

Terms and Conditions of Home Insurance 1/2013

Liability Insurance

Valid from 15.11.2013

1 Purpose of Liability Insurance

The purpose of liability insurance is to protect an insured person from a claim for the indemnification of damage, filed by a third party, in the manner and to the extent specified in the present terms and conditions.

2 Liability Insurance options:

- 1 immovable property liability insurance;
- 2 private person liability insurance.

The liability insurance option selected by the policyholder is indicated in the insurance policy.

3 Immovable Property Liability Insurance

Immovable property liability insurance is personal or effects damage caused by the unlawful action of an insured person to a third party (injured party) through possession or use of the insured building or apartment indicated in the insurance policy, within the period of validity of the insurance, as a result of which civil liability has emerged with respect to the insured person.

3.1 Insured person in the case of the immovable property liability insurance option

3.1.1 The insured person is the natural person with respect to whom the associated risk is insured. Within the present terms and conditions, risk is deemed to be civil liability and the possibility of the emergence of the obligation to indemnify any damage that may accompany the civil liability in question.

3.1.2 In the case of the immovable property liability insurance option, the insured person is the owner of the insured building or apartment.

3.1.3 If the policyholder is not the owner of the insured building or apartment, then we are dealing with the insurance contract that has been entered into in favour of a third party (the owner of the insured building or apartment).

4 Private Person Liability Insurance

4.1 Private Person Liability Insurance is used to insure a person acting as a private person in the pursuit of day-to day activities against personal or effects damage caused by unlawful action against a third party (injured party), as a result of which civil liability has arisen with respect to the insured person.

4.2 Private person liability insurance is valid in the Republic of Estonia and includes, among other things:

- 1 the damage incurred to the building or apartment of an insured person in the course of its possession or use;
- 2 the damage caused by the insured person's children who are younger than 18 years of age. In contrast with the provisions in the General Terms and Conditions of the Contract, the damage caused by children younger than 7 years old is also indemnified;
- 3 the damage incurred by a pet belonging to an insured person;

4.3 Private person liability insurance in case of a residential lease relation

If in the case of private person liability the policyholder is the lessee, the private person liability insurance also involves protection against those cases when the lessee has damaged, lost, or destroyed the property of the

lessor in the course of possession or use of a leased apartment.

In the case of a lease relation, the restriction mentioned in clause 10.5 does not apply.

4.4 An insured person in the case of the private person liability insurance option

4.4.1 An insured person is a natural person, with respect to whom the associated risk is insured. Within the present terms and conditions, risk is deemed to be civil liability and the possibility of the emergence of the obligation to indemnify any damage that may accompany the civil liability in question.

4.4.2 Insured persons are the policyholder and the legal or actual family members residing together with the policyholder at the address (insured place) indicated in the policy.

4.4.3 Legal family members, in the present terms and conditions, are deemed to be the spouse of the policyholder, common children of the policyholder and his/her spouse younger than 18 years of age, and his/her parents.

4.4.4 Actual family members, in the present terms and conditions, are deemed to be the partner of the policyholder and common children of the policyholder and his/her partner younger than 18 years of age.

5 General Definitions Concerning Liability Insurance

5.1 Third party

5.1.1 Third parties are those parties that are not parties to the insurance contract or insured persons.

5.1.2 Within the meaning of the insurance contract, the injured party is a third party, to whom the insured person has caused personal or material damage through unlawful action.

5.2 Unlawfully caused damage

5.2.1 Unlawfully caused damage is deemed to be a wrongful violation committed by an insured party, as a result of which personal or material damage has been caused to a third party, for which the insured person shall be held liable on the grounds provided by law.

5.2.2 Under the present terms and conditions, unlawfully caused damage is a wrongful actor

the failure to act committed by an insured person, with which applicable legal provisions have been violated.

5.2.3 As opposed to that which is stipulated in the clauses 5.2.1 and 5.2.2 of the terms and conditions, in the case of the real estate liability option and the liability of the owner of a pet, the wrongful behaviour of the insured person is not important.

5.2.4 The types of culpability are carelessness, gross negligence, and intent. When interpreting these terms, one should proceed from the definitions assigned to these terms by law.

5.2.5 The damage incurred by a third party that was intentionally caused by the insured party is not subject to indemnification.

