

INSURANCE OF AGRICULTURE CROPS

Terms and Conditions No. 3



APPROVED

By BTA Baltic Insurance Company AAS

Management Board decision No. LVB1_0002/02-03-03-2019-108 of 22 October 2019.

Effective as of 24 October 2019.

BTA Baltic Insurance Company AAS shall conclude Agriculture Crops Insurance Contracts pursuant to these Terms and Conditions.

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1. TERMS USED IN THE TERMS AND CONDITIONS

Policyholder – person who concludes Insurance Contract on behalf of oneself or another person.

Sum Insured – limit of BTA's liability in pecuniary terms, defined in the Insurance Contract, or rules of the limit's calculation.

Insurance Indemnity – amount of money payable for the Insured Event or costs of services to be provided in line with the concluded Insurance Contract.

Insured Event – an event, related through causal relationship to the Insurance Risk, with Insurance Indemnity provided upon its occurrence, in compliance with the Insurance Contract.

Insurance Contract – an agreement between BTA and the Policyholder according to which the Policyholder undertakes to pay the Insurance Premium in the manner, time and amount as specified in the Insurance Contract, as well as to meet other obligations under the Insurance Contract. BTA, in its turn, undertakes, in the event of the Insured Event, to pay the Insurance Indemnity pursuant to the provisions of the Insurance Contract. The Insurance Contract includes the following documents: these Terms and Conditions, Insurance Policy, Insurance Policy Annexes, amendments thereto, other agreements concluded between the Policyholder and BTA.

Insurance Period – the period when the insurance is in effect.

Insurance Application – a document or another information that the Policyholder submits to BTA to inform about Insurance Object, facts and circumstances necessary to assess the Insured Risk. If Insurance Application of a certain form, defined by BTA, has not been submitted, then the information provided in the Insurance Contract on the Insurance Object, the Policyholder and the Insured shall be considered to have been submitted by the Policyholder. Acceptance of the Insurance Application does not impose any duty on BTA to conclude the Insurance Contract.

Insurance Policy – a document that verifies conclusion of the Insurance Contract and includes Insurance Contract provisions that the Policyholder and BTA have agreed upon.

Insurance Premium – payment for Insurance, indicated in the Insurance Contract.

Insured – the owner or lawful user of the Crops specified in the Insurance Contract whose Crops have been insured pursuant to the Insurance Contract.

Insured Risk – an event specified in the Insurance Contract, the occurrence of which is possible in the future beyond the will of the Insured.

Insured Fields – the fields, registered in the Fields Block Map of the Rural Support Service and specified in the Insurance Contract, where the Insured Crops are located and where the Insurance Cover under the Insurance Contract is in effect.

Claim application – a written application of specific form provided by BTA about the possible Insured Event.

BTA – BTA Baltic Insurance Company AAS, Insurer for the purposes of the Insurance Contract Law.

Crops – plants specified in the Insurance Contract that a person grows, cultivates, and creates, for example, cereals, and forage plants, technical cultures, spices, vegetables, fruit-trees, berry bushes, and decorative plants.

Good agriculture practice conditions – requirements, suggestions and recommendations defined in the laws and regulations to be complied with by the Insured while growing Crops.

Uncompensated Loss Level – the level of losses specified in the Insurance Contract, expressed as percentage of the Sum Insured of the Insured Field, when BTA will not pay Insurance Indemnity. In cases, when the Uncompensated Loss Level is exceeded and Insurance indemnity is payable, its size shall be established by subtracting from its amount the deductible, when such is defined in the Insurance Contract.

Deductible - the amount of losses indicated in the Insurance Contract not reimbursed by BTA. The deductible may be expressed as a fixed amount of money, percentage of the amount of losses resulting from Insured Event, or percentage of the Sum Insured. When there are several types of deductibles specified in the Insurance Contract for one Insured Risk, the largest of them shall always be applied.

Repeated Sowing – repeated sowing of Crops, if losses of Crops occurred during Wintering Period, as a result it is not economically viable to retain the Crops.

Wintering Period – a period from 1 November until 1 May of the next calendar year.

Lodging – Crops weighing down, bending over of the stems or their partial breaking, which is repositioning of vertically growing plants from a vertical to horizontal position, caused by storm and/or rain.

