

**Third Party Liability Insurance
General Terms and Conditions No. 1**

Effective as of 01.09.2020.

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1. DEFINITIONS OF TERMS, USED IN THESE TERMS AND CONDITIONS

Policyholder – person concluding insurance contract for the benefit of itself or another person.

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

Insurance Indemnity – amount of money payable for the Insured Event or costs of services to be provided in line with the concluded 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 to the amount specified in the Insurance Contract, as well as to fulfil other obligations under the Insurance Contract; in turn, BTA assumes liability to fulfil its obligations upon occurrence of an insured event in compliance with the provisions of the Insurance Contract. Insurance Contract shall include the following documents: these Terms and Conditions, Insurance Policy, annexes, amendments, agreements to Insurance Policy, concluded between the Policyholder and BTA.

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 shall not obligate BTA to conclude an insurance contract.

Insurance policy – document confirming the conclusion of Insurance Contract and which includes the terms and conditions of the Insurance Contract, which the Policyholder and BTA have agreed upon.

Insurance Premium – the payment for the insurance specified in the Insurance Contract.

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.

BTA – BTA Insurance Company AAS, the Insurer in terms of the Insurance Contract Law.

Harm incurred to life or health – death of a third party, loss of working ability, temporary incapacity to work, physical injury or illness, sustained by a Third party.

Financial losses – decrease of a Third party's property (expenses) not related to renewal of a damaged property or handling a harm incurred to health or physical condition.

Rescue expenses – reasonable minimum expenses concerning urgent damage repair or reduction measures, even in those cases, when these measures have not been successful;

Co-Insured – person indicated in the Insurance Contract in addition to the Insured, whose third party liability is insured. All the Regulations of the Insurance Contract shall refer to the Co-Insured likewise to the Insured.

Property damage – damage incurred to material moveable or immovable property possessed by a Third party or legally operated by a Third party, or a total loss of that property.

Event – activity or failure to act of the Insured resulting in losses of a Third party.

Extended loss reporting period – time-frame specified in the Insurance Contract after the end of the Insurance Period of the Insurance Contract. If Insurance Contract is terminated prior to the end of Insurance Period, the run of the Extended loss reporting period shall commence as of the moment of termination of the Insurance Contract.

Deductible – the amount of losses indicated in the Insurance Contract not reimbursed by BTA. Deductible may be defined as a fixed amount of money or percentage of the losses caused as a result of the occurrence of the insured event. When there are several types of deductibles specified in the Insurance Contract for one Insured event, the largest of them shall always be applied.

Notification on losses – notification by the Policyholder or the Insured to BTA in regard with a Claim lodged by a Third Party, or a legal claim filed to court, on a prospective Insured Event or Unlawful Activity, which might cause Claim lodging against the Insured.

Unlawful Activity – act or omission by the Insured, which caused losses to Third Parties.

Claim – an application by a Third Party to the Insured in writing with regard to indemnification for loss.

Written Document:

- a document drawn up in writing that contains all details provided for by the effective regulatory enactments of the Republic of Latvia, including signature;
- an electronic document signed with a secure electronic signature.

Retroactive period – period of time, specified in the Insurance Contract, before the start of the Insurance Period, losses resulting from an Event occurring during this period are indemnified by BTA on provision that neither the Policyholder, nor the Insured have been aware of the Event at the moment of conclusion of the Insurance Contract. The retroactive period of consecutively uninterruptedly concluded insurance contracts is the Insurance Period of all the previous insurance contracts. **Litigation expenses** – litigation and case administration related expenses, coordinated with BTA in writing, occurring from investigation and adjustment of the claim brought by a Third party against the Insured.

Third Party – any person who incurs damages due to the activity or lack of activity of the Insured and who is entitled to insurance indemnity pursuant to the provisions of the Insurance Contract, except for:

- the Policyholder, the Insured, the Co-Insured;
- the Policyholder's, the Insured's, the Co-Insured's relatives up to the third degree, spouse, as well as their in-laws up to the second degree;
- companies that are affiliated undertakings according to the definition of the Law on Enterprise Income Tax, affiliated with the Policyholder, the Insured, and their relatives up to the third degree, spouses, or their in-laws up to the second degree;
- employees, authorized or legal representatives of the Policyholder, the Insured, the Co-Insured;
- employer of the Policyholder, the Insured, the Co-Insured and the employer's employees.

