

CIVIL LIABILITY INSURANCE

General Terms and Conditions No. 21.01.



Approved by BTA Insurance Company SE Board Decision No. 16 of 31.01.2012.

1. Used terms

1.1. Policyholder – a person who concludes an insurance contract in favour of him or herself or another person.

1.2. Insured – a person indicated in the insurance contract, whose civil liability is insured in accordance with the insurance contract.

1.3. Insurance Indemnity – the amount to be paid for the insured event or the services to be rendered in accordance with the concluded insurance contract.

1.4. Insurance Contract – a written agreement between BTA and the Policyholder, according to which the Policyholder undertakes the obligation to pay the insurance premium in the way, terms and the amount specified in the insurance contract, as well as to fulfil other obligations set forth in the insurance contract and the BTA undertakes the obligation to indemnify Third Parties for the losses upon occurrence of the insured event in accordance with the terms and conditions of the insurance contract.

1.5. Insurance Application – a BTA document of a certain form which the Policyholder submits to BTA in order to indicate the insurance object, facts and circumstances required for signing an insurance contract.

In individual cases BTA may not request the submission of a written insurance application, and in such cases, the information provided in the insurance contract on the insurance object, the Policyholder and the Insured is considered to have been submitted by the Policyholder. Acceptance of the insurance application does not obligate BTA to conclude an insurance contract.

1.6. Insurance Policy – a document which verifies entering into an insurance contract and includes the terms and conditions of the insurance contract which the Policyholder and BTA have agreed upon.

1.7. Insurance Premium – the payment for the insurance specified in the insurance contract.

1.8. Liability Limit – the amount indicated in the insurance contract, which is the maximum amount to be paid out as insurance indemnity upon occurrence of an insured event.

1.9. BTA – BTA Insurance Company SE, the Insurer in terms of the Insurance Contract Law of the Republic of Latvia.

1.10. Damage to life or health – Third Party's death, permanent or temporary incapacity for work, physical injury or illness of the Third Party.

1.11. Financial Losses – decrease in the Third Party's property (expenses) that is not related to restoration of the damaged property or elimination of the damage caused to health or physical condition thereof.

1.12. Rescue Expenses – reasonable minimal expenses related to urgent measures to prevent or reduce the damages, even in the events when such measures are not successful.

1.13. Co-insured – a person additionally specified in the insurance contract whose civil liability is insured. All terms and conditions of the insurance contract apply to the Co-insured to the same extent as to the Insured.

1.14. Damage to the property – damage caused to material moveable and immovable property own or legally used by a Third Party or complete loss thereof.

1.15. Event – activity or failure to act by the Insured resulting in losses to a Third Party.

1.16. Extended claim period – a 3 (three) year long period after the expiry of the insurance period of the insurance contract during which a Third Party can submit a claim and the Insured can submit BTA a notification regarding the event or insurance claim - notification of losses. If the insurance contract is terminated prior to the expiry of the insurance period, the extended claim period starts running from the insurance contract termination date.

1.17. Deductible – the amount of losses indicated in the insurance contract not reimbursed by BTA. The deductible may be determined as a fixed amount or percentage of the losses caused upon occurrence of the insured event. If there are several types of deductibles specified in the insurance contract for one insured event, the largest of them shall be always applied.

1.18. Insurance claim – notification of losses – a written claim of a certain form submitted by the Insured regarding loss indemnification.

1.19. Complaint – a written claim of a Third Party submitted to the Insured regarding loss indemnification.

1.20. Written Document:

1.20.1. a document drawn up in writing that contains all details, including a signature, provided for by the effective regulatory enactments of the Republic of Latvia;

1.20.2. an electronic document signed with a safe electronic signature.

1.21. Retroactive period – a period of time prior to the beginning of the insurance period that is specified in the insurance contract, during which BTA indemnifies the losses incurred due to the occurrence of the Event provided that neither the Policyholder, nor the Insured knew of the event when signing the insurance contract. A retroactive period of consecutive insurance contracts concluded without interruptions is the insurance period of all previous insurance contracts.

1.22. Litigation expenses – court and matter settlement expenses agreed upon with BTA in writing incurred in relation to consideration and adjustment of the claim submitted by a Third Party against the Insured.