Over-insurance – a situation in Insurance against losses, where the Sum Insured under one or more than one Insurance Contracts with respect to the same Insured Risk exceeds the value of the Insurance Object. In such an event, the Insurance Indemnity is paid out in accordance with the compensation principle, i.e., not exceeding the amount of losses and reducing it by the amount of deductible.

Under-insurance – a situation in Insurance against losses, where the Sum Insured under one or more than one Insurance Contracts with respect to the same Insured Risk is lower than the value of the Insurance Object. In such case, the Insurance Indemnity is calculated as the proportion between the Sum Insured and the value of the Insurance Object just before the occurrence of the Insured Event.

2. INSURANCE OBJECT

2.1. Crops specified in the Insurance Contract.

3. INSURANCE COVERAGE

3.1. Insured Risks - the Insurance Object is Insured against the following risks, if they are specified as Insured in the Insurance Contract.

3.1.1. Hail – atmosphere precipitation in the form of ice grain. The Insured Risk has occurred if, as a result of hail, the Crops have been directly affected, i.e., chopped, bent, broken, damaged, torn, destroyed, the seeds and pods have been beaten out, and the characteristics of hail can be detected – irregular pointed damages that can be caused only by hailstones.

3.1.2. Rain – atmospheric precipitation in the form of water drops falling down of more than 15 mm per 1 (one) m² in 15 minutes or more than 50 mm per 1 m² in one day, and it can be clearly concluded that damages to the Crops have been caused as a result of rain. The Insured Risk has occurred if, as a result of rain, the Crops have been directly affected, i.e., torn, ripped off, destroyed, the seeds and pods have been beaten out, or as a result of soil erosion caused by rain, the Crops are pulled out or a soil jam has formed above the Crops.

3.1.3. Storm – wind of force of at least 8 (according to Beaufort scale) or 17.2 ms and it can be clearly concluded that the damages of the Crops have been caused by storm. If the wind speed cannot be determined in the place of operation of the Insurance Contract, it is considered that the storm has occurred if the buildings, trees and objects in perfect condition before and adjacent to the place have been damaged by wind. The Insured Risk has occurred if the Crops, by direct impact of wind, have been destroyed, blown away, crop shaken out, the ears and pods broken.

3.1.4. Freezing Out – damages to Crops during Wintering Period due to freezing out, suffocating under the ice-crust or overheating under the snow layer.

3.1.5. Damages of wild animals and birds – damages of Crops in Wintering Period. The Insured Risk has occurred if the Crops, directly affected by the damage caused by wild animals and birds, have been trampled down or their parts are damaged, broken and dug up.

3.1.6. Fire Risk – Crops Damages, occurring during harvesting by fire breaking out in the Insured Field from harvesting equipment bursting into flames.

3.1.7. Lightning Risk – direct impact of lightning on the insured Crops resulting in a fire.

3.1.8. Third party illegal activity – theft of Crops from the Insured Field, occurring during the threshing period, when illegal activity of a third party can be proven.

4. SUM INSURED

- 4.1. Sum Insured** – the Sum Insured shall be set for each Insured Field separately and indicated in the Insurance Contract.
- 4.2. Setting the Sum Insured** – the Sum Insured is set by the Policyholder. When concluding the Insurance Contract, the Policyholder assumes full liability for setting the Sum Insured and its correspondence to the value of the Insurance Object. If, upon occurrence of an Insured Event the Sum Insured is established to differ from the value of the Insurance Object, then, calculating the amount of the Insurance Indemnity, the conditions regarding Under-insurance or Over-insurance shall be applied.
- 4.3. Setting the Sum Insured** – the Sum Insured shall be set in the amount of the estimated value of each Insured Field. The value of an Insured Field shall be determined by multiplying the value of a hectare of the Insured Field by the Insured Field's area in hectares. The value of a hectare of the Insured Field shall be determined by multiplying the expected harvest in tonnes from the respective Insured Field's hectare by the price of the harvest of Crops sown or planted in the Insured Field.