2. INSURANCE OBJECT AND INSURANCE PROTECTION

2.1. The Insurance object is the third party liability of the Insured for losses incurred to Third Parties.

2.2. In accordance with the terms of the concluded Insurance Contract, BTA will pay insurance indemnity, compensating the following losses supported by documentary evidence:

2.2.1. losses specified in the respective Insurance Contract;

2.2.2. litigation costs;

2.2.3. rescue costs.

2.3. The insurance protection shall be in effect within the territory specified in the Insurance Contract.

3. LIABILITY LIMIT

3.1. Upon conclusion of Insurance Contract, Policyholder and BTA shall agree upon the liability limit for claims per a single insured event, the aggregate liability limit for the entire Insurance Period (the total liability limit for the Insurance Period).

3.2. The Policyholder and BTA may agree upon sublimits in the Insurance Contract, for instance, a sublimit for compensating a certain kind of losses and others.

3.3. The Insurance Indemnity paid for losses resulting from a single insured event may under no circumstances exceed the limit of liability for claims per a single insured event.

All damages incurred due to the same cause or due to continuous or repeated occurrence of circumstances shall be considered to be a single Insured Event, occurring in the Insurance Period, when the first claim was made.

3.4. The Insurance Indemnity paid for all insured events during the Insurance Period may not exceed the total limit of liability of the Insurance Period.

3.5. After disbursement of Insurance Indemnity, the aggregate liability limit of the Insurance Period shall be reduced for the amount of the Insurance Indemnity disbursed.

4. INSURANCE PERIOD AND THE PROCEDURE OF INSURANCE PROTECTION TAKING EFFECT

- 4.1.** An insurance period is the period of time when the protection provided by the insurance is in effect.
- 4.2.** The insurance protection takes effect at 00:00 of the first day of the Insurance Period specified in the Insurance Contract, though, no sooner than the moment when payment of the Insurance Premium has been made, or the Insurance Premium's first instalment, when the Insurance Contract provides for payment of the Insurance Premium by instalments, in cases when:
 - 4.2.1.** the Insurance Premium payment day has not been specified in the Insurance Contract;
 - 4.2.2.** the first day of the Insurance Period is specified in the Insurance Contract as the day of payment of the Insurance Premium;
 - 4.2.3.** the day of payment of the Insurance Premium is specified in the Insurance Contract prior to the first day of the Insurance Period.
- 4.3.** If the Insurance Contract states that the Insurance Premium or its first instalment is to be paid after the first day of the Insurance Period specified in the Insurance Contract, the insurance protection comes into force at 00:00 on the first day of the Insurance Period provided that the Policyholder pays the Insurance Premium or its first instalment within the time limits and in the amount specified in the Insurance Contract.
- 4.4.** In case the Insurance Premium or its first instalment has been paid after the payment term specified in the Insurance Contract, BTA is entitled to refund the Insurance Premium paid past the due date to the Policyholder within 10 calendar days, and in case BTA is unaware of a way how the Policyholder could receive the refunded Insurance Premium, request such information from the Policyholder in writing. In such a case, the insurance coverage shall not have taken effect.
- 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, insurance protection shall be in force in accordance with the provisions of Articles 4.2 and 4.3 of these Terms and Conditions.
- 4.6.** If the Insurance Premium or its first instalment is paid after the Insurance Premium payment term specified in the Insurance Contract, and a potential insured event has occurred before the Insurance Premium has been paid, then the insurance coverage shall not have taken effect and BTA shall be obliged to notify the Policyholder about the invalidity of the insurance coverage within 10 business days and refund the Insurance Premium paid past due to the Policyholder.
- 4.7.** The Insurance Contract shall be in effect until 24:00 of the last day of the Insurance Period indicated in the Insurance Contract, unless it is terminated before its expiry upon agreement between the Policyholder and BTA or due to other reasons.

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.** Insurance Premium shall be considered paid:
 - 5.2.1.** when the Insurance Premium is paid in cash – at the moment the respective amount of money has been paid in full at the cash department of BTA;
 - 5.2.2.** when the Insurance Premium is paid by a bank transfer – at the moment, when the respective amount of funds has been received in full at a bank account of BTA;
 - 5.2.3.** when the Insurance Premium is delivered by payment to an insurance intermediary, which BTA has expressly authorized to collect the Insurance Premium – at the moment when the respective amount of funds has been paid in full at the cashier's office of the insurance intermediary or received in full at a bank account of the insurance intermediary.
- 5.3.** If the Policyholder fails to pay the Insurance Premium within the due date specified in the Insurance Contract, the Policyholder shall pay a contractual penalty fee of 0.1% of the outstanding amount per each day past due to BTA, however, the total amount of the late payment penalty may not exceed 10% of the outstanding amount of Insurance Premium.
- 5.4.** BTA will not apply the penalty specified in Article 5.3 in cases, when:
 - a)** the Insurance Premium is required to be paid in one payment;
 - b)** the Insurance Premium is required to be paid in instalments – for the first instalment.

