a one-month additional term for payment.
- 10.2. If Seesam has given an additional term for payment of the insurance premium and an insured event occurs after the expiry of the term without the policyholder having paid the insurance premium by the time of occurrence of the insured event, Seesam shall be released from its performance obligation, unless the failure to pay the insurance premium occurred due to a circumstance independent of the policyholder.
- 10.3. If Seesam has given an additional term for payment of the insurance premium and the policyholder has not paid the insurance premium during the term, Seesam may cancel the insurance contract without prior notice. Seesam may also state in the notice specified in section 10.1 that it shall deem the insurance contract as cancelled upon expiry of the term, unless the policyholder pays the insurance premium within the term (section 26.11).
- 10.4. If the policyholder pays the insurance premium within one month after cancellation of the insurance contract or expiry of the additional term given for payment and no insured event has occurred prior to payment, the insurance contract shall not be deemed as cancelled in the case specified in section 10.3.

## **11. PERSONS EQUIVALENT TO POLICYHOLDER**

- 11.1. The following persons are equivalent to the policyholder:
  - 11.1.1. the insured person;
  - 11.1.2. the lawful possessor of the insured object;
  - 11.1.3. persons who use or possess the insured object with the consent of the policyholder, the insured person or the lawful possessor of the object;
  - 11.1.4. legal or actual family members of the policyholder or the insured person;
  - 11.1.5. persons who, based on law, another contract (incl. employment contract) or another legal relationship, are required to follow the requirements for use, safety, prevention and limitation of damage, rescuing, etc.
- 11.2. The policyholder shall introduce and explain the obligations arising from the insurance contract, primarily compliance with safety requirements, to persons equivalent to the policyholder. It is presumed that the policyholder has introduced and explained the obligations arising from the insurance contract to persons specified in section 11.1.
- 11.3. The failure to perform the obligations provided for in the insurance contract by the persons specified in section 11.1 shall be deemed a breach of the insurance contract committed by the policyholder and it is presumed that this breach of the policyholder is based on fault. In the aforementioned event, Seesam has the right to refuse to perform the insurance contract in part or in full in accordance with section 23.
- 11.4. If an insured event occurs or if Seesam cannot ascertain its performance obligation because the persons equivalent to the policyholder have failed to perform the obligations provided for in the insurance contract due to the failure of the policyholder to notify the persons equivalent to the policyholder of the obligations arising from the insurance contract, on the basis of the provisions of these terms and conditions Seesam has the right to refuse to perform the insurance contract in part or in full in accordance with section 23.
- 11.5. Seesam has the right arising from law to exercise the right of recourse (section 24) against the person equivalent to the policyholder (except the insured person), who has caused the damage, to the extent of the amount of loss indemnified by Seesam.

## **12. SEESAM'S NOTIFICATION OBLIGATION**

- 12.1. If during the term of the insurance contract Seesam's name, legal form, address or the address of the office where the insurance contract was entered into or the address of the insurance supervisory body changes, Seesam shall notify the policyholder thereof in a format that can be reproduced in writing or publish the notice on the website [www.seesam.ee](http://www.seesam.ee).

## **13. POLICYHOLDER'S NOTIFICATION OBLIGATION PRIOR TO ENTRY INTO INSURANCE CONTRACT**

- 13.1. Prior to entry into the insurance contract, the policyholder shall provide Seesam with true and complete information about any and all important circumstances known to the policyholder (incl. information that Seesam has not asked about by way of completion of a questionnaire), which, due to their nature, could affect Seesam's decision on entry into the insurance contract or their decision to set certain prerequisites for entry into the insurance contract. The policyholder shall perform the notification obligation even if they presume that the respective circumstance may already be known to Seesam.
- 13.2. Prior to entry into the insurance contract, Seesam may submit a questionnaire concerning important circumstances to the policyholder in a format that can be reproduced in writing, to which the policyholder is required to respond in a format that can be reproduced in writing.

## **14. POLICYHOLDER'S NOTIFICATION OBLIGATION AFTER ENTRY INTO INSURANCE CONTRACT**

- 14.1. The policyholder shall immediately notify Seesam if during the term of the insurance contract:
  - 14.1.1. there have been changes in important circumstances (incl. important circumstances that Seesam has not asked about by way of completion of a questionnaire). For example, the purpose of use of the insured property changed, the business environment influencing the insured property changed, etc.);

- 14.1.2. there have been changes in the data specified in the insurance contract;
- 14.1.3. the insured risk has increased;
- 14.1.4. the insured object has been transferred;
- 14.1.5. the registered immovable accommodating the insured construction works has been encumbered with a mortgage.