1.23. Third Party– any individual or legal entity who incurs losses due to activities or failure to act by the Insured and to whom the insurance indemnity is due pursuant to the terms and conditions of the insurance contract, except:

1.23.1. the Policyholder, the Insured, Co-insured;

1.23.2. relatives of the Policyholder, the Insured and the Co-insured to the third generation, the spouse and in-laws to the second generation;

1.23.3. companies related to the Policyholder, the Insured, Co-insured and their relatives to the third generation, the spouse or in-laws to the second generation in

terms of the Law on Corporate Income Tax.

1.23.4. Employees, authorised persons and legal representatives of the Policyholder, the Insured and the Co-insured;

1.23.5. employer of the Policyholder, the Insured and the Co-insured and employer's employees.

2. Insurance object and insurance coverage

2.1. Insurance object is civil liability of the Insured for the damages caused to Third Parties.

2.2. Pursuant to the terms and conditions of the concluded insurance contract BTA will pay out the insurance indemnity and compensate the following expenses proved by documents:

2.2.1. losses specified in a respective insurance contract;

2.2.2. litigation expenses;

2.2.3. rescue expenses.

2.3. The insurance coverage is valid within the territory specified in the insurance contract.

3. Liability limit

3.1. By signing the insurance contract the Policyholder and BTA agree upon the liability limit for claims for one insured event and the liability limit for the entire insurance period (the total liability limit for the insurance period).

3.2. The Policyholder and BTA can agree and specify in the insurance contract the lower limits, e.g. lower limit for indemnification of a certain type of losses and other.

3.3. The amount of the insurance indemnity paid out for the losses caused by one insured event under no conditions may exceed the liability limit for claims for one insured event.

All losses caused by the same reason or circumstances, continuous or repeated impact are considered one insured event that has occurred during the insurance period, in which the first claim has been submitted.

3.4. The insurance indemnity paid out for all insured events in the insurance period may not exceed the total liability limit for the insurance period.

3.5. After paying out the insurance indemnity the total liability limit is reduced by the amount of the paid out insurance indemnity.

4. Insurance period and the procedure of the insurance coverage taking effect

4.1. An insurance period is the period of time when the insurance coverage is in effect.

4.2. Insurance coverage takes effect at 00:00 hrs. of the first day of the insurance period specified in the insurance contract but no sooner than the insurance premium or the first part of the insurance premium, if the insurance premium is to be paid in instalments, is paid to the full extent in the events when:

4.2.1. the insurance premium payment date is not indicated in the insurance contract;

4.2.2. the first day of the insurance period is specified as the insurance premium date in the insurance contract;

4.2.3. the insurance premium payment date is set before the first day of the insurance period.

4.3. If it is determined in the insurance contract that the insurance premium or the first part thereof is to be paid after the first day of the insurance period specified in the insurance contract, the insurance coverage takes effect at 00:00 hrs. on the first day of the insurance period provided that the Policyholder pays the insurance premium or the first part thereof within the time limits and in the amount specified in the insurance contract.

4.4. If the insurance premium or the first part thereof is paid after the payment date indicated in the insurance contract, BTA is entitled to pay back the delayed insurance premium paid by the Policyholder within 10 (ten) calendar days or, if BTA does not know a way how the Policyholder can receive the insurance premium, to request the Policyholder in writing to provide such information. In such an event, insurance coverage is not valid.

4.5. If BTA does not pay back the insurance premium within the time period referred to in Article 4.4 of these Terms and Conditions or does not send the request referred to in Article 4.4 to the Policyholder, the insurance coverage is valid in accordance with the provisions of Articles 4.2 and 4.3 of these Terms and Conditions.

4.6. If the insurance premium or the first part thereof is paid to the full extent after the insurance premium payment date indicated in the insurance contract and the potential insured event occurs before the insurance premium is paid, the insurance coverage is not valid and BTA is obliged to notify the Policyholder of the invalidity of the insurance coverage within 10 (ten) calendar days and pay back the insurance premium paid by the Policyholder with a delay.

4.7. The insurance contract is valid until 24:00 hrs. of the last day of the insurance period indicated in the insurance contract, unless, upon agreement of the Policyholder and BTA, or due to other reasons it is terminated before its expiry.

5. Insurance premium payment procedure

5.1. The Policyholder shall pay the insurance premium within the time limits and in the amount specified in the insurance contract.

