



**The Terms and Conditions of home insurance describe home insurance coverage, actions to be taken in the event of a loss and the principles of indemnification.**

Home insurance offers insurance coverage to home owners, landlords and tenants. It provides comprehensive cover for structures and household property against the risk of unexpected and unforeseen events. Liability insurance comes to the rescue if the insured person is liable for damage caused to another person.

An insurance contract consists of the insurance policy (hereinafter **policy**) and these Terms and Conditions of Home Insurance (hereinafter **Terms and Conditions**). The sum insured (maximum limit of indemnity) and the amount of deductible (the excess; the amount that will be borne by the policyholder in the event of an insured event) are indicated in the policy for the insured items. Before concluding the insurance contract, the policyholder must make sure that the information specified in the policy is correct and that the scope of insurance cover is appropriate, and read through the Terms and Conditions.

**The insurer** is AS LHV Kindlustus (hereinafter **LHV**).

**The policyholder** is the person specified on the policy. Persons equated with the policyholder are the owner of the insured object and all persons lawfully in possession or use of the insured object (hereinafter **policyholder**).

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# Terms and conditions of home insurance

Valid from  
01.11.2021

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## Definitions

**Limit of indemnity** is the maximum amount to which the damage caused as a result of the insured event is indemnified. The limit of indemnity may be set for a specific event, risk, asset or object and applies to a single insured event.

**Loss event** is an unexpected event that causes property damage.

**Insured event** is an event provided for in the Terms and Conditions, in the event of which LHV must perform its performance obligation arising from the contract.

**Insurance period** is a period specified in the policy, damage caused during which as a result of the insured event is indemnified.

**Sum insured** is the insurable value of the insured object or the maximum monetary amount that LHV will provide as indemnity for the damage caused due to an insured event. The sum insured does not decrease by the indemnity paid.

**The insured object** is indicated on the policy:

- **building** (building, unit in a terraced house, unit in a semi-detached house, apartment ownership);
- **household property** (movable property located at the address indicated in the policy and portable movable property);
- **financial expenses** (cost of renting a replacement dwelling, cost of loan payments, rental income forgone);
- **personal liability**.

**Beneficiary** is a person who in the event of an insured event is entitled under the insurance contract to receive an insurance indemnity, an agreed amount of money or the performance of another obligation by LHV. The beneficiary is designated by the policyholder and the person is indicated in the policy.

**Term insurance contract** is a contract that expires after the end of the insurance period.

**Perpetual insurance contract** is a contract that remains valid until cancelled.

**Construction or repair work** is the erection, establishment, installation, expansion, demolition or other activity related to a structure as a result of which a structure comes to exist or its physical properties change or which alter its envelope, load-bearing and/or stiffening constructions, or where utility systems are installed, altered or demolished. If said works are performed in an insured structure, LHV must be notified of them upon entering into, or during the term of validity of the insurance contract.

**Structure's utility system** is the set of equipment, installations or utilities necessary for the functioning or use of the structure or for ensuring its safety, together with necessary structural elements, such as heating, cooling, water, gas, sewerage and ventilation systems and climate control and security systems.

**Home appliance** is a device that facilitates housekeeping works, runs on power, and is used indoors, such as refrigerator, washing machine, dryer, vacuum cleaner, hob, coffee machine, dishwasher, oven and exhaust hood. For the purposes of these terms and conditions, a home appliance shall not include electronics and smart devices, power tools and lawn mowers.

**Electronics or electronic equipment** is a device used for entertainment, communication or other personal purpose, such as television, photographic equipment, video and audio equipment, and laptop and desktop computers.

**Smart device** for the purposes of these terms and conditions are smartphone, tablet computer, smart watch, wireless earphones and wireless speakers.

## Damage prevention and reduction

At any time of day or night, the policyholder has recourse to home assistance services that in the event of a peril helps the policyholder prevent the occurrence of damage or to reduce the amount of damage and limit the further spread of damage. To contact the home assistance service provider, ring home assistance on 680 1122.

### 1. Home assistance services include the following.

#### 1.1. Damage prevention

If there is an immediate danger to the insured object and in order to prevent further damage, it is necessary to:

- eliminate the risk of ignition in the event of a failure of the electrical system;
- eliminate blockage in a pipe;
- to fell a dangerous tree which is located on the same immovable as the insured object and poses a direct threat to the structure;
- to repair or replace the door lock of the insured building if the lock is broken or has been broken by a third party (including during an intrusion or attempt thereof).

#### 1.2. Elimination of the consequences of a plumbing emergency

A plumbing emergency is the leakage or outflow of water or steam due to the sudden rupture of a household appliance or the plumbing inside a structure. The home assistance service provider stops the leak by replacing or repairing the part that caused the leak, and dries the water that leaked out due to the incident.

#### 1.3. Temporary covering of the external structure of the insured building

If the external structure of the insured building (including roof, wall, window, door) is damaged or broken due to an unexpected and unforeseen event such that the opening in the envelope of the insured building poses a direct danger or damage to the interior of the insured building (e.g. the breakage of glass due to actions of a third party, damage to the roof due to a storm), the home assistance service provider temporarily covers the insured building or reinforces it to protect property. If necessary, the home assistance service provider shall arrange for security at the insured building until the temporary elimination of the damage, but not longer than for 24 hours.

#### 1.4. Finding and moving to a temporary dwelling

If, due to an insured event, residential space within an insured building becomes uninhabitable, the home assistance service provider shall make arrangements for finding and moving the occupants into a temporary dwelling.