## **15. CONSEQUENCES OF BREACHING NOTIFICATION OBLIGATION BY POLICYHOLDER**

- 15.1. If the policyholder has failed to notify Seesam of important circumstances, breaching requirements set out in sections 13–14, or has submitted false information or intentionally evaded notification of an important circumstance to Seesam, Seesam may withdraw from the insurance contract (section 26.13) within one month of the time when it learned or had to learn of the breach of the notification obligation, unless:
  - 15.1.1. Seesam already knew of the circumstance that it was not notified of;
  - 15.1.2. Seesam knew that the information given to it by the policyholder is false;
  - 15.1.3. the policyholder is not guilty of the breach of the notification obligation;
  - 15.1.4. a circumstance that the policyholder did not notify of or on which the policyholder gave false information lapsed before the occurrence of an insured event;
  - 15.1.5. Seesam has waived its right of withdrawal from the insurance contract.
- 15.2. If according to section 15.1 Seesam does not have the right to withdraw from the insurance contract, Seesam may demand that starting from the agreed insurance period the policyholder pay a higher insurance premium within one month from the time when Seesam learned of the policyholder's breach of the notification obligation.
- 15.3. If Seesam increases the insurance premium without changing the insurance cover, the policyholder may cancel the insurance contract by the time of increasing the insurance premium, notifying Seesam thereof within one month after receiving the notice on the increase in the insurance premium from Seesam (section 26.17).
- 15.4. If Seesam withdraws from the insurance contract pursuant to section 15.1, Seesam shall have to perform the obligations arising from the insurance contract if an insured event occurs before the withdrawal from the insurance contract and the circumstance that the policyholder failed to notify Seesam of did not affect the occurrence of the insured event. In establishing the existence of Seesam's performance obligation, the ratio of insurance premiums paid to the insurance premiums, which would have been payable if notice had been given of the circumstance, shall also be taken into account.
- 15.5. Sections 15.1–15.2 do not preclude Seesam's right to have the insurance contract declared null and void due to fraud.

## **16. INSURING THIRD PARTY RISKS, UNDERINSURANCE, OVERINSURANCE, MULTIPLE INSURANCE AND CO-INSURANCE**

- 16.1. If an insurance risk related to a third party is insured, the third party has the right to demand the fulfilment of the insurance contract and all of the rights related thereto from Seesam. The third person may not dispose of these rights without the consent of the policyholder.
- 16.2. If the policyholder is not the insured person, the policyholder shall not have the right to demand that Seesam perform the insurance contract, unless the policyholder proves that the insured person consented to it.
- 16.3. Underinsurance means a situation where the sum insured is smaller than the insurable value at the time of occurrence of the insured event. In such an event Seesam shall be liable for the loss in proportion to the ratio of the sum insured to the insurable value at the time of occurrence of the insured event. In the event of underinsurance, the following formula applies:  $\text{amount of loss} \times \text{sum insured} / \text{insurable value} - \text{deductible} = \text{insurance indemnity}$ .
- 16.4. Overinsurance means a situation where the sum insured considerably exceeds the insurable value.
- 16.5. In the case of underinsurance and overinsurance, prior to the occurrence of the insured event the policyholder shall have the right to submit to Seesam an application for bringing the sum insured and the insurable value into conformity in the insurance contract. For the purpose of elimination of underinsurance, the policyholder shall pay an additional insurance premium to Seesam in order to amend the insurance contract. For the purpose of elimination of overinsurance, the policyholder has the right to demand reduction of the sum insured in the insurance contract along with the respective reduction of the insurance premium.