5.2.6 Time of infliction of unlawfully caused damage

5.2.6.1 The time of infliction of unlawfully caused damage is deemed to be the moment when the injured party's claim against the insured person for the indemnification of damage arose pursuant to law. The claim for the indemnification of damage arises directly after the event that caused the damage.

5.2.6.2 The injured party's claim against the insured person for the indemnification of damage must have arisen within the insurance period, and it should be possible for the injured party to insist on the indemnification of damage by the insured person pursuant to law.

5.2.6.3 The submission of a claim by the injured party to the insured party within the period of validity of the insurance shall not be deemed equal to the time of infliction of damage.

5.3 Personal Injury and Material Damage

5.3.1 Within the meaning of the present terms and conditions, personal injury is deemed to be the causing of damage through damage to health, bodily injury, or death.

5.3.2 Within the meaning of the present terms and conditions, material damage is deemed to be the causing of damage through the damaging, destruction, or loss of property (an object).

5.4 Scope of Application of Law

5.4.1 In case of infliction of personal or material damage by the insured person upon the injured

party, the basis for the emergence of liability are the relevant provisions of the legislation of the country of location, on the basis of which the liability of the insured person arises, taking into consideration the specifications listed in the insurance contract.

5.4.2 Under the present terms and conditions, legislation means, first of all, legal acts that govern non-contractual obligations.

6 Term of Validity of the Insurance Contract

The insurance contract is valid within the period of validity of the insurance, under the terms and conditions and on the territory specified within the insurance contract.

7 Insured Person as a Solidary Obligor

7.1 Within the meaning of the present terms and conditions, solidary liability is the joint obligation of several people for the infliction of damage, in the event of which the injured party can claim indemnification of damage, either in full or in part, jointly from the people that have inflicted the damage or from any one of them separately.

7.2 If the insured person is jointly liable before a third party (the injured party) together with other people that have caused damage, when determining the amount of insurance indemnity, one should proceed from the amount of the claim filed against the insured person, not from the share of liability of the insured person within the relations between solidary obligors.

7.3 If another solidary obligor files a claim against the insured person, when determining the amount of insurance indemnity, one should proceed from the share of liability of the insured person within the relations between solidary obligors.

7.4 When paying the insurance indemnity, the right of recourse of the insured person against other solidary obligors is transferred to Seesam in the amount of insurance indemnity that has been paid.

8 Right of Claim and Time for Submission of Claims

8.1 The right to receive an insurance indemnity is only held by the person, with respect to whom the associated insurance risk has been insured.

The injured party does not have the right to claim payment of the insurance indemnity from Seesam without the relevant consent of the policyholder.

8.2 If the insurance risk connected with the third party has been insured, the third party (the insured person) has the right to claim for the payment of insurance indemnity from Seesam and all other accompanying rights. The insured person cannot dispose of those rights without the consent of the policyholder.

8.3 The policyholder may dispose of the rights of the insured person arising from the insurance contract on his own behalf, including collecting the claim of the insured person against Seesam or dismissing the claim. Seesam has to perform its obligation before the policyholder only if the latter proves that the insured person has given his/her consent to the conclusion of the insurance contract.

8.4 The insured person has the right to submit a claim for the indemnification of damage to Seesam three years after damage was caused during the period of validity of the insurance, in relation to which the injured party's claim for the indemnification of damage arose against the insured person. The limitation period starts from the end of the calendar year in which the damage was caused during the period of validity of the insurance.

8.5 The claim for the indemnification of damage filed by the insured person against Seesam shall be suspended during the period of judicial proceedings, if the injured party has filed an action in court against the insured person. The prerequisites for the suspension of the claim for the indemnification of damage are the following:

8.5.1 damage, from which the obligation has arisen, must have occurred within the period of validity of the insurance;

8.5.2 the insured person has informed Seesam about the judicial proceedings in a timely manner.

8.6 If the limitation period for the claim of the injured party against the insured person expires, then the claim submitted by the insured person against Seesam also expires from the moment of expiry of the injured party's claim.

9 Types and Scope of Damage Subject to Indemnification

9.1 Personal and material damage are subject to indemnification under the insurance contract.

9.2 When determining the amount of personal or material damage caused to the injured party by the insured person, the relevant provisions of the legislation of the country of location serve as the basis, on the basis of which the insured person has to indemnify the damage caused to the injured party, taking into consideration specifications listed in the insurance contract.