## Structure insurance and household property insurance

### Structure

2. A structure can be a building, a unit in a terraced house, a unit in a semi-detached house or apartment ownership.

2.1. A structure is not insured if the home is being used as a rental home and the policyholder is a tenant.

2.2. **Building** (e.g., detached house, auxiliary building) is a structure permanently connected to the ground, with walls, roof and interior, and all its essential parts, including interior finishing, integrated furniture and permanently connected design elements, electrical wiring, plumbing and utility systems.

In addition to the detached house, the following features owned by the policyholder and located on the same property are insured with a limit of indemnity of up to 15,000 euros:

- **facilities connected to the ground**  
(for example, garden, shelter and playground) and communication systems belonging to the building on the property;
- **small buildings with a total net enclosed area of up to 20 m<sup>2</sup>, not including heated buildings** (buildings that are heated and/or have a total net enclosed area of more than 20 m<sup>2</sup> must be indicated separately in the policy);
- **fuel for heating a private house**  
(for example, firewood, coal, fuel oil and liquefied petroleum gas) up to the amount needed to heat a detached house for one year;
- **solar panels;**
- **plants**

(LHV indemnifies reasonable and justified costs of restoring landscaping damaged as a result of an insured event).

- 2.3. Terraced house and semi-detached house units** are insured to the extent corresponding to the size of the part of the joint ownership belonging to the policyholder. The interior finishing and essential parts of the terraced house or semi-detached house unit are insured up to the interior finishing of the neighbouring house or unit. Co-owned utility systems in a terraced house or semi-detached house unit that are located outside the residential space are insured in proportion to the size of the share of the terraced house or semi-detached unit co-owned by the policyholder.

Together with the terraced house or semi-detached house unit, the following features located on the same immovable are also covered within a limit of indemnity of up to 15,000 euros in proportion to the share co-owned by the policyholder:

- **facilities connected to the ground**  
(for example, garden, shelter and playground) and communication systems belonging to the building on the property;
- **small buildings with a total net enclosed area of up to 20 m<sup>2</sup>, not including heated buildings** (buildings that are heated and/or have a total net enclosed area of more than 20 m<sup>2</sup> must be indicated separately in the policy);
- 
- **fuel for heating a terraced house or semi-detached house unit**  
(for example, firewood, coal, fuel oil and liquefied petroleum gas) up to the amount required for heating the terraced house or semi-detached house unit for one year;
- **solar panels;**
- **plants**  
(LHV indemnifies reasonable and justified costs of restoring landscaping damaged as a result of an insured event).

- 2.4. Apartment ownership** is an apartment (the rooms included in the object of exclusive ownership) together with the share of co-owned property that is part of the apartment ownership (for example, the roof of the building, load-bearing walls, stairwell, lift). All of the apartment's essential parts, including interior finishing, integrated furniture and permanently connected design elements, as well as electrical wiring and utility systems serving the apartment are insured along with the apartment.

Insured along with the apartment ownership, with a limit of indemnity of up to 15,000 euros, are:

- lockable storage room, basement and/or garage compartment with a net enclosed area of up to 20m<sup>2</sup>, located in the same building as the insured apartment and belonging to the apartment for the exclusive use of the policyholder (including on the basis of a special right of use). Structures and storage areas in common use of the apartment owners and items stored in these areas do not constitute an Insured object;
- solar panels in a legal share of common ownership in proportion to the size of the apartment ownership.

**Not included under the structure's insurance coverage:**

- 2.5.** movable property;
- 2.6.** soil and roads;
- 2.7.** construction works built in water;
- 2.8.** greenhouses;
- 2.9.** structures or parts of buildings used for business activity;
- 2.10.** water (e.g. well water, pool water, liquid that flowed out of a pipe).

**Insurable value of the structure and general principles of indemnification related to the structure**

- 2.11.** The insurable value of a structure is the reinstatement value of the structure, the amount of which is the cost of restoring the structure to its original form.
- 2.12.** LHV shall indemnify reasonable and justified costs for the reinstatement of the structure.

- 2.13. LHV pays the indemnity proportionally, taking into account the extent of the reinstatement.
- 2.14. If the policyholder does not wish to restore the structure, LHV will indemnify the damage based on a justified calculation prepared for the restoration of the structure, from which LHV will deduct a percentage proportional to the natural wear and tear on the damaged structure.
- 2.15. When restoring a structure, depreciation of the structure is not taken into account.
- 2.16. The precondition for restoration is the restoration of the building in the same place and for the same purpose.
- 2.17. LHV shall indemnify the costs of demolition work and waste removal.
- 2.18. LHV shall disburse the costs of restoring or replacing the building to the beneficiary or policyholder specified in the policy. The parties may also agree to pay an indemnity to the restorer of the property after the restoration of the property has been completed.