6. CONCLUSION OF INSURANCE CONTRACT BY MEANS OF DISTANCE COMMUNICATION

- 6.1.** 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.
- 6.2.** When the Insurance Contract is concluded by a Policyholder, who is a consumer, then such an Insurance Contract shall be subject to the Distance Contract Terms, which are publicly available on BTA's website www.bta.lv. The Distance Contract Terms, inter alia, describe the procedure of exercising the withdrawal rights, i.e., the rights to withdraw from the concluded Insurance Contract, including an available application form that 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.

7. INSURANCE CONTRACT TERMINATION PRIOR TO EXPIRY

7.1. The Insurance Contract may be terminated prior to its expiry upon agreement between BTA and the Policyholder.

7.2. BTA is entitled to terminate the Insurance Contract after disbursement of Insurance Indemnity having sent a prior notification thereupon to the Policyholder.

In this case, 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 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 insurance premium specified in the Insurance Contract, from the paid Insurance Premium, unless the parties have agreed otherwise.

7.3. The Insurance Contract shall be terminated prior to expiry or declared invalid as of its conclusion date in cases defined in the Insurance Contract Law.

7.4. Unless the Policyholder and BTA have agreed otherwise, as well as in the case it has been explicitly stated otherwise in the Insurance Contract Law, when terminating the Insurance Contract prior to its expiry, BTA will calculate and refund to the Policyholder the part of the unused Insurance Premium in the following procedure:

7.4.1. if no Insurance Indemnity has been paid and no prospective Insured Event has been reported within the effective period of the Insurance Contract, then BTA shall refund to the Policyholder the part of the paid Insurance Premium for each remaining day of the effective period of the Insurance Contract until the Insurance Contract's expiry date, deducting BTA's expenses related to the Insurance Contract conclusion amounting to 15% of the Insurance Premium specified in the Insurance Contract;

7.4.2. if Insurance Indemnity has been paid or a prospective Insured Event has been reported within the effective period of the Insurance Contract, then BTA shall refund 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 15% of the Insurance Premium specified in the Insurance Contract.

8. GENERAL EXCEPTIONS

8.1. Unless specified otherwise in the Insurance Contract, BTA shall not indemnify for losses:

8.1.1. directly or indirectly caused by an act of terrorism (an act, manifesting as application of power and violence, or threats to use it by any person or group of persons, acting on their own or in relation to any organisation or government, or on its behalf, which is being done on the basis of political, religious, ideological or ethnic reasons and includes the intent to influence the government or keep the public or a part of it in danger), neither are compensated any losses incurred due to the preventive measures against acts of terrorism;

8.1.2. directly or indirectly caused by an 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. directly or indirectly caused by an impact of nuclear explosion, nuclear energy or radioactive substances, direct or indirect radioactive pollution;

8.1.4. directly or indirectly caused by malicious intent or gross negligence of the Policyholder, the Insured or a Third Party;

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

8.1.6. directly or indirectly caused by construction materials or materials containing formaldehyde that exceeds the acceptable norms defined in regulatory enactments;

8.1.7. caused as a result of such processes that are of lasting, progressing or accumulative nature, including due to effects of temperature or humidity; effects of dust, soot; due to the earth surface settling or movement; due to settling or sagging of foundations of buildings; as a result of wear and tear;

8.1.8. caused as a result of dry or wet rot, stone bacilli, mould, fungus or bacteria, worms, rodents, etc.;