9.3 On the basis of the insurance contract, the following types of damage caused to the injured party as a result of his/her unlawful action are not subject to indemnification:

9.3.1 claim for lost income. Within the meaning of the present terms and conditions, lost income is the income that the injured party would likely have received in the future, based on a certain set of circumstances, mainly through his/her preparations, if the unlawful damage had not prevented him/her from receiving it;

9.3.2 claim for non-patrimonial damage. Within the meaning of the present terms and conditions, non-patrimonial damage is the moral damage that has been caused to the injured party, if the injured party has been subjected to physical or mental pain and anguish;

9.3.3 claim for purely economic loss. Within the meaning of the present terms and conditions, purely economic loss is material damage that is not directly connected with personal or material damage. Purely economic loss does not arise for a person, against whom the insured person caused material or personal damage directly;

9.3.4 environmental damage. Within the meaning of the present terms and conditions, environmental damage is the damage that has been caused as a result of activities that were hazardous to the environment.

9.4 Seesam has the right to deduct from the insurance indemnity any profit that the injured party obtained as a result of the infliction of damage, excluding cases when such a deduction is in contravention of the objective of the indemnification of damage.

9.5 In cases of personal damage, the claims for indemnification of pension or other social insurance are subject to deduction from the insurance indemnity.

9.6 Among others things, judicial or extrajudicial costs for legal assistance incurred by the injured party are subject to indemnification on the basis of the insurance contract, if they have been justified and are necessary for making the insured person pay for the claims.

9.7 Costs for Legal Assistance

9.7.1 Costs for legal assistance incurred as a result of attempting to dismiss the claims against the insured person are subject to indemnification in case circumstances exist for the following conditions:

9.7.1.1 the insured person needs legal assistance in attempting to dismiss the claims arising from unlawful actions caused to a third party;

9.7.1.2 none of the limitations listed in the present terms and conditions or in the insurance policy arise, which would exclude the performance of the obligation on the part of Seesam.

9.7.1.3 the person providing legal assistance to the insured person has been agreed upon with Seesam beforehand, at least in a format which can be reproduced in writing;

9.7.2 Both judicial and extrajudicial costs for legal assistance that have been incurred for the protection of the insured person are subject to indemnification, even if the claim that has been submitted against him/her later turns out to be unfounded.

9.7.3 Seesam undertakes to indemnify the costs for legal assistance incurred by the insured person within two weeks, starting from the moment when the insured person has submitted the documents to Seesam confirming the amount of costs for legal assistance.

9.7.4 The insured person has the right to demand from Seesam the advance payment of costs for legal assistance.

9.7.5 If Seesam has paid the costs for legal assistance to the insured person in the form of an advance payment, and the court ruling levies costs for legal assistance from the injured party in favour of the insured person, the insured

person must repay to Seesam the share of costs for legal assistance which the insured person will receive from the injured party pursuant to the court ruling.

9.7.6 If, pursuant to the court ruling, the insured person has the right to get back the costs for legal assistance in an amount that is larger than the amount of costs for legal assistance previously paid by Seesam to the insured person before the judicial proceedings, the insured person must repay to Seesam the amount which corresponds to the amount of costs for legal assistance paid by Seesam to the insured person before the judicial proceedings.

9.7.7 Costs for legal assistance incurred by the insured person that are not connected with the attempts to dismiss the claims arising from unlawful actions, as well as with the claims that are not related to the liability insurance option or with a possible event constituting the cause of loss, are not subject to indemnification.

9.7.8 Costs for legal assistance that are not connected with personal or material damage are not subject to indemnification.

9.7.9 Costs for legal assistance that are connected with the event specified in the limitations listed in present terms and conditions are not subject to indemnification. The above-mentioned does not apply in the situation when the fact of the occurrence of the event specified in the limitations is revealed only in the course of judicial proceedings. In this case, Seesam shall indemnify costs for legal assistance incurred by the insured person in the course of legal proceedings, until the limitation excluding the performance of obligation on the part of Seesam is ascertained.

9.8 Cost of Expert Opinions

9.8.1 The costs of expert opinions paid by the insured person in an attempt to dismiss the claims filed against him/her, which have been agreed upon with Seesam at least in a format which can be reproduced in writing, are also subject to indemnification.

9.8.2 The costs of expert opinions are subject to indemnification in case circumstances exist for the following conditions:

9.8.2.1 the insured person needs an expert assessment in an attempt to dismiss the claims

arising from unlawful action committed against a third party;

9.8.2.2 an expert assessment is required in connection with the circumstances related to the infliction of damage, its scope or size;

9.8.2.3 none of the limitations listed in the present terms and conditions exist.