5. EXCEPTIONS

- 5.1. Insurance Exceptions** – the following events shall not be considered Insured Events and indemnity shall not be paid for:
- 5.1.1. Insured Field Area** – losses, if the Insured Field Area affected by damages inflicted by Hail, Rain, Storm, Wild animals and birds, is less than the Uncompensated Loss Level defined in the Insurance Contract;
- 5.1.2. Information technologies security incident** – losses incurred as a result of an information technologies security incident that has occurred or is about to occur in the cyberspace.
Cyberspace is an interactive environment that includes users, networks, computing technology, software, processes, information in transit or storage, applications, services, and systems that can be connected directly or indirectly to the Internet, telecommunications and computer networks, and in which its users interact. Cyberspace has no physical borders.
Information technologies are technologies, which, for accomplishing their tasks, perform electronic processing of information, to include its creation, deletion, storage, display or transmission.
Information technologies security incident is a harmful event or offence as a result of which the integrity, accessibility or confidentiality of information technologies is jeopardized.
- 5.1.3. Expenses in regard to interruption of economic activity** – the Insured's lost profit, unearned income, current expenses, remuneration, tax and duty payments;
- 5.1.4. Freezing Out Damages and Damages by wild animals and birds** – losses incurred as a result of Crops freezing out and Damages of wild animals and birds after Winter Crops have reached the development stage AS 29;
- 5.1.5. Harmful substances** – losses incurred by explosive substances or mixes, inflammable gases, fluids or hard substances, toxic substances, mutagen substances, carcinogenous substances or persistent organic pollutants;
- 5.1.6. War** – losses that have incurred in regard to any manifestation of violence, including but not limited to war, invasion, occupation, annexation, hostile act of a foreign country (with or without evidence on involvement of foreign country in such an act), warfare, or operation similar to war (with or without declaring war); civil war, rebellion, strike, uprising, unrest, revolution, military or usurped power, war or related robbery or plundering, violence, vandalism, sabotage; strike, lock-out, interruption of public order in the scope that is similar to civil uprising or rebellion; seizure of property, nationalisation, repossession, requisition, destroying, if caused or sanctioned by legally or actually recognised country or internationally not recognised foreign power, regardless whether it is lawful or not; other political risks, including losses or expenses directly or indirectly incurred as a result of prevention of the above events;
- 5.1.7. Crops Damages** – losses related to the effect of virus, fungi, bacteria induced diseases or pests on Crops;
- 5.1.8. Good agriculture practice conditions** – losses sustained due to failure to comply with the provisions for good agriculture practice defined in the laws and regulations, or mismanagement, including if the period of use of protection and fertilising means of the Crops and recommendations are not complied with, inappropriate fertilisers are used or they are used incorrectly in line with the planned amount of harvest; significant errors have been done in processing soil, in the process of sowing and planting process of the Crops; significant errors and failure to comply with the cultivating process have been committed, failure to comply with the agriculture events and methods;
- 5.1.9. Weather Conditions** – losses because of inappropriate weather conditions, which encumber harvesting (e.g., the Insured Field cannot be driven on by harvester);
- 5.1.10. Rain or Storm** – losses sustained due rain or storm after the grain of threshable Crops have fully matured: Crops development stage AS 89;

- 5.1.11. Malicious intent** – losses incurred as a result of malicious intent of the Policyholder, Insured or their employees, i.e. intentional action to cause damage, or due to the level of fault that in terms of compensation of losses and other civil consequences is similar to malicious intent;
- 5.1.12. Resowing Expenses** – losses, if the damage affected Insured Field Area overall has not reached the Uncompensated Loss Level specified in the Insurance Contract;
- 5.1.13. Penalties** – fines, contractual penalties, punishing or repressive sanctions and similar payments the duty of payment of which arises from the laws and regulations;
- 5.1.14. Maintenance** – expenses for regular maintenance of Crops, taking care of regular or emergency needs of Crops, as well as no expenses of the Policyholder or the Insured for consultations, expertise, experiments or any kind of checks shall be subject to compensation;
- 5.1.15. Water Accumulation** – losses related to failed operation of the drainage system of the Insured Field's soil or as a result of a soil jam caused by a beaver dam;
- 5.1.16. Terrorism** – losses that have incurred in regard to any manifestation of terrorism, including but not limited to terror act (act that is manifested as the use of power and violence, or threats to apply it by any person or group of persons acting alone or in relation to any organisation or government or in the name of those, that is committed due to political, religious, ideological or ethnic reasons and that include an intent to impact government or cause danger to society or any part of it), as well as losses incurred in relation to preventive measures of terrorism act are not compensated;
- 5.1.17. Lodging** – losses incurred in the case of Lodging of Crops before Crops development stage AS 59 and after Crops development stage AS 83. For Lodging, losses shall not be subject to compensation when the damaged plants are legumes and oil plants.
- 5.1.18. Environment pollution** – BTA does not compensate losses arising as a result of observation, control, assessment, inspection or prevention of pollution of environment, as well as collection, cleaning, deactivation, or decontamination, including damages caused to ecology or biodiversity.