- 16.6. If after the occurrence of an insured event it appears that the insured object was underinsured, the amount of the insurance indemnity shall be calculated on the basis of the principle applied under section 16.3 of these terms and conditions regardless of whether or not the policyholder has paid the additional insurance premium.
- 16.7. Multiple insurance means a situation where the policyholder insures the same insured risk at several insurers and the total amount of insurance indemnities payable by the insurers would exceed the amount of loss or the sums insured together would exceed the insurable value.
- 16.7.1. In the case of multiple insurance, each insurer shall have the performance obligation pursuant to their insurance contract, but the total indemnity demanded by the policyholder from all insurers may not exceed the actual amount of loss.
- 16.7.2. In the event of multiple insurance, the policyholder may cancel the insurance contract that was entered into later or demand that Seesam reduce the insurance premium and the sum insured to the amount not covered by the insurance contract entered into earlier. In the given case the insurance contract shall be deemed as cancelled or the sum insured and the insurance premium shall be deemed as reduced by the end of the insurance period during which the notice of cancellation or reduction of the sum insured and insurance premium was given (section 26.15).
- 16.8. Co-insurance means a situation where the same insurance or the insurance of insured risks related to the same property is divided among several insurers in the determined shares and each insurer is only required to pay the insurance indemnity in proportion to their share.
- 16.8.1. In the case of co-insurance, each insurer is required to indemnify the loss in proportion to their agreed share. The insurance contract shall specify a leading insurer who shall act as the representative of all the co-insurers during the loss adjustment.

## **17. TRANSFER OF INSURED OBJECT**

- 17.1. The transferor or the transferee of an object shall immediately notify Seesam of the transfer of the insured object.
- 17.2. If the policyholder transfers the insured object, all the rights and obligations of the policyholder arising from the insurance contract (incl. the right to a refund of the insurance premium), except the rights and obligations that have emerged prior to the transfer of the insured object, shall be transferred to the transferee of the object.
- 17.3. The policyholder's rights and obligations arising from the insurance contract shall not be deemed to have transferred with regard to Seesam before Seesam learned of the transfer of the insured object.
- 17.4. If Seesam does not receive any proper notice of the transfer of the object, Seesam shall be released of its performance obligation if the insured event occurs more than one month after the time when Seesam should have received the respective notice.

## **18. INCREASE IN INSURED RISK**

- 18.1. After entry into the insurance contract the policyholder shall not, without Seesam's prior consent submitted in writing or in a format that can be reproduced in writing, increase the insured risk or allow the insured risk to be increased by the persons equivalent to the policyholder (section 11.1).
- 18.2. The policyholder shall immediately notify Seesam of an increase in the insured risk, even if the increase in the insured risk was caused by circumstances that are common knowledge and do not affect the insured risk of this policyholder alone.
- 18.3. Seesam shall apply the respective provisions of the Law of Obligations Act to the notification of the increase in the probability of the insured risk and prohibition on increasing the insured risk.
- 18.4. Unlike the provisions set out in section 18.3, if the insured risk increases during the term of the insurance contract or the policyholder has increased the probability of the insured risk, Seesam may give a term for implementation of additional safety requirements for the purpose of reducing the probability of the insured risk. If the policyholder does not reduce the probability of the insured risk by the term, Seesam may cancel the insurance contract after the expiry of the term (sections 26.5.3 and 26.5.6).

- 18.5. Unlike the provisions set out in section 18.3, the policyholder can cancel the insurance contract after receiving the notice of implementation of additional safety requirements if the policyholder notifies Seesam of the cancellation of the insurance contract one month in advance. If the policyholder has not cancelled the insurance contract during the term and has complied with the additional safety requirements, the additional safety requirements shall be deemed part of the insurance contract (section 26.16).
- 18.6. During the term of the contract and in the course of loss adjustment Seesam has the right to inspect the condition of the insured object, compliance with the safety requirements, an increase in the insured risk and other circumstances relating to the insured person and object.

## 19. COMPLIANCE WITH SAFETY REQUIREMENTS

- 19.1. The policyholder is required to perform all the obligations and comply with all the safety requirements agreed in the insurance contract as well as adhere to any and all legislation required for the performance of the insurance contract prescribing instructions for:
- 19.1.1. keeping and using insured objects and ensuring safety;
  - 19.1.2. preventing accidents and illnesses relating to insured persons;
  - 19.1.3. preventing insured events of insured persons and objects and reducing loss.
- 19.2. The policyholder is required to exercise due diligence, comply with the safety requirements specified/agreed in the insurance terms and conditions and act prudently and with normal diligence in order to prevent adverse consequences with regard to the insured object.
- 19.3. During the term of the insurance contract and in the course of loss adjustment Seesam has the right to inspect the condition of the insured object, compliance with the safety requirements, an increase in the insured risk and other circumstances relating to the insured person and object.