### Household property

- 2.19. Household property is movable property located at the address indicated in the policy, and belonging to the policyholder or being in the policyholder's legal possession. The sum insured for household property is indicated in the policy. The following special conditions apply to household property.
- **Art and valuables** (including paintings, jewellery, precious metals and antiques) are insured at the pre-insurance-event market value, but not more than 30% of the sum insured for household property.
  - **Electronic equipment** (including TVs, sound systems, household appliances and (laptop) computers) are insured up to 30% of the sum insured for household property.
  - **Smart devices** are insured up to 2% of the sum insured for household property, even if the insured event occurred outside the home.
  - **Property located in a storage room that belongs to the apartment** is insured if the storage room is located in the same building as the insured apartment, is in the sole use of the policyholder and all openings in the storage room are closed and locked. Property located in such a storage room is insured up to 10% of the sum insured for the household property.
  - **Property located in an auxiliary building that belongs to a detached house, terraced house or semi-detached house** is insured if the auxiliary building is in the sole use of the policyholder and all openings in the auxiliary building are closed and locked. Property located in such an auxiliary building is insured up to 10% of the sum insured for the household property.
  - **Property located in a fenced yard** is insured up to 5% of the sum insured for household property. Before leaving home and prior to nightfall, the policyholder must move items in the yard (except garden furniture, robotic lawnmower, trampoline and grill) to a locked room. If objects have been stolen from the yard without any damage to barriers or obstacles, a double deductible is charged.
  - **Property located on the balcony** is insured up to 5% of the sum insured for household property as specified in the policy. Bicycles or other mobility equipment on an open (not enclosed by glass) balcony must be stored in such a way that they are locked to the structure. If objects have been stolen from a balcony without any damage to barriers or obstacles, a double deductible is charged.
  - **Portable property** is insured up to 5% of the sum insured of household property, but not more than 3000 euros, not including smart devices insured up to 2% of the household property sum insured. Portable property is insured if it accompanies the policyholder or their family member (insurance coverage is valid worldwide). The items accompanying the policyholder must be under the supervision of the policyholder or locked in a cabinet/safe or room so that a third party cannot access the property. Electronic equipment and smart devices may not be carried in the cargo holds of aircraft, ships, buses and trains. In commercial lodging establishments, valuables, watches, artworks and antiques must be kept in the commercial lodging establishment's safe, or secured storage room. The policyholder's family members are considered to be their spouse or partner living permanently with the policyholder at the address indicated in the policy and their children up to the age of 21.
  - **Funds on a bank account** are insured if the relevant bank card is lost or stolen or taken by robbery. LHV reimburses card payments up to 1,000 euros that were made illegally in the 24 hours following the loss or theft of the bank card or robbery. In the event of an insured event, the bank card must be blocked immediately. Damage will not be indemnified if the bank card data fell into the hands of a third party in any other way besides the loss or theft of the bank card or robbery.

- **The state fee for applying for a passport, ID card or driving license** is indemnified in the event of loss or theft of a document or robbery. LHV normally reimburses the state fee for application. LHV reimburses the state fee without charging a deductible.

#### Not insured as household property:

- 2.20. smart devices over two years old and laptops over four years old. The age of an item is the time that has elapsed since the date the item was purchased new. If the date of purchase is not known, the age of the item is the time that has elapsed since the date on which the model was first introduced;
- 2.21. motor vehicles subject to registration;
- 2.22. trailer caravans, aircraft and watercraft;
- 2.23. information, software and licenses;
- 2.24. securities and other documents and sets of documents, plans and drawings;
- 2.25. weapons and weapons accessories, explosives;
- 2.26. animals and plants and other living organisms;
- 2.27. samples and prototypes, exhibit items and models of the exhibition and collections of objects;
- 2.28. cash and digital money.

#### Insurable value of household property and general principles of indemnification

- 2.29. In the event of damage to household property, LHV shall indemnify the costs of repairing it (to the extent of the limit of indemnity specified in clause 2.19 of the Terms and Conditions). If household property has been stolen (either in a theft or robbery) destroyed or damaged and it cannot be repaired, LHV will reimburse the costs of purchasing an equivalent new item (to the extent of the limit of indemnity specified in clause 2.19 of the Terms and Conditions).
- 2.30. The insurance value of a laptop and smart device up to 1 year old is the equipment's new value. The value of a laptop and smart device more than 1 year old is the pre-insured-event market value, not to exceed the limit of indemnity in clause 2.19 of the terms and conditions. The age of the equipment is the time that has passed since the date on which the item was bought new. If the purchase date is not known, the age of the item shall be considered to be a time elapsed since the manufacturing date.
- 2.31. If a home appliance and/or electronic device that is an insured object is undergoing repairs or in the delivery process, LHV shall indemnify the reasonable and justified rental costs of the replacement device rented for the period of repair or delivery, but not more than 400 euros per insured event. The replacement device does not have to be equivalent to the device to be replaced, but must perform the basic functions of the device it replaces. LHV shall indemnify the cost of transporting the device within Estonia and installation of large items. LHV has the right to designate the service provider from which the policyholder rents a replacement device.

#### Insured event

- 3. An insured event is:
  - 3.1. **an unexpected and unforeseen, sudden event that began during the insurance period, including destruction, damage, theft or robbery**, as a result of which the insured object is lost, destroyed or damaged, and which is not excluded in clause 4 of the Terms and Conditions;
  - 3.2. **damage caused to a previously intact part of the insured object due to poor quality work or construction error**  
In case of damage caused by construction flaw, poor quality work or unsuitable or defective material, LHV indemnifies the damage caused by the sudden event to the previously intact part of the insured object. LHV does not indemnify for damage that occurred to a poorly installed object, nor for that part of the insured object that caused the damage. Damage caused by the penetration of precipitation or melt water into the structure through the roof, walls or other envelope structures is not subject to indemnification unless the policy specifies that the coverage apply in the event of precipitation penetrating the structure.