6. CONCLUSION OF THE INSURANCE CONTRACT AND INSURANCE ENTRY INTO FORCE

- 6.1.** The Insurance Contract is concluded based on an Insurance Offer prepared by BTA for the Policyholder, and the Policyholder and BTA agree upon acceptable Insurance Contract provisions.
- 6.2.** The Insurance Offer is prepared based on the Insurance Application.
- 6.3.** When the Insurance Contract is concluded, BTA issues to the Policyholder an Insurance Policy that confirms conclusion of the Insurance Contract.
- 6.4.** Amendments to the concluded Insurance Contract shall be processed in the form of an annex to the Insurance Policy.
- 6.5.** The insurance provided by the Insurance Contract shall take effect as of 00:00 of the first day of the Insurance Period specified in the Insurance Contract. but not earlier than the moment when the first instalment of the Insurance Premium is paid (if the Insurance Contract provides payment of Insurance Premium by instalments), in cases when:
 - 6.5.1.** The Insurance Contract provides that the first day of the Insurance Period if the day of payment of the Insurance Premium;
 - 6.5.2.** The payment day of the Insurance Premium is scheduled before the first day of the Insurance Period;
- 6.6.** If the Insurance Contract provides that the Insurance Premium or the first instalment of the Insurance premium (if the Insurance Contract provides payment of the Insurance Premium by instalments) have to be paid after the first day of the Insurance Period specified in the Insurance Contract, the insurance becomes effective at 00:00 of the first day of the Insurance Period provided that the Policyholder has paid the Insurance Premium or its first instalment within the term and in the amount provided in the Insurance Contract.
- 6.7.** If the Insurance Premium or its first instalment has been paid after the payment term prescribed in the Insurance Contract, BTA is entitled to repay the delayed Insurance Premium to the Policyholder within 10 working days, or, if BTA is not aware of the way how the Policyholder can receive the Insurance Premium, BTA can request such information. In this case Insurance shall not have taken effect.
- 6.8.** If BTA, within the term provided in Article 6.7 of these Terms and Conditions, does not refund the Insurance Premium or its first instalment, or if BTA does not send the request referred to in Article 6.7 to the Policyholder, the insurance is effective in line with the provisions of Articles 6.5 and 6.6 of these Terms and Conditions.
- 6.9.** If the Insurance Premium or its first instalment is paid after the term provided in the Insurance Contract and a potential Insured Event has occurred until the payment of the Insurance Premium, Insurance shall not have taken effect. In this case, BTA is obliged to notify the Policyholder about the invalidity of insurance within 10 working days and refund the Insurance Premium paid with delay to the Policyholder.

- 6.10.** Insurance is effective until 24:00 of the last day of the Insurance Period specified in the Insurance Contract, if the Policyholder and BTA have agreed or due to other reasons the Insurance Contract has not been terminated prematurely.

7. CONCLUSION OF INSURANCE CONTRACTS BY MEANS OF DISTANCE COMMUNICATION

- 7.1.** Insurance contract can be concluded by means of distance communication, i.e., by means of post, internet, electronic mail, telephone or other means of information exchange.
- 7.2.** When insurance contract is concluded by a Policyholder, who is a consumer, then such insurance contract shall be subject to Distance Contract Terms, which are publicly available on BTA's website www.bta.lv. Distance Contract Terms, inter alia, describes the procedure of exercising the withdrawal rights, i.e., the rights to withdraw from the concluded insurance contract, including available application form, which can be used for exercising the withdrawal rights.
Consumer is a natural person, concluding an insurance contract for a purpose unrelated to its business or professional activity.