## 20. OCCURRENCE OF INSURED EVENT

- 20.1. Upon occurrence of an insured event, the policyholder, depending on the nature of the insured event, primarily upon occurrence of a fire, theft, robbery, vandalism or any other offence, shall immediately notify the police, the rescue board or another authority carrying out the rescue work or investigation of the circumstances of the insured event thereof and enable identification of the circumstances relating to the insured event.
- 20.2. The policyholder shall immediately notify Seesam of the occurrence of the insured event. The notice may be submitted to Seesam in writing, in a format that can be reproduced in writing or orally. The notice must contain information on at least the scene, the damaged object, the date of occurrence of the insured event and the known circumstances of the insured event as well as the sender of the notice (contact telephone and address).
- 20.3. The obligation of Seesam to perform the insurance contract becomes collectible upon the completion of the operations necessary for identification of the occurrence of the insured event and the extent of performance by Seesam (see sections 21.2 and 21.3).
- 20.4. The person entitled to receive the insurance indemnity shall submit to Seesam a loss application not later than within three months after the occurrence of the insured event or learning thereof.
- 20.5. Upon occurrence of an insured event the policyholder shall take any and all possible means for further limitation of loss, reduction of possible additional loss and identification of the circumstances and reasons of the insured event, extent of loss, the person causing the damage and the witnesses.
- 20.6. Before identification of the extent of loss and the circumstances of the insured event the policyholder may not, without Seesam's consent, make any changes to the damaged object or the scene, which may affect identification of the reason of loss or the extent of loss. Changes may only be made to prevent any loss or an increase in loss already caused or if the changes are in the public interest. Before making the changes the policyholder shall ask Seesam for a permission, where possible.
- 20.7. The policyholder shall immediately provide Seesam with true and complete information about the circumstances of the insured event, the extent of loss and persons who possibly caused the damage.
- 20.8. The policyholder shall allow Seesam to immediately inspect the scene and the damaged object.



- 20.9. With regard to the circumstances of the insured event the policyholder shall submit to Seesam documents, oral and written explanations, reply to the questions relating to the insured event and participate in the inspection of the scene or the damaged object at Seesam's request. Seesam shall submit the sample list of documents in the terms and conditions of the insurance class or in a separate document.
- 20.10. The policyholder shall ensure that persons equivalent to the policyholder (section 11.1) comply with sections 20.1–20.2 and 20.4–20.9.
- 20.11. After the occurrence of an insured event each party may cancel the contract within one month after learning about the decision made by Seesam on indemnification of loss, notifying the other party to the contract thereof one month in advance (section 26.4).

## 21. LOSS ADJUSTMENT

- 21.1. Loss adjustment consists of a set of operations performed by Seesam after receiving a notice of the loss event for the purpose of identifying the occurrence of the insured event, Seesam's performance obligation and the extent thereof.
- 21.2. After receiving the loss notice, Seesam or a person appointed by the latter will conduct loss adjustment. Seesam conducts loss adjustment pursuant to the principle of good faith and reasonableness. Seesam's performance obligation becomes collectible when all the operations necessary for identification of the occurrence of an insured event, Seesam's performance obligation and the extent thereof have been completed in loss adjustment.
- 21.3. Seesam is required to complete loss adjustment not later than within one month after the receipt of all the data and documents required therefor, considering the exceptions specified in sections 21.3.1–21.3.2.
- 21.3.1. If civil, criminal or misdemeanour proceedings have been commenced in connection with an insured event, in the course of which circumstances are ascertained that are essential for the existence of Seesam's performance obligation or the extent thereof, Seesam must complete loss adjustment no later than within one month after learning of the decision to suspend or terminate the respective proceedings or learning of a court judgment that has entered into force or learning of a decision of another official or body having the respective right.
- 21.3.2. If another term has been prescribed for completion of the loss adjustment in the terms and conditions of the insurance class, this term shall be applied.
- 21.4. If Seesam has not completed the loss adjustment within the term prescribed in sections 21.3–21.3.2, but the occurrence of the insured event has been proven, the policyholder may demand that Seesam pay money to the extent that corresponds to the performance obligation identified by that time. If completion of the loss adjustment is impeded by a circumstance dependent of the policyholder, the running of the term for completion of the loss adjustment shall stop for that time.
- 21.5. If Seesam has incurred the performance obligation, Seesam shall not have the obligation to pay the insurance indemnity before the person entitled to receive the insurance indemnity (i.e. the policyholder or a beneficiary indicated in the policy) has communicated the name and current account number of the recipient of the insurance indemnity to Seesam.
- 21.6. Upon indemnification, Seesam has the right to request that the right of ownership of the remains of the destroyed object be transferred to Seesam and also that the right of ownership of the object that has been lost or has unlawfully left the legal possession of the person (e.g. theft, robbery) as the result of an insured event be transferred to Seesam. Until the delivery of the object or right of ownership of the object to Seesam, Seesam may suspend payment of the insurance indemnity or reduce the insurance indemnity by the usual (market) value of the respective object.
- 21.7. If Seesam has indemnified the value of an object that has unlawfully left the possession of the person (e.g. theft, robbery) and it is found later, the policyholder is required to immediately inform Seesam about finding the object or discovering the location of the object.
- 21.8. In the event of a dispute between Seesam and the policyholder over Seesam's performance obligation or the extent thereof, they can agree in writing on appointment of an expert or a group of experts for carrying out an expert assessment and the person covering the costs for the expert assessment.