If there is a relevant indication in the policy, the following are also insured events:

- 3.3. **damage caused by snow or ice accumulating on the roof**  
Damage caused by the weight or movement of snow or ice falling on the roof over a short period of time (up to 72

hours);

#### **3.4. rainwater entering the structure**

LHV shall indemnify up to 3000 euros in damage caused by a first instance of precipitation or melt water entering the insured structure through the roof, walls or other envelope structures. Expenses on repairing or replacing the leak area (construction element) are not indemnified. The policyholder or a person equivalent to the policyholder must take measures to prevent recurring damage. LHV will not indemnify for damage caused from the same place by a second insured event;

#### **3.5. equipment failure**

Equipment failure is a failure of technical equipment serving the structure (up to seven years of age) and household appliances (up to five years of age) serving the building caused by a power failure or malfunction or an electrical or internal mechanical failure of the insured object. The age of the device is calculated from the date of purchase as new. If the date of purchase is not known, the age of the item is the time that has elapsed since the date on which the model was first introduced. If the energy performance class of the structure that is the insured object is A, an electrical or internal mechanical failure of an electric car charger is also an insured event;

#### **3.6. damage caused by construction or repair works**

Damage caused by construction or repair work is considered to be damage to the insured object and/or yet to be installed construction materials stored inside the building during construction or repair work. The limit of indemnity on construction materials that have not been installed is 5000 euros.

Construction and repair works coverage is valid if the policy specifies valid insurance coverage for such events and the roof, doors and windows are installed and all openings in the external structure of the insured structure are closed to prevent rain and melt water from penetrating the structure and no third party has access to the structure and/or the interior of the structure without the use of assistive devices. During all construction work and work on utilities, it is required to observe safety requirements in the respective field, requirements arising from the Construction Code and the manufacturer's user manuals, and, if there is an apartment association, the requirements set forth by the apartment association. Losses related to restoration, replacement or alteration of an unauthorized structure or part thereof shall not be indemnified, nor damage caused by disregarding or intentionally breaching the specifications of the building design documentation, generally recognized requirement, norm, practice, principle or standard or construction technology. In the event of damage caused by construction or repair work, LHV charges double deductible for the insured event;

#### **3.7. damage caused by the tenant**

Damage caused by the tenant is considered to be damage caused to the insured object by the tenant and/or persons permanently living with the tenant and caused by intent or gross negligence. The insurance cover does not apply to leases with a term of less than six months.

### **Exclusions**

4. LHV will not indemnify for damage indirectly or directly caused by the following events, causes or consequences.

#### **4.1. Loss event that occurred or began before the conclusion of the insurance contract**

Damage and injury that occurred before the conclusion of the insurance contract or the occurrence of which was evident at the time of conclusion of the insurance contract. Damage the cause of which began before the beginning of the insurance period is not indemnified. If it is not clear whether it is an insured event or not, LHV shall indemnify the costs of determining the cause. If, upon determining the cause of the damage, it proves that it is not an insured event, LHV shall not indemnify the costs of repair or replacement of the insured object.

#### **4.2. Recurring damage**

Damage that occurs with a predictable frequency, such as an annual flood, and damage where the policyholder has failed to take measures to prevent its aggravation or recurrence.

#### **4.3. Unattended or lost insured object**

Losing or forgetting of property, including leaving the insured object in a vehicle or other visible place or room, except for the loss of a bank card, identity document and keys.

#### **4.4. Long-term process**

Damage caused gradually over a long period of time or as a consequence of a long-term process, such as damage caused by normal gradual wear and tear of the insured object, spoilage, corrosion, material fatigue, decay, rot, crumbling, cracking, corrosion, formation of lime scale, fungal damage, mildew, dry rot fungus or other damage caused over the long-term.

#### **4.5. Expansion or contraction**

Damage caused by shrinkage or expansion of the insured object or its parts, unless it has occurred directly as a



result of the insured event.

**4.6. Subsidence**

Damage caused by the subsidence of the soil or the insured building and/or its parts, regardless of the event or reason that caused the subsidence.

**4.7. Damage caused by birds or other animals**

Damage caused by pests, insects, rodents, birds and domestic animals, unless the bird or other animal caused a fire or breakage of a glass surface of the insured building.

**4.8. Aesthetic defects which do not affect the intended use of the object**

Scratches, pits, stains, dents, tears, discolouration and other such defects that do not affect the intended use of the insured object.

**4.9. Nuclear energy, blasting and vibration**

Blasting and mining operations, vibration, explosion of nuclear and radioactive material, use of nuclear energy for any purpose, or such a process that goes out of control.

**4.10. Damage subject to indemnification under another policy**

Damage compensated, for example, under a (construction) warranty or other contract.

**4.11. Maintenance works**

The cost of maintenance or repair work and the cost of spare parts to be replaced during maintenance work, including the cost of eliminating minor external defects, such as removing stains and discolouration and eliminating odour changes, and removing external scratches.

**4.12. Environmental pollution**

Environmental pollution abatement costs.

**4.13. Military action, terrorist acts and riots**

War and political armed conflict, act of terrorism, insurrection, riot, strike, work stoppage; military action, mass unrest, coup and state of emergency.

**4.14. Expropriation**

Expropriation, confiscation or other similar event.

**4.15. Use of the object for other than the designated purpose**

Use of the insured object for a purpose or in a manner for which it is not intended, such as use of the insured building or part thereof for business purposes, and use of equipment in a manner not in accordance with its purpose or the manner intended by the manufacturer.

**4.16. Damage caused during transport**

Damage caused during moving or transport.

**4.17. Damage caused during use of sports equipment**

Damage caused during ordinary use of sports equipment

**4.18. Damage caused to motor vehicles during their use**

Damage caused to motor vehicles, electric vehicles, personal light electric vehicles, and ATVs during ordinary use.