5.2. The insurance premium is considered paid:

5.2.1. when the insurance premium is paid in cash – at the moment the entire respective amount is paid at the cash department of BTA;

5.2.2. when the insurance premium is paid by non-cash transfer – at the moment the entire respective amount is transferred into a BTA bank account;

5.2.3. when the insurance premium is paid to an insurance intermediary clearly authorised by BTA to collect insurance premiums – at the moment the entire respective amount is paid at the cash department of the insurance intermediary or at the moment the entire respective amount is transferred into the bank account of the insurance intermediary.

5.3. If the Policyholder fails to pay the insurance premium within the time limit set forth in the insurance contract, the Policyholder shall pay BTA a penalty of 0.1% (zero point one per cent) of the outstanding amount for each day of delay. However, the total amount of the penalty may not exceed 10% (ten per cent) of the outstanding insurance premium amount.

5.4. BTA does not apply the penalty referred to in Article 5.3 of these Terms and Conditions in the following events:

- a) the insurance premium is to be paid in one instalment;
- b) the insurance premium is to be paid in instalments – for the first instalment of the insurance premium.

6. Conclusion of insurance contracts through the use of distance communication

6.1. The Policyholder and BTA may conclude an insurance contract through the use of distance communication. Insurance contracts concluded in such a way are considered the contracts concluded by the Policyholder and BTA via post, Internet, e-mail, telephone or other means of exchange of information.

6.2. If the insurance contract is concluded through the use of distance communication:

6.2.1. the insurance coverage takes effect on the next day after the insurance premium or the first part thereof set by BTA, if the insurance contract provides for paying the insurance premium in instalments, is paid in full;

6.2.2. by paying the insurance premium the Policyholder certifies that he or she agrees with all terms and conditions of the insurance contract of which BTA has informed;

6.2.3. absence of a written insurance policy does not affect validity of the insurance contract;

6.2.4. the Policyholder is entitled to request and BTA is obliged to submit to the Policyholder a written insurance policy within 5 (five) working days;

6.2.5. pursuant to the Republic of Latvia Cabinet Regulation No. 1037 of 21 December 2004 'Regulations regarding Distance Contract for the Provision of Financial Services' or regulatory enactments replacing it, the Policyholder – an individual who has concluded an insurance contract and got his or her civil liability that is not related to his or her economic or professional activities – may exercise the right of withdrawal, i.e. the right to withdraw from the concluded insurance contract, by submitting a written notification to BTA regarding withdrawal no later than within 14 (fourteen) calendar days after the insurance premium is paid.

The Policyholder may not exercise the right of withdrawal in regard to short-term insurance contracts, the term of which is less than 1 (one) month.

If, on the 14th (fourteenth) day after signing the insurance contract BTA has not received the Policyholder's notification regarding withdrawal, it is considered that the right of withdrawal has not been exercised and the insurance contract is in force.

If the insurance indemnity is paid out to the Policyholder during this period of 14 (fourteen) days after signing the insurance contract, or the event, in regard to which a claim may be submitted to BTA regarding the possible insured event, occurs during the said period, it is considered that the right of withdrawal has not been exercised and the insurance contract is valid;

6.2.6. if the Policyholder exercises the right of withdrawal no later than within 30 (thirty) calendar days after receiving the notification regarding withdrawal, BTA shall pay back to the Policyholder a part of the insurance premium amounting to the paid insurance premium minus the amount for the period during which the insurance contract was in force.

7. Early termination of the insurance contract

7.1. An insurance contract can be terminated prior to its expiry upon mutual agreement of BTA and the Policyholder.

7.2. BTA is entitled to terminate the insurance contract after paying out the insurance indemnity by sending a written notification to the Policyholder 15 (fifteen) calendar days in advance.

In this event, if the insurance indemnity is less than the difference between the paid insurance premium and the part of the insurance premium for the expired period of the insurance contract, BTA shall refund the Policyholder part of the insurance premium, the amount of which is determined by deducting the insurance indemnity, the part of the insurance premium for the expired period of the insurance contract and BTA's expenses related to the conclusion of the insurance contract amounting to 25% (twenty five per cent) of the insurance premium specified in the insurance contract, from the paid insurance premium, unless stipulated otherwise by the parties.

7.3. The insurance contract is terminated prior to its expiry or the insurance contract is considered invalid from the moment of signing in the event prescribed by the Law of the Republic of Latvia on Insurance Contract.