## **22. MANNER OF INDEMNIFICATION AND CALCULATION OF INSURANCE INDEMNITY**

- 22.1. Indemnification is carried out pursuant to the procedure and to the extent provided for in the terms and conditions of the insurance class.
- 22.2. If a matter related to indemnification has not been regulated in the terms and conditions of the insurance class, general principles of indemnification provided for in these terms and conditions apply to matters not regulated.
- 22.3. An insured object is repaired or replaced under reasonable terms and conditions, i.e. the policyholder shall choose the most advantageous possibility where possible.
- 22.4. Seesam does not have the obligation to restore the damaged object or replace the destroyed object.
- 22.5. In order to ascertain a reasonable extent of loss, Seesam has the right to specify a construction or repair company to which the policyholder is required to present the damaged object. By specifying the construction or repair company, Seesam does not assume an obligation to repair the object in the construction or repair company specified or liability for the quality of the work to be performed.
- 22.6. Seesam always pays insurance indemnity to the person entitled to receive the same in money.
- 22.7. Unlike the provisions set out in section 22.6, the person entitled to receive the insurance indemnity and Seesam may agree that Seesam will pay the insurance indemnity to the construction or repair company restoring the damaged object if all of the following terms and conditions exist:
  - 22.7.1. the policyholder enters into a contract for services with the construction or repair company restoring or repairing the damaged object without any participation of Seesam;
  - 22.7.2. Seesam is not liable for the quality of work of the construction or repair company or other potential violations of the contract for services;
  - 22.7.3. if Seesam and the person entitled to receive the insurance indemnity have agreed on the payment of the insurance indemnity to the construction or repair company, Seesam shall issue a letter of guarantee to the policyholder or repair or construction company;
  - 22.7.4. the policyholder is required to pay the repair or construction company the difference between the insurance indemnity payable by Seesam and the calculation serving as a basis for indemnification.
- 22.8. If the person entitled to receive the insurance indemnity and Seesam do not reach an agreement on the repair of an insured object, Seesam pays the insurance indemnity to the insured person in money on the basis of the most advantageous calculation or offer.
- 22.9. Upon payment of the insurance indemnity, Seesam has the right to deduct from the amount of loss and costs to be indemnified:
  - 22.9.1. the deductible specified in the policy or in the terms and conditions of the insurance class, and
  - 22.9.2. the insurance premiums payable until the end of the agreed insurance period, which have fallen due. The insurance premium may be withheld regardless of whether the due date of the insurance premium has arrived. Seesam also has the aforementioned right if the insurance indemnity is paid to a person other than the policyholder.
- 22.10. Upon calculation of the insurance indemnity, deductible is finally applied after other possible reductions of the insurance indemnity.

## **23. REDUCTION OF AND REFUSAL TO PAY INSURANCE INDEMNITY**

- 23.1. Seesam shall have the right to reduce the insurance indemnity or refuse to pay the insurance indemnity if:
  - 23.1.1. the policyholder or the beneficiary caused an insured event due to gross negligence or intentionally;
  - 23.1.2. the policyholder has breached the obligation to comply with the safety requirements and not to increase the insured risk and this breach has affected the occurrence of the insured event and Seesam's performance obligation;
  - 23.1.3. the policyholder has, through their fault, breached an obligation other than those specified in section 23.1.2 and this breach has affected the occurrence of the loss and extent thereof;
  - 23.1.4. the policyholder has failed to perform the obligation to notify Seesam of the increase in the insured risk. Seesam is released from the performance obligation if an insured event occurs one month after the time when Seesam should have received the notice, unless at the time when Seesam was supposed to receive the notice it knew of the increase in the probability of insured risk or had to know thereof;