- 8.1.9.** caused by the Insured while under the influence of alcohol, drugs or other toxic or psychotropic substances present in its organism;
- 8.1.10.** that are contractual penalties, any fines or other similar sanctions ensuing from a contract or other kind of agreement;
- 8.1.11.** reimbursement of which the Insured has undertaken under any contract or agreement. However, the Insurer will indemnify for the loss if the 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.** incurred in relation to the fact that the Insured has failed to ensure any kind of insurance coverage, conclusion of insurance contracts or their validity;
- 8.1.13.** caused by the Insured by a water, air or land motor vehicle or other motorized vehicle subject to the compulsory civil liability insurance of motor vehicle owners (MTPL) or another similar institution;
- 8.1.14.** incurred in relation to consultations or recommendations provided by the Insured with regard to selection of computers or computer software; 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.** caused to relatives of the Policyholder or the Insured who live together with them and who share the same household;
- 8.1.16.** related to infringement of a Third Party's non-material rights or non-material assets, i.e. BTA shall not pay Insurance Indemnity for moral damages, as well as for harm to honour and dignity;
- 8.1.17.** the compensation of which, according to regulatory enactments, is designated to come from the state social insurance budget by granting pensions and allowances, or from the national or municipal budget by receiving benefits;
- 8.1.18.** incurred in relation to an impact of any kind of electromagnetic field or electromagnetic radiation, including effects caused by electricity transmission lines or any kind of electrical power product;
- 8.1.19.** 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 executive position holder, or a shareholder in any company, joint venture or another organisation, including any position in a trust, charity organisation or company;
- 8.1.20.** caused due to violation of regulations governing the use of patents, copyrights, company logos, trademarks or registered designs, or any other brand, as well as due to unfair competition;
- 8.1.21.** that are lost profits or loss of revenue.
- 8.2.** BTA shall not pay Insurance Indemnity, when the obligation to reimburse for the losses is by a ruling of a court of arbitration and the Insured or any other person on behalf of the Insured has given consent to the Third Party regarding settlement of the claim at the arbitration court without coordinating this with BTA.
- 8.3.** It shall not be regarded an insured event and no such expenses will be indemnified when incurred directly or indirectly in connection with:
 - 8.3.1.** state-issued regulatory enactments; declared emergency situation or state of exception, neither shall be reimbursed any losses or expenses that have arisen directly or indirectly in connection with any measures to eliminate the emergency situation or the state of exception;
 - 8.3.2.** epidemic or pandemic.

9. OBLIGATIONS OF THE POLICYHOLDER AND THE INSURED

- 9.1.** Both prior to conclusion of the Insurance Contract and over the entire effective period of the Insurance Contract, the Policyholder and the Insured shall be obliged to provide BTA with complete and true information with regard to the protection provided under the Insurance Contract, including any information about the Insurance Object and information necessary to assess the probability of occurrence of the Insured's third party liability, information about all changes and circumstances, which have occurred over the effective period of the Insurance Contract and which can affect the occurrence of the Insured's third party liability, as well as the information related to an Insured Event or a Claim by a Third Party.
In case the Policyholder or the Insured has failed to comply with the aforementioned obligation, such failure entails consequences under the Insurance Contract Law, to include rendering the Insurance Contract invalid, termination of the Insurance Contract, reduction or denial of Insurance Indemnity.
- 9.2.** Obligations of the Policyholder and the Insured, after the insurance coverage takes effect, shall be:
 - 9.2.1.** immediately, as soon as possible, to inform BTA in writing of any Event that could be a potential cause to bring a claim against the Insured regarding losses, subject to indemnity under the concluded Insurance Contract. The Policyholder and the Insured are also obliged to submit a written notification to BTA also in those cases, when the Insured does not consider itself at blame for causing the losses, the Third Party has not made a claim or there is no information that the Event would have resulted in losses;
 - 9.2.2.** to take all possible reasonable measures in order to avert or reduce the incurred or contingent losses,

which might serve as grounds to claims by Third Parties.

- 9.3.** Upon the receipt of a Third Party claim, the Policyholder and the Insured shall be obliged:
- 9.3.1.** immediately, as soon as possible, to notify in writing of a claim received from a Third Party by submitting a notification of a certain form about losses to BTA enclosing the claim and all the documents received from the Third Party that allow judging on the causes, nature and amount of the inflicted losses, to provide BTA with complete and true information on the potential Insured Event, as well as to inform whether the Insured admits the Third Party's claim;
 - 9.3.2.** to submit all the information and documents requested by BTA, including those containing commercial secret, if they are available to the Policyholder or the Insured, so that BTA could determine the causes of the potential Insured Event and the amount of losses;
 - 9.3.3.** to inform BTA of all effective insurance contracts under which the third-party liability of the Insured is insured;
 - 9.3.4.** to the extent possible, to enable BTA to take part in the process of establishing the causes and the 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.** In case the Policyholder or the Insured has failed to comply with any obligations referred to in Article 9.2 or 9.3 due to malicious intent or gross negligence, BTA shall be entitled to refuse Insurance Indemnity payment. BTA may reduce the Insurance Indemnity, but by no more than 50%, 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 cause to bring a claim against the Insured or upon receiving a Third Party's claim may be received by calling BTA Customer Support Service hotline at (+371) 26121212. Precisely following these instructions shall be considered the fulfilment of the obligations imposed on the Policyholder and the Insured.