7.4. If the Policyholder and BTA do not agree otherwise and if it is not directly prescribed by the Law of the Republic of Latvia on Insurance Contract otherwise, upon early termination of an insurance contract, BTA calculates and pays back the part of unused insurance premium to the Policyholder in accordance with the following procedure:

7.4.1. if the insurance indemnity has not been paid out during the validity period of the insurance contract or no claim has been submitted, within 15 (fifteen) calendar days of receiving a notification of the Policyholder BTA refunds to the Policyholder the part of the paid insurance premium for each day remaining until the expiry of the insurance contract, deducting the BTA expenses related to the conclusion of the insurance contract amounting to 25% (twenty five per cent) of the insurance premium specified in the insurance contract;

7.4.2. if the insurance indemnity has been paid out during the validity period of the insurance contract or a claim has been submitted, within 15 (fifteen) calendar days of receiving a notification of the Policyholder BTA refunds to the Policyholder the difference between the insurance Premium paid to BTA which is equal to the full

calendar months remaining until the expiry of the insurance contract and the amount of the paid out and reserved insurance indemnity, deducting the BTA expenses related to the conclusion of the insurance contract amounting to 25% (twenty five per cent) of the insurance premium specified in the insurance contract.

8. General exceptions

8.1. Unless stipulated otherwise in the insurance contract, BTA does not indemnify for the following losses:

8.1.1. losses directly or indirectly caused due to an act of terror (an act that is expressed as using power and violence, or threats to use them by any third party or group of persons who act in solitude or in relation to any organisation or government, or on behalf thereof, which are carried out due to political, religious, ideological or ethnic reasons and which include the intention to affect the government or to put the public or any part of it in danger); the losses incurred due to the prevention measures against acts of terror are not compensated either;

8.1.2. losses directly or indirectly caused due to war, invasion, a hostile act by a foreign country, military operations or operations considered as such (with or without declaring war); civil war, rioting, a strike, a revolt, disturbances, a revolution, riots by military or usurped authorities, a state of war or depredations or looting related thereto, violence, vandalism, sabotage; a strike, lockout, public order disturbance to the extent considered as a revolt or riot; property confiscation, nationalisation, alienation, requisition, destruction or disposal, if it is caused or sanctioned legally or actually authorised by a state authority irrespective of whether it is legal or not; other political risks, as well as all other losses or expenses incurred directly or indirectly due to measures of prevention of the above-mentioned events are not compensated;

8.1.3. losses directly or indirectly caused due to impact of nuclear explosion, nuclear energy, radioactive substances or ionising radiation, direct or indirect radioactive pollution;

8.1.4. losses directly or indirectly caused due to evil intent or gross negligence of the Policyholder, the Insured or a Third Party;

8.1.5. losses directly or indirectly caused due to asbestosis or other related diseases, including cancer caused by existence, presence, extraction, processing, production, selling, distribution, storage or use of asbestos, asbestos products or products containing asbestos; or any infection diseases;

8.1.6. losses directly or indirectly caused due to construction materials or materials containing formaldehyde that exceeds the existing permitted norms;

8.1.7. losses caused due to such processes that are of lasting, progressing or accumulative nature, including due to impact of temperature or humidity; impact of dust, soot, smoke-lack; due to earth surface settling or movement; due to building foundation sagging or settling; due deterioration or wear out;

8.1.8. losses due to impact of dry or wet rot, stone bacilli, mould, fungus or bacteria, worms, rodents, etc.;

8.1.9. losses caused by the Insured under influence of alcohol, drugs or other toxic or psychotropic substances;

8.1.10. losses related to penalties, any money fines or other similar sanctions ensuing from a contract or other agreement;

8.1.11. losses reimbursement for which the Insured has undertaken in accordance with contract or agreement of any kind. However, the Insurer will indemnify for the loss if a contract or agreement is concluded regarding the performance of insured activities and in accordance with the generally accepted practice regarding conclusion of such type of contract;

8.1.12. losses incurred in relation to the fact that the Insured has failed to ensure any kind of insurance coverage, conclusion of insurance contracts or validity thereof;

8.1.13. losses caused by the Insured by water, air or land motor vehicle or other motor vehicle subject to the compulsory civil liability insurance of motor vehicle owners (OCTA) or another similar institution;