**4.19. Repair of substandard work or construction defect**

Correction of construction and repair defects, planning and design errors; damage or replacement in case of use of defective and unsuitable construction materials.

**4.20. Damage caused by snow or ice accumulating on the roof**

Damage caused by snow or ice that has falling or accumulated on the roof, unless the policy specifies that these events are covered.

**4.21. Rainwater entering the building**

Rainwater and melt water entering the insured building through the roof, walls or other structural elements, unless the policy provides insurance cover for these events.

**4.22. Equipment failure**

Fault caused by power cut or malfunction and internal electrical or mechanical failure of the insured object, unless the policy specifies cover for malfunctions of household appliances and technical equipment.

**4.23. Damage caused by construction works**

Damage caused by construction, repair or alteration work unless the policy specifies insurance coverage for such events.

## Financial expenses that are indemnified

5. If the policy has a corresponding indication, LHV will indemnify the following financial costs.
- 5.1. Rental costs of a replacement dwelling**  
If, as a result of an insured event, insured residential space has become uninhabitable and it is necessary to rent a replacement dwelling, LHV will indemnify the costs of finding a temporary dwelling, rental costs and moving in and out. LHV will indemnify the rental costs of the replacement dwelling until the restoration or replacement of the uninhabitable dwelling, but for no longer than 12 months and up to 6,000 euros. The rental cost of the replacement dwelling shall be indemnified by LHV without charging a deductible.
- 5.2. Loan payments**  
If, as a result of an insured event, insured residential space has become uninhabitable, LHV will indemnify payments on the home loan taken for purchasing the uninhabitable dwelling constituting the insured object. LHV will indemnify the home loan payments starting from 30 days after the insured event until the restoration or replacement of the dwellings that have become uninhabitable, but for no longer than 12 months and up to 6,000 euros. Loan payments shall be indemnified by LHV without charging a deductible.
- 5.3. Loss of rental income**  
If, as a result of an insured event, a rental unit located in an insured building has become uninhabitable, LHV will indemnify the loss of rental income. LHV will indemnify the loss of rental income starting from 30 days of the insured event until the restoration or replacement of the rental unit, but for no longer than 12 months and up to 6,000 euros. Insurance coverage does not apply in the case of leases under six months.

## Financial costs not indemnified

- 5.4.** Financial expenses for a period when the restoration of the residential space rendered uninhabitable due to the insured event is delayed for reasons depending on the policyholder.
- 5.5.** Utility bills for the replacement dwelling.
- 5.6.** Late interest and contractual penalties arising from unpaid bills related to the replacement dwelling (including rent and utility payments).

## Private person's liability insurance

### Insured person

- 6.** **Insured person** is the policyholder or the person who is the beneficiary of the insurance policy, and the policyholder's spouse or partner living in the same household as the insured person as well as their children up to 21 years of age. Persons equivalent to the insured person not specified in this clause shall not be considered insured persons.

### Liability insurance cover

- 6.1. Private person's liability insurance** covers damage to property or personal injury which the insured person has unlawfully caused to a third party in the Republic of Estonia and which the insured person must indemnify because he or she is guilty of causing the damage or is responsible for causing it under legislation. LHV pays indemnity in the event of an insured event that occurred during the insurance period, for which a written claim for indemnification has been submitted to the insured person no later than within two years of the end of the insurance period specified in the policy. The limit of indemnity is the sum insured under liability insurance coverage specified in the policy.
- 6.2. Extensions of private person's liability insurance coverage**
- **Private person's liability insurance abroad**  
If the policy specifies an extension of liability insurance coverage to other countries besides Estonia, the insurance cover is valid worldwide, not including claims arising from ownership or possession of real estate outside the Republic of Estonia.
  - **Pet owner's liability insurance**  
If the policy states an extension of the pet owner's liability insurance coverage, the insurance also covers damage caused by a pet to a third party, for which the insured person is liable under legal acts. Animals prohibited as pets and animals used for economic activities are not considered pets. Pet owner liability insurance does not cover damage caused by a pet to property in the policyholder's possession.

- **Tenant's liability insurance**

If the policy specifies an extension of the tenant's liability insurance coverage, the insurance also covers claims brought by the landlord of rental premises located at the address specified on the policy, related to damage caused to the landlord's property by the tenant. Claims arising from the performance or non-performance of a lease agreement may not be an insured event. In the event of an insured event related to the tenant's liability insurance, the limit of indemnity is the sum insured under liability insurance coverage specified in the policy, but not more than 20,000 euros.

**The private person's liability insurance does not extend to:**

- 6.3. claims brought by the insured person;
- 6.4. claims arising from contractual relations (including leases), unless the policy specifies an extension of the lessee's liability insurance and the insured event is the lessor's claims related to damage to the lessor's property;
- 6.5. claims arising from the economic or professional activities of the insured person, including claims arising from producer responsibility or the provision of services;
- 6.6. claims arising from acts committed by the insured person intentionally and/or while intoxicated;
- 6.7. claims submitted to the insured person for compensation of non-proprietary damage or loss of income or for promise to pay, not including claims for rental income foregone filed as a consequence of an insured event;
- 6.8. claims arising from damage to property in the possession of the insured person, which was borrowed, leased or otherwise put into use by the insured person;
- 6.9. claims arising from unauthorised administration (*negotiorum gestio*);
- 6.10. claims arising from unjustified enrichment;
- 6.11. claims arising from the possession, use, ownership, leasing, rental and hire of motor vehicles and the possession of any other major source of peril;
- 6.12. claims arising from employment, service or family law disputes;
- 6.13. claims arising from losses arising as a result of fines, late interest, interest and expropriation of property;
- 6.14. claims arising from the spread of an infectious disease or the misuse of medicinal products;
- 6.15. claims arising from radioactivity, radiation, toxicity, explosiveness, contamination, pollution or the use and presence of asbestos;
- 6.16. claims arising from damage caused by animals belonging to the insured person, unless the policy specifies an extension of the pet owner's liability insurance.