8. INSURANCE PREMIUM AND ITS PAYMENT PROCEDURE

- 8.1.** The Policyholder shall pay the Insurance Premium within the time limits and in the amount specified in the Insurance Contract.
- 8.2.** The Insurance Premium shall be considered paid:
- 8.2.1.** if the Insurance Premium is paid by paying to BTA – as at the moment when BTA has received the Insurance Premium payment;
 - 8.2.2.** if the Insurance Premium is paid by paying to Insurance Intermediary, expressly authorised by BTA to collect the Insurance Premium, as at the moment when the Policyholder has paid the respective amount of money to the Insurance Intermediary.
- 8.3.** If the Policyholder does not pay the Insurance Premium within the term prescribed in the Insurance Contract, BTA is entitled to request and the Policyholder is obliged to pay to BTA a contractual penalty of 0.1% of the unpaid amount for each day delayed, however, the total delay interest amount cannot exceed 10% of the part of Insurance Premium outstanding.

9. INSURANCE CONTRACT TERMINATION

- 9.1.** The Insurance Contract shall expire at 24:00 on the last day of the Insurance Period.
- 9.2.** The Policyholder is entitled any time to terminate the Insurance Contract unilaterally submitting an application to BTA 15 calendar days in advance. The Insurance Contract will be terminated on the day indicated in the notification, but no sooner than on the day the notification is received, and:
- 9.2.1.** if, during the effective period of the Insurance Contract, no Insurance Indemnity has been paid and no claim regarding a potential Insured Event has been submitted, then BTA will refund to the Policyholder the part of the paid Insurance Premium for each day remaining until the expiry of the Insurance Contract, deducting the expenses of BTA related to the conclusion of the Insurance Contract of 15 % (fifteen per cent) of the undrawn Insurance Premium, i.e., of the part of Insurance Premium corresponding the unused effective period of the Insurance Contract, though, of no more than Insurance Premium amount for one year, unless agreed otherwise by the parties;
 - 9.2.2.** if, during the effective period of the Insurance Contract, Insurance Indemnity has been paid or a claim regarding a potential Insured Event has been submitted, then BTA will refund to the Policyholder the difference, when there is one, between the amount of the Insurance Premium paid to BTA, corresponding the number of days remaining until the expiry of the Insurance Contract, and the amount of the disbursed Insurance Indemnity, deducting the expenses of BTA related to the conclusion of the Insurance Contract of 15% (fifteen per cent) of the undrawn Insurance Premium, i.e., of the part of Insurance Premium corresponding the unused effective period of the Insurance Contract, though, of no more than Insurance Premium amount for one year, unless agreed otherwise by the parties.
- 9.3.** If the current instalment of the Insurance Premium payment has not been paid in full on the date specified in the Insurance Contract, BTA is entitled to terminate the Insurance Contract by notifying thereof in advance.
- 9.4.** If the insured risk occurs due to malicious intent or gross negligence of the Policyholder or the Insured, the Insurance Contract shall be considered terminated as at the moment when the insured risk occurs. In such an event, BTA shall not pay Insurance Indemnity and shall not refund the paid Insurance Premium.
- 9.5.** Both the Policyholder and BTA are entitled to terminate the Insurance Contract after disbursement of Insurance Indemnity, by sending a prior notice thereof. In this case, BTA refunds to the Policyholder the part of the Insurance Premium, the amount of which is determined by deducting the Insurance Indemnity from the Insurance Premium, the part of the Insurance Premium for the period when the Insurance Contract is terminated and expenses of BTA related to conclusion of the Insurance Contract in the amount of 15% of

the undrawn Insurance Premium, i.e., the part of the Insurance Premium that corresponds the unused period of the Insurance Contract, unless the Parties have agreed otherwise.