8.1.14. losses incurred in relation to the consultations or recommendations given by the Insured in regard to the selection of computers or computer software; losses directly or indirectly incurred due to use or operation of any computer, computer system, software, malicious computer code, computer virus or process, or any other electronic system; losses incurred by using computer networks;

8.1.15. losses caused to relatives of the Policyholder or the Insured who live together with them and who share the same household;

8.1.16. losses related to infringement of Third Party's property rights or non-material valuables, i.e. BTA does not pay the insurance indemnity for moral damages, as well as denigration of honour and dignity;

8.1.17. losses to be indemnified from the State social insurance budget according to regulatory enactments by granting pensions and benefits or from the State or municipal budget by receiving benefits;

8.1.18. losses incurred in relation to impact of any kind of electromagnetic field or electromagnetic radiation, including caused by electricity transmission lines or any kind of electricity product;

8.1.19. losses directly or indirectly incurred due to any kind of liabilities ensuing only from the status or activities of the Insured as an official, director, partner or another similar elected or assigned leading position holder, or a shareholder in any company, commercial enterprises or other organisation, including any position in a trust, charity organisation or company;

8.1.20. losses caused due to violations of the regulations governing the use of patents, copyrights, company's logos, trademarks or registered design, or any other brand, as well as due to unfair competition;

8.1.21. losses that are lost profit or income.

8.2. BTA does not pay out the insurance indemnity if the obligation to reimburse for losses is determined in the arbitration court decision and the Insured or any other person on behalf of the Insured has agreed with the Third Party to settle the claim at the arbitration court without approval of BTA.

9. Obligations of the policyholder and the insured

9.1. Both prior to signing an insurance contract and during the entire validity period of the insurance contract the Policyholder and the Insured are obliged to provide BTA with complete and true information related to the insurance coverage specified in the

insurance contract, including information on the insurance object and information required for the assessment of the possibility of the setting in of the civil liability of the Insured, information on all changes and circumstances that have occurred during the validity period of the insurance contract and may affect civil liability of the Insured, as well as information related to the event or Third Party's complaint.

If the Policyholder or the Insured fail to fulfil the aforementioned obligation, the consequences prescribed by the Law of the Republic of Latvia on Insurance Contract set that, including the insurance contract is considered invalid, it is terminated and the insurance indemnity payment is reduced or denied.

9.2. Obligations of the Policyholder and the Insured after the insurance coverage takes effect:

9.2.1. to immediately, as soon as possible, inform BTA in writing of any Event that could be a potential reason to bring a claim against the Insured regarding losses, indemnification for which is provided for by the concluded insurance contract. The Policyholder and the Insured are also obliged to submit a written notification to BTA in the events when the Insured does not consider that he or she is to blame for the losses, the Third Party does not submit a complaint or there are no information that losses are caused due to the Event;

9.2.2. to take all possible reasonable measures to prevent or minimise the incurred or potential losses that could be the reason for Third Party claims.

9.3. Upon the receipt of a Third Party complaint, the Policyholder and the Insured are obliged:

9.3.1. to immediately, as soon as possible, notify in writing of a complaint received from a Third Party by submitting the claim - notification of losses of a certain form to BTA enclosing the complaint and documents received from the Third Party that allow judging of the reasons, nature and amount of the caused losses, to provide BTA with complete and true information on the potential insured event, as well as inform whether the Insured agrees with the Third Party's claim;

9.3.2. submit all information and documents requested by BTA, including those containing commercial secrets, if they are available to the Policyholder or the Insured, so that BTA can determine the causes of the possible insured event and the amount of damage;

9.3.3. to inform BTA of all valid insurance contracts according to which civil liability of the Insured is insured;

9.3.4. to the extent that is possible to ensure participation of BTA in the determination of the reasons and amount of losses;

9.3.5. to inform the Third Party in writing of the necessity to turn to BTA to assess the caused losses, as well as to inform BTA in writing that the Third Party is informed thereof.

9.4. If the Policyholder or the Insured fails to fulfil any of the obligations referred to in Article 9.2 or 9.3 due to malicious intent or gross negligence, BTA is entitled to refuse to pay out the insurance indemnity.

BTA may reduce the insurance indemnity, but by no more than 50% (fifty per cent), if the Policyholder or the Insured does not fulfil any of the obligations referred to in this Section due to ordinary negligence.

