



# RENTAL AGREEMENT INSURANCE

Terms and Conditions No.01ĪL.02  
Effective as of 10.11.2023

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**bta**

VIENNA INSURANCE GROUP

In accordance with these Terms and Conditions, BTA and the Policyholder enter into Rental Agreement insurance Contracts pursuant to which BTA ensures protection of the tenant's payment obligations arising from the Rental Agreement, reducing consequences of sudden changes in the tenant's economic condition caused by loss of work, Accident, illness, death, or damage to the rented property. Rental Agreement Insurance protects the landlord ensuring performance of the tenant's payment obligations under the Rental Agreement.

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### 1. TERMS USED IN THE TERMS AND CONDITIONS

**Accident** – a sudden, unforeseen event beyond the Insured's control, occurring due to external circumstances and causing harm to the physical condition of the Insured.

**Beneficiary** – a landlord specified in the Rental Agreement, a person, to whom the Insurance Indemnity is paid upon occasions specified in the Rental Agreement.

**BTA** – AAS BTA Baltic Insurance Company, the Insurer for the purposes of 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 to the amount specified in the Insurance Contract, as well as to fulfil all other obligations under the Insurance Contract; in turn, BTA undertakes to pay the Insurance Indemnity to the person stated in the contract upon the occurrence of the Insured Event in compliance with the provisions of the Insurance Contract. The Insurance Contract includes these Terms and Conditions, Insurance Policy, Annexes to the Insurance Policy, amendments thereto, other agreements concluded between the Policyholder and BTA.

**Insurance Indemnity** – the sum to be paid for the Insured Event.

**Insurance Period** – a period of 12 months beginning on the effective date of the Rental Agreement and expiring on the expiry date of the Rental Agreement. And if:

- the Rental Agreement has been signed for a period with a duration exceeding 12 months, the Insurance Period shall be extended to the expiry of the validity period of the Rental Agreement;
- the Rental Agreement has been signed for a period shorter than 12 months, the Insurance Period shall match the validity period of the Rental Agreement;
- the Insurance Contract is signed during the validity period of the Rental Agreement, the Insurance Period shall begin on the date agreed on by the Policyholder and BTA and expire in accordance with the procedures described above.

**Insurance Policy** – a document verifying entry into the Insurance Contract and including terms and conditions of the Insurance Contract agreed on by the Policyholder and BTA, as well as information provided by the Policyholder regarding the Policyholder, the Insured, and the Beneficiary. If the Insurance Policy does not have signatures of the parties, it shall not affect the validity of the Insurance Contract.

**Insurance Premium** – monthly payment for the insurance prescribed in the Insurance Contract and the Insurance Contract. The amount of Insurance Premium depends on the amount of the Rent Fee.

**Insured** – a tenant who entered into a Rental Agreement.

**Insured Event** – event that is related to the Insured Risk by causation upon occurrence of which disbursement of the Insurance Indemnity is provided under the Insurance Contract.

**Insured Risk** – an event that might happen in future and that does not depend on the will of the Insured specified in the Insurance Contract.

**Payment Date** – a date on which the Rent Fee should be paid in accordance with the Rental Agreement.

**Policyholder** – a person that concludes an Insurance Contract on behalf of oneself or another person.

**Rent Fee** – monthly Rent Fee payment stated in the Rental Agreement.

**Rental Agreement** – a Rental Agreement, the number of which is specified in the Insurance Contract.

**Sum Insured** – the maximum amount to be paid out during the Insurance Period upon occurrence of the Insured Event.

## 2. INSURANCE OBJECT

**2.1.** The Insurance Object means performance of the Insured's payment obligations arising from the Rental Agreement.

**2.2.** Application may be submitted and the Insurance Indemnity may be paid during the Insurance Period:

**2.2.1.** only for one Insured Event, when the insured risks occur – for the following types of insurance coverage: "Death", "Rent Fee Delay", and "Harm Caused by the Tenant";

**2.2.2.** for several Insured Events, when the insured risks occur – for the following types of insurance coverage: "Unemployment Insurance" and "Incapacity of Work".

## 3. INSURANCE COVERAGE

**3.1.** Insurance coverage shall be valid across the whole world. Insurance coverage for the risk "Harm Caused by the Tenant" shall be valid for the apartment property specified in the Rental Agreement.