10. INSURED EVENT AND INSURANCE INDEMNITY PAYMENT PROCEDURE

- 10.1.** For purposes of these Terms and Conditions, an Insured Event shall be considered an Event due to which a Third Party incurs losses subject to be reimbursed under these Terms and Conditions provided that all of the following conditions set in:
- 10.1.1.** the Event has occurred during the insurance period or the retroactive period;
 - 10.1.2.** the Event has occurred within the insurance territory;
 - 10.1.3.** notification of the Insured on the Event or Third Party's claim is first submitted to the Insured (if the claim has been submitted to the Policyholder, it shall be considered that the claim has been submitted to the Insured) during the insurance period or the extended loss reporting period, i.e. within 3 (three) years after the expiry of the Insurance Contract;
 - 10.1.4.** during the insurance period or the extended loss reporting period, i.e. within 3 (three) years after the expiry of the Insurance Contract, the Insured has submitted a claim – notification of losses to BTA.
- 10.2.** BTA shall pay Insurance Indemnity in the amount of the losses caused to a Third Party including litigation 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 unpaid part of the Insurance Premium specified in the Insurance Contract in full.
- 10.3.** BTA shall pay Insurance Indemnity in accordance with the terms of the Insurance Contract, in the insurance period or extended loss reporting period of which the Third Party has first submitted a claim to the Insured provided that the Event has occurred during the insurance period or retroactive period.
- 10.4.** The following conditions shall be applied in claims handling:
- 10.4.1.** in the case when the Insured or another person on its behalf has given any pledge to a Third Party regarding the claim handling without coordinating this in writing with BTA, such pledge shall not be binding upon BTA;
 - 10.4.2.** in case the Insured, contrary to BTA recommendations, refuses to settle claims of a Third Party for the amount recommended by BTA, BTA shall be entitled to pay insurance indemnity only in the amount recommended by BTA for handling the claim;
 - 10.4.3.** in case the Insured or another person on behalf of the Insured agree upon claim adjustment procedure, but BTA is unable to find out or ascertain the circumstances of the occurrence of the potential Insured Event or the amount of losses, BTA shall not pay the insurance indemnity.
- 10.5.** BTA shall be entitled, however not obliged, to take over and to consider and handle any demand or claim on behalf of the Insured, or to settle it by compromise at any stage or instance of handling, as well as to file a legal claim and to represent the interests of the Insured in court. BTA enjoys operational autonomy in selecting the way and strategy of claims handling, while the Insured shall be obliged to provide BTA with all the information or assistance required with regard to handling these processes, to include granting BTA all the necessary authorisations.

- 10.6.** If an Insured Event results in losses caused to several persons and the amount of losses exceeds the liability limit specified in the Insurance Contract set for claims for a single Insured Event, BTA shall pay insurance indemnities:
- 10.6.1.** in proportion to the amount of the inflicted losses for all claims submitted to BTA until the first Insurance Indemnity payment day, furthermore, until the moment the aggregate amount of the disbursed insurance indemnities reaches the liability limit specified in the Insurance Contract for claims for a single Insured Event;
 - 10.6.2.** in the sequence that the claims have been submitted, when not submitted concurrently, furthermore, until the moment the aggregate amount of the disbursed insurance indemnities reaches the liability limit specified in the Insurance Contract for claims for a single Insured Event.
- 10.7.** If it is established that several persons are jointly liable for causing the losses, the Insurance Indemnity shall be paid to the Third Party in proportion to the degree of liability of the Insured.
- 10.8.** In the case when other persons reimburse the Third Party for the caused loss, BTA shall only pay 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 shall be obliged to inform BTA of such reimbursement, also in the case when such reimbursement is received after BTA has already paid out Insurance Indemnity or after expiry of the Insurance Contract.
- 10.9.** The Insured undertakes to settle its obligations towards the Third Party in the amount of the deductible and the unpaid part of the Insurance Premium on its own.
- 10.10.** No later than within 15 calendar days after receiving the documents confirming illegal activity or failure to act by the Insured, the occurrence of losses, and causal relationship between the Insured's illegal activity and the losses, BTA shall make a decision regarding payment of Insurance Indemnity, reduction of its amount or refusal to pay it, and inform the Third Party, the Insured and the Policyholder thereof in writing within 10 working days since the moment the decision is made.