- 23.1.5. the policyholder intentionally breached an obligation specified in the insurance contract, which had to be performed after the occurrence of an insured event;
  - 23.1.6. the policyholder breached an obligation due to gross negligence, which had to be performed with respect to Seesam after the occurrence of an insured event, and this breach affected the identification of the insured event or Seesam's performance obligation;
  - 23.1.7. the policyholder has intentionally or due to gross negligence failed to hand the data and documents that allow Seesam to exercise the right of recourse over to Seesam (section 24.3);
  - 23.1.8. there is another basis specified in the terms and conditions of the insurance class for reduction of the insurance indemnity or refusal to pay the insurance indemnity.
- 23.2. Seesam is entitled to refuse the payment of the insurance indemnity if the payee or a related party is subject to an international sanction established by the Government of the Republic of Estonia, the United Nations, the European Union, Great Britain or the United States of America.
- 23.3. Seesam shall consider the severity of the breach and the effect thereof on the occurrence of loss when refusing to pay or reducing the insurance indemnity.
- 23.4. If Seesam becomes aware of a breach of the insurance contract after the payment of insurance indemnity, Seesam has the right to reclaim the paid insurance indemnity in part or in full if Seesam would have refused to pay or would have reduced the insurance indemnity, had it known about the breach of the insurance contract.
- 23.5. Seesam shall not indemnify loss caused directly or indirectly by:
- 23.5.1. war, civil war, a coup d'état, military or usurped power, insurrection, rebellion, riot, civil unrest, revolution, terrorism, political armed conflict, invasion, military conflict, war activity or warlike activity, nationalisation or confiscation or requisition of assets, or any other event similar to those above or any measure taken for controlling, preventing, impeding any of the abovementioned cases, or related to that in any way;
    - 23.5.1.1. terrorism is any action or threat of a person that causes or threatens to cause damages, or that has caused or is said to have caused fully or partially due to political, religious, ideological or any other similar objectives;
  - 23.5.2. nuclear reaction, nuclear radiation / radiation, the use of nuclear material, waste generated by the use of nuclear fuel, nuclear warheads or any other nuclear weapons or radioactive contamination;
  - 23.5.3. magnetic or electromagnetic field;
  - 23.5.4. asbestos, synthetic or artificial mineral fibres, silicon dioxide or toxic mould;
  - 23.5.5. human immunodeficiency virus (AIDS), hepatitis, Bovine spongiform encephalopathy (mad cow disease), transmissible spongiform encephalopathies, Creutzfeldt-Jakob Disease, scrapie;
  - 23.5.6. genetically modified organism (GMO);
  - 23.5.7. computer-related crime or cybercrime;
  - 23.5.8. change in data, software or computer programs due to deletion, destruction or harm of electronic data or damage to their initial structure or damage caused to data, software or computer programs due to the insufficiency of the functionality of the system, insufficient availability or the scope of use or access;
  - 23.5.9. violation of intellectual property rights, including copyright and industrial property rights;
  - 23.5.10. violation of personal rights;
  - 23.5.11. disclosure of or making available any confidential information, personal information, personal data, including business secrets, processing methods, customer lists, financial information, credit card data, health data or any other non-public information;
  - 23.5.12. engulfment or movement of the earth's surface;
  - 23.5.13. environmental damage or pollution, if this is unexpected and sudden;
  - 23.5.14. space-related risks;
  - 23.5.15. force majeure;
  - 23.5.16. work or business interruption damage arising from the reasons specified in section 23.5.1-23.5.15.

## 24. TRANSFER OF CLAIMS

- 24.1. The claim for indemnification of loss of the policyholder, insured person or the beneficiary against the third party (incl. a person equivalent to the policyholder) shall transfer to Seesam to the extent of the loss indemnified by the Seesam (hereinafter the right of recourse). If the claim has been filed against the ascendant, descendant or spouse of the policyholder or another family member who lives with the policyholder, Seesam shall have the right of recourse only insofar as the liability of the person responsible has been insured or if the person caused the loss intentionally.
- 24.2. If the policyholder, the insured person or the beneficiary waives a claim against the person who caused the loss (or waives the right that secures such claim), Seesam shall be released from its performance obligation insofar as Seesam could have claimed indemnification on the basis of the claim or right.
- 24.3. The policyholder or a person equivalent to the policyholder shall hand all the existing data and documents that allow Seesam to exercise the right of recourse over to Seesam. Seesam shall have the right to reduce the insurance indemnity or refuse to pay the insurance indemnity if the policyholder or a person equivalent to the policyholder has intentionally failed to hand all the existing data and documents that allow Seesam to exercise the right of recourse over to Seesam.