- 9.6.** BTA and Policyholder, without consent of the Insured, are entitled to agree upon termination of the Insurance Contract, except for the cases when:
- 9.6.1.** the Insurance Contract provides otherwise;
 - 9.6.2.** the Insured Event has occurred and as a result of termination of the Insurance Contract, BTA would be released from the duty of Insurance Indemnity payment.
- 9.7.** The Insurance Contract shall be terminated prematurely in other cases provided in the Insurance Contract Law.
- 9.8.** The Insurance Contract shall be terminated prematurely, though not sooner than as of 1 September of the calendar year with respect to Winter Crops and 1 October of the calendar year with respect to Summer Crops:
- 9.8.1. Harvesting** – along with harvesting of the Insured Crops, but not later than until the threshable Crops have reached the development stage AS 89;
 - 9.8.2. Resowing of fields due to Freezing Out** – when it is established and registered that a premature resowing of Crops is necessary, regardless of whether the resowing is actually performed, but not later than when the Crops have reached the development stage of AS 29.
 - 9.8.3. Resowing of fields due to damages caused by wild animals and birds** – when it is established that a premature resowing of Crops is necessary, regardless of whether the resowing is actually performed, but not later than when the Crops have reached the development stage of AS 29.

10. INSURANCE INDEMNITY

- 10.1.** If, upon occurrence of an Insured Event due to damages from Freezing Out, Hail, Rain, Storm and Wild animals and birds until the Winter Crops development stage AS 29, the Insured, adhering to Good agriculture practice conditions and the minimum live Crops count provisions per 1m², makes a decision of Resowing the Insured Field or its part, then BTA will pay Insurance Indemnity by applying the following terms:
- 10.1.1.** the value of not gained Crops harvest is not compensated, but compensating the expenses of resowing of the Insured Field or its part damaged as a result of the Insured Event, considering the Uncompensated Loss Level or the limit for Resowing Expenses defined in the Insurance Contract;
 - 10.1.2.** the provisions regarding the Deductible shall not apply when calculating Insurance Indemnity;
 - 10.1.3.** the minimum live Crops count per 1m² after restart of vegetation in spring for the listed Crops is less than:
 - 10.1.3.1.** winter rape – 10 plants;
 - 10.1.3.2.** winter turnip rape – 20 plants;
 - 10.1.3.3.** winter wheat – 100 plants;
 - 10.1.3.4.** winter rye – 80 plants;
 - 10.1.3.5.** winter barley – 100 plants;
 - 10.1.3.6.** winter triticale – 100 plants.
- 10.2.** Upon occurrence of an Insured Event after the Crops development stage AS 29 due to damages from Hail, Rain, Storm, Third party illegal activity, Lightning and Fire, Insurance Indemnity shall be calculated by means of the following loss evaluation method:
- 10.2.1.** a loss evaluation expert appointed by BTA establishes the amount of damage to the Insured Crops in per cent;
 - 10.2.2.** the Insurance Indemnity is calculated in the amount of per cent of the Sum Insured of the affected Insured Field, considering what is the percentage of the Insured Crops damaged or perished as a result of the abovementioned Insured Risks, considering the Uncompensated Loss Level specified in the Insurance Contract and subtracting the Deductible, and not exceeding sublimit, when such has been established;
 - 10.2.3.** when determining the amount of loss, from the value of harvest not obtained shall be deducted the funds spared by the Insured - as a result of reduction of the Crops area (amount) - for maintaining, cultivating, taking care of regular or emergency needs of the Insured Crops, harvesting, storage, sales and other;
- 10.3.** When Lodging of Crops has formed due to Rain and/or Storm risk occurrence, then the value of harvest not obtained shall not be compensated, Insurance Indemnity shall be calculated by applying the following terms:
- 10.3.1.** Insurance Indemnity shall be established as 15% of the area of the Insured Field, affected by Lodging, for plants from the end of ear emergence - Crops development stage AS 59, until reaching the early dough - Crops development stage AS 83;
 - 10.3.2.** the provisions regarding the Deductible shall not apply when calculating Insurance Indemnity.
- 10.4.** If the Lodging affected area is less than the Uncompensated Loss Level of the Insured Field area, specified in the Insurance Contract, the Insurance Indemnity shall not be paid.
- 10.5.** After the Insurance Indemnity payment, the Sum Insured for the respective Insured Field shall be reduced by the amount of the disbursed Insurance Indemnity.