9.5. Instructions on the activities of the Policyholder and the Insured upon occurrence of an event that can be a potential reason to bring a claim against the Insured or after receiving a Third Party's complaint may be received by calling the BTA Client Support Line at (+371) 26121212. Accurate fulfilment of those instructions is considered the fulfilment of the obligations set for the Policyholder and the Insured.

10. Insured event and insurance indemnity payment procedure

10.1. For the purpose of these Terms and Conditions an insured event is considered an Event due to which a Third Party incurs losses to be reimbursed for in accordance with these Terms and Conditions provided that all of the following conditions set in:

10.1.1. the Event occurs during the insurance period or retroactive period;

10.1.2. the Event takes place within the insurance territory;

10.1.3. notification of the Insured on the Event or Third Party's complaint is first submitted to the Insured (if a complaint is submitted to the Policyholder, it is considered that the complaint is submitted to the Insured) during the insurance period or the extended claim period, i.e. within 3 (three) years after the expiry of the insurance contract;

10.1.4. during the insurance period or the extended claim period, i.e. within 3 (three) years after the expiry of the insurance contract, the Insured submits the claim - notification of losses to BTA.

10.2. BTA pays out the insurance indemnity in the amount of the losses caused to a Third Party including litigations and rescue expenses, not exceeding the liability limits specified in the insurance contract and withholding the deductible specified in the insurance contract, as well as the part of the insurance premium unpaid in accordance with the insurance contract to the full extent.

10.3. BTA pays out the insurance indemnity in accordance with the terms and conditions of the insurance contract, in the insurance period or extended claim period of which the Third Party first submitted a complaint to the Insured provided that the Event has occurred during the insurance period or retroactive period.

10.4. The following conditions are applied to claim adjustment:

10.4.1. in the event when the Insured or another person on his or her behalf without written agreement with BTA gives a promise to a Third Party regarding claim settlement, such promise is not binding on BTA;

10.4.2. if contrary to BTA recommendations the Insured refuses to settle claims of a Third Party for the amount recommended by BTA, BTA is entitled to pay out the insurance indemnity only in the amount recommended by BTA for the claim settlement.

10.4.3. if the Insured or another person on behalf of the Insured agree upon the claim adjustment procedure but BTA cannot clarify or ascertain the circumstances of the occurrence of a potential insured event or the amount of losses, BTA does not pay out the insurance indemnity.

10.5. BTA is entitled but not obliged to take over and examine and settle on behalf of the Insured any claim or complaint, or to find an amicable solutions at any of its consideration stage or instance, as well as to bring an action and represent interest of the Insured in court. BTA is free to choose the way and strategy of settlement of claim but the Insured is obliged to provide BTA with all required information or assistance to

settle this procedure, including granting BTA the required authorisation.

10.6. If the insured event causes losses to several persons and the amount of losses exceeds the liability limit specified in the insurance contract set out for complaints for one insured event, BTA pays out the insurance indemnities:

10.6.1. in proportion to the amount of the caused losses for all complaints submitted to BTA until the first insurance indemnity payment day, in addition, until the moment the total amount of the paid out insurance indemnities reaches the liability limit specified in the insurance contract for complaints for one insured event;

10.6.2. in accordance with the complaint submission procedure if the complaints are submitted consecutively, in addition, until the moment the total amount of the paid out insurance indemnities reaches the liability limit specified in the insurance contract for complaints for one insured event.

10.7. If it is established that several persons are jointly liable for the losses, the insurance indemnity is paid out to the Third Party in proportion to the level of liability of the Insured.

10.8. If other persons reimburse Third Party for the caused loss, BTA only pays out the difference between the amount of insurance indemnity to be paid out in accordance with the insurance contract and the amount reimbursed by other persons. The Insured must inform BTA of such reimbursement, also in the event when such reimbursement is received after BTA has already paid out the insurance indemnity or after the expiry of the insurance contract.

10.9. The Insured undertakes to individually settle his or her obligations towards the Third Party in the amount of the deductible and unpaid part of the insurance premium.

10.10. Within 10 (ten) working days after receiving the documents confirming illegal activities or failure to act by the Insured and the losses BTA makes a decision regarding payment of the insurance indemnity, reduction thereof or refusal to pay out the insurance indemnity and informs the Third Party, the Insured and the Policyholder thereof in writing within 10 (ten) working days. BTA pays out the insurance indemnity:

10.10.1. within 14 (fourteen) calendar days from the moment the decision is made to pay out the insurance indemnity;

10.10.2. in accordance with another procedure agreed by BTA and the Third Party in writing.