## 25. LIMITATION PERIOD FOR CLAIMS

- 25.1. The limitation period for any claims arising from the insurance contract is three years. The limitation period shall commence as of the end of the calendar year when the claim falls due.
- 25.2. If the policyholder has submitted to Seesam a claim for indemnification of loss and Seesam has notified of the refusal to indemnify the loss or of reduction of the insurance indemnity, Seesam shall be released of the performance obligation if the policyholder does not file an action with a court within one year after the receipt of the decision on refusal to indemnify the loss or reduction of the insurance indemnity from Seesam. Seesam shall not be released from the performance obligation if it fails to notify the policyholder of the one-year limitation period.

## 26. TERMINATION OF INSURANCE CONTRACT

- 26.1. The insurance contract shall expire upon expiry of the insurance period, upon the cancellation of the insurance contract, upon withdrawal from the insurance contract, upon the parties' agreement or on other grounds prescribed by law.
- 26.2. A party to the insurance contract cancels and withdraws from the insurance contract by submitting a declaration to the other party.
- 26.3. At the end of the agreed insurance period each party may cancel the insurance contract made for an unspecified period, notifying the other party thereof one month in advance.
- 26.4. After the occurrence of an insured event each party may cancel the insurance contract within one month after learning about the decision made by Seesam on indemnification of loss, notifying the other party thereof one month in advance (section 20.11).
- 26.5. Seesam has the right to cancel the insurance contract as follows if the policyholder increases the probability of the insured risk, incl. breaches the safety requirements:
- 26.5.1. Seesam has the right to cancel the insurance contract without prior notice if the policyholder increases the probability of the insured risk, incl. breaches the safety requirements, through the policyholder's fault. It is presumed that the policyholder increases the insured risk, incl. breaches the safety requirements, through the policyholder's fault;
- 26.5.2. Seesam has the right to cancel the insurance contract, notifying thereof one month in advance, if the policyholder increases the probability of the insured risk through no policyholder's fault;
- 26.5.3. Regardless of sections 26.5.1 and 26.5.2, Seesam may give an additional term for reduction of the insured risk if the policyholder has increased the probability of the insured risk. If the policyholder does not reduce the increase in the probability of the insured risk within the additional term, Seesam has the right to cancel the insurance contract upon expiry of the term (section 18.4);