**General principles of indemnity related to liability insurance**

- 6.17. LHV indemnifies legal aid expenses that were incurred for the legal defence of the insured person due to the occurrence of an insured event and which were previously approved by LHV. Legal aid expenses are reasonable costs on legal assistance, expert analysis and court costs of the insured person incurred during proceedings on the insured event.
- 6.18. If several persons file a claim against the insured person in the same insurance event and the total amount of claims exceeds the sum insurance under liability insurance coverage specified in the insurance contract, LHV indemnifies the claims proportionally based on the amount of claims up to the sum insured under liability insurance coverage specified in the policy (on condition that the claims are filed at the right time and LHV has not already indemnified other claims).
- 6.19. If liability for damage caused to a third party lies with the third party as well as with the insured person, LHV shall indemnify only the part of the claim for which the insured person is liable.

**Deductible**

- 7. Deductible (or excess) is the amount that is to be borne by the policyholder in case of an insured event. The deductible is deducted from the insurance indemnity to be paid. If a limit of indemnity has been established in the conditions in regard to the insured object, the deductible shall be deducted from the amount of actual damage. If the insured object has been damaged or destroyed as a result of several insured events, the deductible shall be applied for each insured event separately.

**Deductible does not apply if:**

- 7.1. only the glass surface of an insured structure has been damaged and no other damage has occurred;
- 7.2. the insured event involves only solar panel(s) and no other damage was caused and the energy performance class of the structure which is the insured object is A;
- 7.3. in the event of an intrusion, the alarm system is activated and the alarm reaches the security company;
- 7.4. more than 50% of the insured structure is destroyed as a result of the insured event;
- 7.5. the lock on the door is replaced due to theft of the key, or failure of the front door lock, and no other damage occurred to the insured object;
- 7.6. rental costs and/or loan payments of the replacement dwelling are to be indemnified and deductible has already been charged for the indemnity for the insured object in the context of the same insured event;
- 7.7. the state fee for applying for a passport, ID card or driving license is to be indemnified and no other damage occurred to the insured object;
- 7.8. home assistance service is used and no other damage occurred to the insured object.

**Action to be taken in the event of a loss event**

- 8. In the event of a loss event, the policyholder must:
  - 8.1. take measures to prevent or reduce further damage;
  - 8.2. report the incident immediately by calling 112 in case of suspicion of intentional actions of a third party or in the event of a fire or explosion; and in other cases, to the relevant competent authorities or persons;
  - 8.3. notify LHV of the loss event within five days after the loss event occurred or was learned of;
  - 8.4. immediately submit to LHV the claim for damages received by the policyholder. The insured person may not give consent and promises related to indemnification until they have been coordinated with LHV;
  - 8.5. follow the instructions given by LHV;
  - 8.6. to provide LHV with the necessary information on the circumstances of the loss event and the potential cause of the damage and to provide LHV with access to the damaged object;
  - 8.7. take into account that LHV may, in order to establish the circumstances of the loss event, require from the policyholder, inter alia:
    - documents proving the expenses incurred due to the loss event;
    - a certificate issued by the police in case of theft, vandalism and intrusion;
    - a certificate issued by the Rescue Board in the event of fire;
    - explanations regarding the loss event.

**Safety requirements**

- 9. LHV has the right to deny or reduce the indemnity if the policyholder has:
  - 9.1. failed to comply with safety requirements arising from legal acts or instructions for use;
  - 9.2. left a source of fire risk unattended or in the supervision of minor children;
  - 9.3. failed to drain the water and heating pipes of the insured structure, if the structure was not heated during the heating period or if the temperature in the building could reasonably be expected to drop below 0 degrees C;
  - 9.4. failed to securely close windows, doors, hatches or other openings when away from home, thus making it possible to enter the building without having to break the closing mechanism or a barrier to entry;
  - 9.5. while away from home or at night, failed to move indoors property not intended to be stored permanently outdoors or left it in a place visible from the street (except garden furniture, robotic lawnmower, trampoline and garden grill);
  - 9.6. without anchoring the outdoor trampoline to the ground;
  - 9.7. left insured property unattended;
  - 9.8. without taking measures for preventing recurrence of damage.