11. DISPUTE SETTLEMENT PROCEDURE

- 11.1.** All disputes arising between the parties of the Insurance Contract shall be settled by means of negotiation. If no mutual agreement is thus 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 effective regulatory enactments of the Republic of Latvia, unless BTA and the Policyholder have agreed upon another dispute settlement procedure in the Insurance Contract.

12. PROCESSING OF PERSONAL DATA

- 12.1.** 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.
- 12.2.** Principles of personal data processing performed by BTA are published on BTA website www.bta.lv.

13. SUBROGATION RIGHTS

- 13.1.** If BTA has disbursed Insurance Indemnity, BTA obtains subrogation rights to claim indemnity amounting to the disbursed Insurance Indemnity from the person, from which the Insurer may claim complete or partial indemnification for losses by pursuant to regulatory enactments, concluded contracts or any other agreement.
- 13.2.** If the Insured has not informed BTA in writing about any other procedure, then, also in cases when Insurance Indemnity disbursed by BTA covers only part of loss of the Insured, BTA is entitled to exercise its subrogation rights regardless of whether the Insured does or does not exercise its rights to bring a claim against the guilty person. BTA and the Policyholder or the Insured may agree in writing upon cooperation in recovery of losses, including bringing the case before the court and pursuing it together.

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 not to 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 information related to the Insurance Contract, persons engaged by BTA for Insurance Contract performance, as well as to store it in BTA databases.

15. OTHER PROVISIONS

- 15.1.** Procedure how BTA handles a complaint for being dissatisfied with the Insurance Contract or insurance services submitted by the submitter of insurance application, the Policyholder, the Insured, the Beneficiary and another person entitled to claim Insurance Indemnity, is publicly available on BTA's website www.bta.lv.

- 15.2.** All disputes arising between the parties to the Insurance Contract shall be settled by means of negotiation. If no mutual agreement is thus reached, the dispute shall be finally resolved in a court of the Republic of Latvia according to the effective regulatory enactments of the Republic of Latvia.
- 15.3.** Notifications, requests and information related to the Insurance Contract, BTA, as well as the Policyholder and the Insured shall provide in writing or upon the use of durable medium or means of distant communication, upon the use of which the parties have agreed in the Insurance Contract.
- 15.4.** Upon request by the Policyholder, the Insured or another person, entitled to claim the Insurance Indemnity, BTA shall provide the claimant with its notifications, requests and the information, provided upon the use of website, durable medium or any other means of distant communication, in writing and free of charge.
- 15.5.** BTA is not entitled to provide insurance and BTA is not obliged to pay the Insurance Indemnity or provide benefits in accordance with the Insurance Contract, as long as provision of such insurance, Insurance Indemnity disbursement or provision of benefits:
- 15.5.1.** subjects BTA to sanctions, restrictions or limitations, established by the resolutions of the United Nations or trade or economic sanctions, regulatory enactments of the European Union, the Republic of Latvia or the United States of America (upon condition that it does not violate any regulations or regulatory enactments, applicable to BTA);
- 15.5.2.** subjects a reinsurance company, the whom the insurance contract is submitted for reinsurance, to sanctions, restrictions or limitations, established in accordance with the regulatory enactments of the reinsurance company's state of registration.
- 15.6.** The contractual relationships under the insurance contracts are governed by regulatory enactments of the Republic of Latvia.
- 15.7.** In case any contradiction is found 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 upon the parties.
- 15.8.** In case of 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 upon the parties.
- 15.9.** If there is any contradiction between the text of these Terms and Conditions in Latvian and the its translation in any other foreign language, the text of these Terms and Conditions in Latvian shall be of priority and be binding upon the parties.
- 15.10.** If there is any contradiction between the text of the terms and conditions of a respective type of insurance in Latvian and its translation in any other foreign language, the text of the terms and conditions of a respective type of insurance in Latvian shall be of priority and be binding upon the parties.