11. RIGHTS AND OBLIGATIONS OF POLICYHOLDER, INSURED AND BTA

11.1. The Policyholder and Insured are obliged:

- 11.1.1.** both before conclusion of the Insurance Contract and over the entire effective period of the Insurance Contract, provide BTA with complete and true information with regard to the Insurance provided under the Insurance Contract, including any information about the Insurance Object and information necessary to assess the probability of occurrence of the Insured Risk, information about all changes and circumstances that have occurred over the effective period of the Insurance Contract and that can impact the occurrence of the Insured Risk, as well as information related to the Insured Event.
- 11.1.2.** in the event of failure to fulfil the above obligations, the consequences provided in the Insurance Contract shall apply, including the Insurance Contract is declared invalid, the Insurance Contract is terminated, Insurance Indemnity payment is reduced by 50% or rejected completely;
- 11.1.3.** the Policyholder is obliged to submit a printout of the Single Area Payment to BTA until 15 June of the calendar year.
- 11.1.4.** to notify BTA of other known effective Insurance Contracts referring to the same Insurance Object;

11.2. Upon occurrence of an Insured Event, the Policyholder and the Insured are obliged:

- 11.2.1.** immediately, as soon as possible, to submit an Insurance Claim regarding losses to BTA;
- 11.2.2.** to submit all the available information to BTA and documentation requested by BTA that allows to conclude the reasons, nature and scope of the incurred losses;
- 11.2.3.** take all measures in order to prevent or reduce further damages, as well as comply with BTA instructions as regards reducing the damage caused by occurrence of the insured risk;
- 11.2.4.** immediately ensure the possibility for BTA to inspect the place of a potential insured event, carry out examinations and interview witnesses so that BTA could determine the causes of the damage and its scope;
- 11.2.5.** to leave the Event scene untouched until a representative of BTA arrives and draws up an inspection report except for the event referred to in Article 11.2.6 of these Terms and Conditions;
- 11.2.6.** if the insurance object cannot be preserved without changing its condition after the accident due to the fulfilment of the obligations referred to in Article 11.2.3 of these Terms and Conditions, or other legal and justified reasons, to ensure that the damaged Insurance Object is photographed or filmed as soon as possible so that its damages are registered and submit the pictures or the video recording to BTA by e-mail atliidziba@bta.lv or in another way approved by BTA;
- 11.2.7.** the Policyholder and the Insured are obliged, at a request of BTA, to submit the requested information also in writing, i.e., in paper form and signed by own hand, or in electronic documents form, signed by a secure electronic signature.

11.3. BTA is entitled to refuse to pay Insurance Indemnity and terminate the Insurance Contract unilaterally without refunding the Insurance Premium, if the Insured has maliciously or due to gross negligence failed to complete any of the above activities.

12. PROCEDURE OF DISBURSEMENT OF INSURANCE INDEMNITY

12.1. No later than within 15 calendar days since the receipt of all documents requested by BTA that are required for investigating the causes of the potential Insured Event and estimating the amount of loss, BTA shall make a decision on granting Insurance Indemnity or rejecting in its payment.

12.2. Insurance Indemnity shall be paid to the Beneficiary in the case when the Policyholder is at the same time the Insured and all the provisions defined in the Insurance Contract Law for being granted insurance indemnity.

12.3. In case of a dispute regarding the amount of the insurance indemnity to be paid out, BTA may disburse a part of the insurance indemnity regarding which there is no dispute.

12.4. In case BTA is or will be unable to make a recourse claim by subrogation due to malicious intent or gross negligence of the Policyholder, BTA may opt for not paying the insurance indemnity in the amount for which a claim is not or will not be possible to be brought, or, if insurance indemnity has already been disbursed, demand its refund from the Insured.

12.5. If payment of the Insurance Indemnity is delayed due to the fault of BTA, BTA shall pay a penalty of 0.1% of the outstanding Insurance Indemnity amount for each day of delay; however, the total amount of the penalty may not exceed 10% of the outstanding Insurance Indemnity amount.