## General principles of indemnification

10. In case of an insured event, LHV indemnifies the direct and justified costs of restoration or replacement of the insured items and other costs provided in the Terms and Conditions, less the deductible specified in the insurance contract. LHV's general principles for indemnification are the following.
  - 10.1. LHV shall make a decision on indemnification in ten working days after it has received all necessary information on the loss event and the amount of damage. If, for reasons beyond LHV's control, it is not possible for LHV to determine the full amount of the damage, LHV will first indemnify the part of the damage where the amount of damage is clear. With good reason, LHV may extend the term for making a decision on indemnification of damage.
  - 10.2. After the occurrence of the insured event, the sum insured specified in the insurance contract does not decrease.
  - 10.3. LHV may replace the object destroyed as an insurance indemnity with an equivalent object or pay the insurance indemnity monetarily in an amount equal to the repurchase value of the object to be replaced.
  - 10.4. LHV has no obligation to indemnify the value of the extant part of the insured object. If LHV reimburses the costs of replacing the insured object, LHV is entitled to the right of ownership of the replaced object.
  - 10.5. If the policyholder wishes to keep the destroyed object in his or her own ownership, the insurance indemnity shall be reduced by the post-insurance-event value of the property.
  - 10.6. Other costs specified in the Terms and Conditions or the policy shall be indemnified to a reasonable and justified extent by LHV on the basis of a document certifying the amount of the respective costs.
  - 10.7. If, in the case of an insured event, LHV indemnifies damage caused to the policyholder, any right of claim (right of recourse) that the policyholder may have against the person who caused the damage (including a tenant or service provider) shall pass to LHV.

## Obligations of the policyholder

11. The policyholder is obliged to:
  - 11.1. pay insurance premiums in the agreed amount and according to the agreed procedure;
  - 11.2. notify LHV of a loss event within five days after the loss event occurred or was learned of;
  - 11.3. provide LHV with complete and correct information for the assessment of the insurance risk and, upon concluding the insurance contract, notify LHV of all significant matters known to it that affect or may affect the decision to enter into the insurance contract on the agreed terms;
  - 11.4. notify LHV as soon as possible if the information submitted to LHV turns out to be false or incomplete;
  - 11.5. notify LHV immediately of any increase in the insurance risk (for example, in the event of changes compared to those specified in the insurance contract, including a change in the manner in which a home is used) and of any transfer of the insured object;
  - 11.6. do everything in its power to prevent an insured event and reduce possible damage, to avoid the possible increase of the insured risk and not to allow the persons who use the insured property to increase the insured risk;
  - 11.7. if an item taken by theft or robbery is returned after LHV paid the insurance indemnity for it, to return to LHV the insurance indemnity or hand over the returned item to LHV;
  - 11.8. to return to LHV the insurance indemnity paid if, after indemnification of the damage, circumstances precluding indemnification by LHV become apparent or if the damage is indemnified by a third party;
  - 11.9. enable LHV to investigate the circumstances of the insured event in order to identify the amount of the loss and the persons responsible for the loss and, if necessary, to involve experts in establishing the circumstances of the insured event.

## Obligations of LHV

12. LHV is obliged to:
  - 12.1. introduce the documents related to the insurance contract to the policyholder before concluding the insurance contract and keep secret the information which has become known to LHV in connection with the insurance contract;
  - 12.2. issue to the policyholder a replacement policy, as well as copies of the policyholder's statements of intent submitted in a form that can be reproduced in writing, and data and copies of documents that affect the

policyholder's rights or obligations arising from the insurance contract, if such activities are not in conflict with legal acts;

- 12.3. to start claims adjustment immediately after receiving the notice of loss and to determine the amount of loss to be indemnified;
- 12.4. after receiving a notice of loss, to inform the policyholder which documents must be submitted to LHV in order to determine the cause and amount of the loss;
- 12.5. make a decision on indemnifying loss or refusal to do so within ten working days of receipt of all required documents and determination of the amount of damage and the circumstances in which it occurred;
- 12.6. indemnify the damage caused due to the insured event or pay the agreed monetary amount or the insurance indemnity in one instalment or in parts, or perform the insurance contract in another agreed manner. LHV must pay the insurance indemnity within a reasonable time after the completion of the claims adjusting operations and the indemnification decision. If LHV delays the performance of a monetary obligation, it is obliged to pay late interest at the rate provided in the Law of Obligations Act;
- 12.7. if the obligation to indemnify damage arises, to reimburse, inter alia, the necessary expenses borne by the policyholder in connection with the determination of the damage and the amount thereof. LHV is not obliged to reimburse the policyholder for the costs of hiring an expert or consultant if the policyholder was not obliged to hire an expert or consultant according to the contract;
- 12.8. reimburse the policyholder for the costs borne by the policyholder in relation to the prevention or reduction of the damage, which the policyholder considered necessary, even if bearing these costs did not yield the desired result. LHV must indemnify expenses incurred on the basis of its instructions even if they, together with other indemnity, exceed the sum insured;
- 12.9. refuse to pay the insurance indemnity if the payee is subject to a corresponding restrictive international financial sanction established on the basis of UN resolutions or the relevant legislation of the European Union or the Republic of Estonia.

### **Exemption from performance of insurance contract**

- 13. LHV has the right to deny or reduce the indemnity if:
  - 13.1. the policyholder or beneficiary caused the damage intentionally and/or while intoxicated;
  - 13.2. the damage was caused to the insured object due to gross negligence or non-compliance with the duty of care by the policyholder or person equivalent to the policyholder;
  - 13.3. the policyholder has intentionally submitted false or misleading information to LHV or failed to submit significant information concerning the material circumstances of the insurance contract or loss event;
  - 13.4. the event is one where resulting damage is not indemnified on the basis of the Terms and Conditions;
  - 13.5. damage occurred to objects that are not insured under the Terms and Conditions;
  - 13.6. the policyholder has not paid the insurance premium by the prescribed term or additional term and the insured event occurs after the expiry of the additional term, unless the failure to make the payment was due to a circumstance beyond the control of the policyholder;
  - 13.7. the policyholder has not complied with one or more of the safety requirements specified in clause 9 of the Terms and Conditions or the obligation specified in clause 11 and said non-compliance has a causal relationship with the occurrence of the damage.
- 14. LHV has the right to refuse to pay the insurance indemnity if the payee is subject to the relevant international financial sanction established by the Office of Foreign Assets Control (OFAC) under the relevant legislation of the United States of America or the relevant legislation of HM Treasury United Kingdom.