11. Dispute Settlement Procedure

11.1. All disputes arising between the parties of the insurance contract shall be settled by means of negotiations. 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 resolved by the court of the Republic of Latvia in accordance with the procedure set forth in the effective regulatory enactments of the Republic of Latvia, unless another dispute settlement procedure is stipulated in the insurance contract by BTA and the Policyholder.

12. Processing of Personal Data

12.1. By concluding the insurance contract, the Policyholder confirms that he or she allows BTA, as the manager of the system, personal data recipient and personal data operator, as well as personal data operator registered in accordance with the procedure set forth in regulatory enactments of the Republic of Latvia, to process the data of the Policyholder, and also guarantees that he or she has the consent of the Insured for BTA or personal data operator registered in accordance with the procedure set forth in regulatory enactments of the Republic of Latvia to process the data of the Insured, including sensitive personal data and personal identification (classification) codes in accordance with the Personal Data Protection Law and other effective regulatory enactments of the Republic of Latvia for risk appraisal, insurance indemnity adjustment and insurance contract administration. In addition, the Policyholder certifies that he or she allows BTA to receive information from national registers containing personal data, information on the Policyholder, if such information is necessary for BTA. The Policyholder also guarantees that he or she has the consent of the Insured to carry out said activities. The confirmation referred to in this Clause is also valid to all individuals who enter into insurance contracts on behalf of a legal entity.

13. Right of Subrogation

13.1. If BTA pays out the insurance indemnity, BTA gains the right of subrogation to request compensation in the amount of the paid out insurance indemnity from the person from whom pursuant to regulatory enactments, concluded contract or any other agreement the Insurer may request complete or partial loss compensation.

13.2. If the Insured does not inform BTA in writing of another procedure, then also in the events where the insurance indemnity paid out by BTA covers only part of the losses of the Third Party, BTA may exercise its right of recourse irrespective of whether or not the Insured exercises his or her right to pursue a claim against the responsible party. BTA and the Insured may agree in writing upon cooperation in loss recovery, including on bringing a joint action and sustaining it.

14. Confidentiality

14.1. The parties undertake not to disclose confidential information received within the framework of the insurance contract on the parties of the insurance contract or Third Parties, as well as to not use it against the interests of other parties of the insurance contract, except for in the events set forth in the effective regulatory enactments of the Republic of Latvia. BTA is entitled to provide experts and reinsurers with the information related to the insurance contract, as well as to keep it in BTA databases.

15. Other Terms and Conditions

15.1. Unless the Policyholder has indicated otherwise when signing the insurance contract and it is not contrary to the effective regulatory enactments, the Policyholder agrees that BTA shall send him or her insurance offers:

15.1.1. to renew already concluded insurance contracts;

- 15.1.2. to conclude other insurance contracts irrespective of the type of insurance.
- 15.2. The contractual relationships ensuing from the insurance contracts are governed by regulatory enactments of the Republic of Latvia.
- 15.3. If the event where there is any contradiction between these Terms and Conditions and the terms and conditions of a respective type of insurance, the terms and conditions of the respective type of insurance shall be binding on the parties. In case there is any contradiction between the terms and conditions of a respective type of insurance and terms and conditions of the insurance contract, the terms and conditions of the insurance contract shall be binding on the parties.
- 15.4. If there is any contradiction between the text of these Terms and Conditions in Latvian and the translation thereof in any other foreign language, the text of these Terms and Conditions in Latvian shall prevail and be binding on the parties.
- 15.5. If there is any contradiction between the text of the terms and conditions of a respective type of insurance in Latvian and the translation thereof in any other foreign language, the text of the terms and conditions of a respective type of insurance in Latvian shall prevail and be binding on the parties.
- 15.6. These Terms and Conditions shall take effect from the moment they are approved by the BTA Board.
- 15.7. These Terms and Conditions are published on the BTA web site <http://www.bta.lv/noteikumi>
- 15.8. These Terms and Conditions are applied to insurance contracts signed starting from 31 January 2012, unless BTA and the Policyholder agree otherwise in the insurance contract.