- 26.5.4. Seesam has the right to cancel the insurance contract if the probability of the insured risk increased due to a change effected by the policyholder without the consent of Seesam and the policyholder failed to give notice of the increase in the probability of the insured risk in time. In such case Seesam may cancel the insurance contract without prior notice. If the policyholder was not responsible for the violation of the prohibition on increasing the probability of the insured risk, Seesam may cancel the insurance contract by giving one month's advance notice thereof;
- 26.5.5. if the insured risk increases after entry into the insurance contract and independently of the policyholder, Seesam may demand amendment of the insurance contract retroactively, as of the increase in the insured risk. If the policyholder does not agree to the amendment of the insurance contract or if Seesam would not have entered into the insurance contract under the circumstances of the increased insured risk, Seesam may cancel the insurance contract by giving one month's advance notice thereof.
- 26.5.6. Regardless of sections 26.5.3 and 26.5.5, Seesam may give an additional term for reduction of the insured risk. If the policyholder does not reduce the increase in the probability of the insured risk within the additional term, Seesam has the right to cancel the insurance contract upon expiry of the term (section 18.4);
- 26.5.7. If the increase in the insured risk at the fault of the policyholder appears after the occurrence of the insured event, Seesam has the right to cancel the insurance contract without prior notice, regardless of the provisions of section 26.4.
- 26.6. Seesam has the right to cancel the insurance contract if the insured object is transferred. Seesam has the right to cancel the insurance contract within one month after learning of the transfer of the object, notifying the policyholder thereof one month in advance.
- 26.7. In the case of the transfer of the insured object the transferee of the object has the right to cancel the insurance contract by the end of the agreed insurance period. To that end, the notice of cancellation of the insurance contract shall be given within one month after the acquisition of the object or learning of the acquisition of the object. In the case of the cancellation of the insurance contract, the transferor of the objects shall pay Seesam insurance premiums until the expiry of the insurance contract and in that case the transferee shall not be liable for payment of the insurance premiums.
- 26.8. Seesam has the right to withdraw from the insurance contract or cancel the insurance contract only with respect to certain insured objects or persons.
- 26.9. If Seesam withdraws from the insurance contract or cancels the insurance contract only with respect to certain insured objects or persons, Seesam may do so with respect to the remaining objects or persons only if, under the circumstances, it can be presumed that Seesam would not have entered into the insurance contract on the same terms and conditions solely for such objects or persons. If Seesam withdraws from the insurance contract or cancels the insurance contract with respect to certain objects or persons only, the policyholder has the right to cancel the entire insurance contract by the end of the insurance period during which Seesam's withdrawal or cancellation is effected, at the latest.
- 26.10. If the sanctions established by the Republic of Estonia, the United Nations, the European Union, Great Britain or the United States of America directly or indirectly inhibit the provision of the insurance service based on the respective insurance contract, Seesam has the right to cancel the insurance contract unilaterally and without prior notice.
- 26.11. Seesam has the right to cancel the insurance contract if the policyholder has delayed in payment of the following insurance premiums pursuant to the provisions of section 10.
- 26.12. Seesam has the right to withdraw from the insurance contract if the policyholder has not paid the first premium pursuant to the provisions of section 9.
- 26.13. Seesam has the right to withdraw from the insurance contract if the policyholder has breached the notification obligation pursuant to the provisions of section 15.1.
- 26.14. Seesam has the right to declare the insurance contract null and void due to an act of fraud.
- 26.15. In the event of multiple insurance, the policyholder may cancel the insurance contract that was entered into later or demand that Seesam reduce the insurance premium and the sum insured to the amount not covered by the insurance contract entered into earlier. In the given case the insurance contract shall be deemed as cancelled or the sum insured and the insurance premium shall be deemed as reduced by the end of the insurance period during which the notice of cancellation or reduction of the sum insured and insurance premium was given (section 16.7.2).

- 26.16. The policyholder can cancel the insurance contract after receiving the notice of implementation of additional safety requirements if the policyholder notifies Seesam of the cancellation of the insurance contract one month in advance. If the policyholder has not cancelled the insurance contract during the term and has complied with the additional safety requirements, the additional safety requirements shall be deemed part of the insurance contract (section 18.5).
- 26.17. If Seesam increases the insurance premium pursuant to the provisions of section 15.3 without changing the insurance cover, the policyholder may cancel the insurance contract by the time of increasing the insurance premium, notifying Seesam thereof within one month after receiving the notice on the increase in the insurance premium from Seesam.

## **27. CONSEQUENCES OF PREMATURE TERMINATION OF INSURANCE CONTRACT**

- 27.1. Cancellation of or withdrawal from the insurance contract releases both parties from the performance of their contractual obligations as from the end of the insurance contract. The rights and obligations arising from the insurance contract shall remain valid until the expiry of the insurance contract.
- 27.2. Upon the expiry of the insurance contract due to the cancellation of the insurance contract or withdrawal therefrom, Seesam has the right to receive insurance premiums until the expiry of the insurance contract.
- 27.3. If the insured object is destroyed and Seesam has the obligation to perform the insurance contract, Seesam has the right to set off the insurance premiums payable as of the expiry of the agreed insurance premium against the performance obligation.

## **28. RESOLUTION OF DISPUTES**

- 28.1. The person who has a dispute with Seesam arising from the insurance contract or preparations for entering the relationship bringing about the insurance contract has the right to address the Harju County Court or an insurance conciliation body operating under the Estonian Insurance Association to resolve the dispute. A claim regarding the dispute must be submitted to Seesam and Seesam must be given the opportunity to respond to the claim before addressing the insurance conciliation body. Additional information can be found from the homepage of the Estonian Insurance Association at [www.eksl.ee](http://www.eksl.ee).
- 28.2. The policyholder has the right to file a complaint regarding the activities of Seesam with the Estonian Financial Supervision and Resolution Authority (Sakala 4, 15030 Tallinn).