### **Termination, cancellation and withdrawal from the insurance contract**

- 15. The insurance contract shall expire:
  - 15.1. at the end of the insurance period;
  - 15.2. upon cancellation of the insurance contract;
  - 15.3. upon withdrawal from the insurance contract;
  - 15.4. by agreement between the policyholder and LHV;

- 15.5.** on other grounds provided for by legal acts.
- 16.** LHV has the right to cancel the insurance contract in accordance with the cancellation periods prescribed by legislation, if:
- 16.1.** the policyholder has not performed the insurance contract, among other things, not paying the insurance premium by the deadline or additional deadline;
  - 16.2.** the policyholder has intentionally submitted false information to LHV regarding the circumstances of the insurance contract and/or the insured event;
  - 16.3.** an insured event has occurred and LHV has made a decision on indemnification or refusal to indemnify the damage;
  - 16.4.** the insurance risk has increased (including if the insurance risk has increased independently of the policyholder and the policyholder does not agree to amend the insurance contract retroactively from the increase of the insurance risk);
  - 16.5.** the insured object has been transferred;
  - 16.6.** other grounds for cancellation of the insurance contract provided by legislation become apparent.
- 17.** LHV has the right to withdraw from the insurance contract if the policyholder has failed to notify LHV of significant circumstances affecting the insurance risk when concluding the insurance contract and/or has knowingly submitted false information (including deliberately avoiding reporting a material circumstance). LHV may withdraw from the insurance contract within one month after it became aware or should have become aware of the policyholder's failure to perform the notification obligation.
- 18.** If the policyholder has not paid the first insurance premium within 14 days after concluding the insurance contract, LHV may withdraw from the insurance contract until the payment is made. If the paid insurance premium (including an instalment thereof) is less than the amount payable specified in the policy, the insurance premium shall be deemed not to have been paid. LHV shall be presumed to have withdrawn from the insurance contract if it does not file an action for the collection of the insurance premium within three months as of the premium becoming collectible.
- 19.** If the insurance contract is entered into through telecommunications, the policyholder has the right to withdraw from the insurance contract within 14 days as of the conclusion of the insurance contract. The policyholder must submit a written application to LHV regarding the withdrawal in a form that can be reproduced in writing. Upon withdrawal, LHV returns the paid insurance premium. If LHV has provided the policyholder with immediate insurance cover, the policyholder has no right of withdrawal.
- 20.** If the insurance contract is entered into for more than one year, the policyholder has the right to withdraw from the insurance contract within 14 days as of the conclusion of the insurance contract. The policyholder must submit a written application to LHV regarding the withdrawal in a form that can be reproduced in writing. Upon withdrawal, LHV returns the paid insurance premium. If LHV has provided the policyholder with immediate insurance cover, the policyholder has no right of withdrawal.
- 21.** The parties have the right to cancel a perpetual insurance contract under ordinary procedure by the end of the current insurance period, giving at least 30 days' notice.
- 22.** If the insurance contract has been cancelled or a party has withdrawn from it, the parties to the insurance contract shall no longer be bound by the obligations arising from the contract as of the termination of the insurance contract. The rights and obligations of the parties, including the policyholder's obligation to pay insurance premiums to LHV, remain valid until the termination of the insurance contract.
- 23.** If the insured object is destroyed as a result of an insured event or the insurance indemnity during the insurance period has been paid in the entire sum insured, LHV is entitled to the insurance premium for the current insurance period.

## Underinsurance, overinsurance and multiple insurance

24. If the sum insured specified in the policy is less than the insurable value at the time of the insured event, LHV is liable for the loss in proportion to the ratio of the sum insured to the insurable value at the time of the insured event (underinsurance).
25. If the sum insured specified in the policy significantly exceeds the insurable value, LHV will indemnify the actual amount of loss (overinsurance).
26. If the policyholder insures the same insurance risk through several insurers and the total amount of insurance indemnities paid by the insurers exceeds the amount of the loss or the total of the sums insured exceeds the insurable value, the insurers shall be jointly and severally liable (multiple insurance).

## Communication

27. All notices necessary for the performance of the insurance contract shall be submitted in a form that can be reproduced in writing.

## Processing of personal data

28. LHV is entitled to process personal data related to the insurance contract on the basis of LHV's Principles of Processing Client Data and to disclose information related to the insurance contract to a third party whose right to receive information arises from LHV's Principles of Processing Client Data.
29. LHV has the right to preserve recordings obtained by telecommunication or other means in connection with the performance of the insurance contract and, if necessary, use them to prove the declarations of intent submitted by the policyholder.

## Expiry of claims arising from insurance contract

30. The limitation period for claims arising from the insurance contract is three years. The limitation period shall run from the end of the calendar year in which the claim becomes collectible.

## Conflicts in the insurance contract documents

31. If there are any inconsistencies in the documents of the insurance contract, the interpretation shall be based on the presumption that the Special Terms and Conditions of the insurance contract specified in the policy take precedence over the General Terms and Conditions.
32. If the Terms and Conditions have been translated into a foreign language, their interpretation shall, in case of a dispute, always be guided by the Estonian-language Terms and Conditions.