9.8.3 Seesam undertakes to indemnify the costs of expert opinions incurred by the insured person within two weeks, starting from the moment when the insured person has submitted documents to Seesam confirming the cost of expert opinions.

9.8.4 The insured person has the right to claim from Seesam the advance payment of the cost of expert opinions.

9.8.5 If Seesam has, in the form of advance payment, paid the insured person for the cost of expert opinions, and the court ruling levies costs for legal assistance from the injured party in favour of the insured person, the insured person must repay to Seesam that part of the cost of expert opinions which the insured person will receive from the injured party pursuant to the court ruling.

9.8.6 If, as a result of expert , it has been ascertained that damage was caused through any of the limitations listed in the present terms and conditions, Seesam has the right to claim indemnification of the cost of expert opinions from the insured person.

9.9 Insured Person's Notification Obligation Regarding Circumstances

9.9.1 The insured person undertakes to notify Seesam about circumstances, as a result of which an insured event may occur, and also about the submission of a claim against him/her by the injured party within one week, starting from the moment when the insured person learned about the circumstance or the submission of claim.

9.9.2 The insured person must notify Seesam immediately about the initiation of judicial or other types of proceeding or a circumstance that may cause liability in his/her respect and serve as a basis for the submission of a claim against the insured person.

9.9.3 If the insured person has violated the obligation mentioned in the two clauses above, as a result of which damage has been caused

to Seesam, Seesam can reduce the obligation it has to perform to the extent of the damage caused as a result of the violation.

9.9.4 If the insured person intentionally violates the obligation mentioned in the first two clauses, Seesam shall be completely released from the performance of the obligation.

9.10 Obligations of the Insured Person upon the Infliction of Damage

9.10.1 The insured person undertakes to submit to Seesam, at least in a format which can be reproduced in writing, any explanations and evidence that are important for assessing the grounds for the possible liability of the insured person.

9.10.2 The insured person undertakes to submit to Seesam, at least in a format which can be reproduced in writing, the explanations and evidence that are important for assessing the circumstances of damage, its scope or size.

9.10.3 If the insured person has violated his/her obligations listed in 9.10.1-9.10.2, and this violation affects the circumstances of the event constituting the cause of loss and the identification of the performance obligation of Seesam, Seesam is released from performance obligation partially or completely.

9.11 Payment of Insurance Indemnity

9.11.1 When indemnifying damage, one should proceed from the terms and conditions, the insurance amount, and the responsibility of the insured person, agreed upon in the insurance contract.

9.11.2 Seesam must pay the indemnity without delay, but not later than within two weeks, as of the satisfaction of the claim of the injured party by the insured person, or as of the claim being established by a court decision, admission of the claim, or a compromise agreement.

9.11.3 If Seesam violates obligations listed in the clause 9.11.2, the insured person has the right to claim indemnification of the damage inflicted on him/her as a result of the delay.

9.11.4 Seesam is released from the obligation to pay insurance indemnity if the insured person indemnifies the damage to the injured party or recognizes the claim of the injured party in a situation when the liability of the insured person or its scope is not clear.

10 Limitations of an Insured Event

Not subject to indemnification:

- 1 which is based on the event, about which the insured person was or should have been aware of before entering into the insurance contract;
- 2 which was inflicted by the insured person upon himself/herself or upon a member of the family residing in the same insured place;
- 3 which was caused intentionally by the insured person;
- 4 which was caused by an un insured person;
- 5 which arises from the destruction, damage, or loss of the object belonging to the third party during the period of time within which the insured person was in possession of, administering, keeping, transporting, renting, borrowing, using, or processing the thing. The above-mentioned exclusion applies, regardless of whether the ownership was legal or illegal;
- 6 which arises from unjustified enrichment;
- 7 which arises from negotiorum gestio;
- 8 which is subject to indemnification on the basis of compulsory liability insurance;
- 9 which was caused by a deficiency of the product;
- 10 which arises from the violation of the contractual obligation (including contractual penalties, interests, fines for delay, and taxes);
- 11 which was caused by force majeure;
- 12 liability arising from economic activities, participation in non-profit associations, or the activity of the insured person as a member of a management body of any legal person;
- 13 damage inflicted in the course of a sports competition while observing the rules of a certain sport;
- 14 non-proprietary claims or lost income in case of effects damage.