12.6. At the request of the person entitled to claim insurance indemnity, BTA will enable this person to study the documents, based on which BTA had made the decision of insurance indemnity payment or rejection, or issue copies of the documents for a fee not exceeding the costs of producing the document copies. BTA will enable this person, entitled to claim insurance indemnity, to study the documents or issue copies of the documents, if:

- 12.6.1.** BTA has submitted documents to law enforcement institutions for criminal investigation of the

insured risk occurrence circumstances;

- 12.6.2.** the documents contain a trade secret of another person or personal data, which the person entitled to claim insurance indemnity is not entitled to obtain.

13. SUBROGATION RIGHTS

- 13.1.** If BTA has paid out Insurance Indemnity, BTA obtains subrogation rights to request compensation in the amount of the paid Insurance Indemnity from the person from whom, pursuant to the laws and regulations, contract or any other agreement, the Insurer may request compensation of losses in full or in part.
- 13.2.** If the Insured has not notified BTA in writing about another procedure, in the cases when the Insurance Indemnity paid out by BTA covers only part of the losses incurred by the Insured, BTA can exercise its rights to submit a subrogation claim regardless whether the Insured exercises or does not exercise his/her rights to submit a claim against the guilty party. BTA and the Policyholder or Insured can agree upon cooperation in collection of losses in writing, including about submission of claim and maintaining the claim at the court together.

14. OTHER PROVISIONS

- 14.1.** In the event of discrepancies and contradictions between the documents of the Insurance Contract, the following hierarchy shall be observed and they shall be applied in the following order:
- 14.1.1.** Annexes to the Insurance Policy (if any) that amend the provisions of the Insurance Contract, in a succession depending on the date of becoming effective from the latest ones to the oldest ones;
- 14.1.2.** Insurance Policy;
- 14.1.3.** these Insurance Terms and Conditions.
- 14.2.** The parties undertake not to disclose provisions of the Insurance Contract and information received within the framework of the Insurance Contract about the parties to the Insurance Contract or third parties, as well as not to use this information opposite to the interests of the parties to the Insurance Contract. The Information received under the Insurance Contract can be transferred to other persons in the cases prescribed in the laws and regulations. BTA is entitled to provide information related to the Insurance Contract to experts, reinsurers, as well as store it in databases of BTA.
- 14.3.** All disputes arising between the parties of the Insurance Contract shall be settled by means of negotiation. If mutual agreement cannot be reached, any dispute, disagreement or claim ensuing from the Insurance Contract, that is related to it or its violation, termination or invalidity shall be finally resolved in a court of the Republic of Latvia in accordance with the procedure set forth in the laws and regulations, unless BTA and the Policyholder have agreed upon another dispute settlement procedure in the Insurance Contract.
- 14.4.** The Policyholder and the Insured are not entitled to assign any of their claim rights ensuing from the Insurance Contract to third parties, including already existing or possible claim rights.
- 14.5.** BTA as well as the Policyholder and the Insured shall make the insurance contract related notifications, requests and information in writing or by means of a permanent information carrier or means of distance communication upon the use of which the parties have agreed upon in the Insurance Contract.
- 14.6.** Upon a request of the Policyholder, the Insured or another person entitled to claim Insurance Indemnity, BTA shall furnish its notifications, requests and information, provided by means of the website, permanent information carrier or other means of distance communication, to the requester in writing and free of charge.
- 14.7.** Contractual relations arising from the Insurance Contracts are governed by the laws and regulations of the Republic of Latvia.
- 14.8.** BTA, as the personal data controller, processes personal data of natural persons in compliance with personal data processing requirements defined in the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and other regulatory enactments.
- 14.9.** The personal data processing principles of BTA are published at BTA website: www.bta.lv.
- 14.10.** BTA is not entitled to provide insurance and BTA is not obliged to pay out Insurance Indemnity or provide benefits in line with the Insurance Contract as long as provision of such insurance, payment of Insurance Indemnity or provision of benefits:
- 14.10.1.** would subject BTA to sanctions, bans or restrictions imposed pursuant to resolutions of the United Nations or trade or economic sanctions, laws of the European Union, Republic of Latvia, or United States of America or regulations (provided that it does not violate any regulations or laws that are applicable to BTA);
- 14.10.2.** would subject the reinsurance company to which an insurance contract is transferred for reinsurance, to sanctions, bans or restrictions imposed pursuant to the regulatory enactments of the country of registration of that reinsurance company.