**3.2.** The following Insured Risks – types of insurance coverage are insured by entering into the Insurance Contract:

**3.2.1.** "Death";

**3.2.2.** "Incapacity of Work";

**3.2.3.** "Unemployment Insurance";

**3.2.4.** "Rent Fee Delay";

**3.2.5.** "Harm Caused by the Tenant".

## 4. TYPE OF INSURANCE COVERAGE – DEATH

**4.1.** BTA shall pay out the Insurance Indemnity to the heirs of the Insured if the Insured dies due to an Accident occurring during the Insurance Period or as a result of an acute illness (previously not manifested) diagnosed during the Insurance Period.

**4.2.** BTA shall pay out a one-off Insurance Indemnity in the amount of a Rent Fee stated in the Rental Agreement for 3 months:

**4.2.1.** excluding the Insurance Indemnity paid for the type of insurance coverage "Incapacity of Work", if any, and

**4.2.2.** without exceeding the Sum Insured specified in the Insurance Contract under "Death".

## 5. TYPE OF INSURANCE COVERAGE – INCAPACITY OF WORK

**5.1.** BTA shall pay out the Insurance Indemnity to the Insured if the Insured has a temporary incapacity of work due to an Accident occurring during the Insurance Period or due to acute (previously not manifested) illness diagnosed during the Insurance Period confirmed by a sick-leave certificate issued by the treating physician or an expert decision of the State Medical Commission for the Assessment of Health Condition and Working Ability.

**5.2.** The Insurance Coverage shall become effective:

**5.2.1.** from the first day of the Insurance Period, if a temporary incapacity of work has occurred due to an Accident;

**5.2.2.** on the 31st day, counting from the first day of the Insurance Period, if a temporary incapacity of work has occurred due to an illness.

**5.3.** BTA shall pay out the Insurance Indemnity if the sick-leave certificate period for a temporary incapacity of work exceeds 30 days. The right to receive the Insurance Indemnity arises from the 31st day of a temporary incapacity of work.

**5.4.** Insurance Indemnity includes:

**5.4.1.** Monthly Rent Fee specified in the Rental Agreement;

**5.4.2.** Expenses directly related to the rented apartment specified in the Rental Agreement; expenses for the utility services, not exceeding 35 % of the monthly Rent Fee specified in the Rental Agreement, per month.

**5.5.** BTA shall pay out the Insurance Indemnity for "Incapacity of Work" to the day when any of the following events occur:

**5.5.1.** a full Sum Insured stated in the Insurance Contract for the type of insurance coverage "Incapacity of Work" has been paid;

**5.5.2.** the Insured has died.

## **6. TYPE OF INSURANCE COVERAGE – UNEMPLOYMENT INSURANCE**

- 6.1.** BTA shall pay out the Insurance Indemnity to the Insured if the Insured loses their work during the Insurance Period due to the employer's notice, including related to reducing the number of employees, bankruptcy or liquidation of the employer, collective redundancy, on condition that the Insured receives the status of an unemployed person and is granted the unemployment benefit.
- 6.2.** The Insurance Coverage shall become effective on the 61st day counting from the first day of the Insurance Period.
- 6.3.** For the types of insurance coverage "Unemployment Insurance" to be effective, the following conditions should be simultaneously fulfilled:
- 6.3.1.** the Insured is within the age bracket from 18 to 60;
  - 6.3.2.** at the day when the Insured Event has occurred, the Insured has been constantly employed by one employer for at least 6 months in the Republic of Latvia in accordance with an employment contract entered into for an indefinite period of time and with a working week of at least 20 hours;
  - 6.3.3.** the Insured has not been granted an old-age or service pension;
  - 6.3.4.** the Insured has not received a notice from the employer by the commencement date of the Insurance Period;
  - 6.3.5.** the Insured as a private person has not been issued an insolvency application, insolvency proceedings have not been declared by the commencement date of the Insurance Period;
  - 6.3.6.** by the commencement date of the Insurance Period, legal protection proceedings have not been initiated against the employer of the Insured, insolvency proceedings have not been initiated, the employer has not been recognised insolvent, liquidation or reorganisation of the employer has not been initiated, the operation licence of the company has not been suspended, reduction of the employee number has not been initiated.
- 6.4.** BTA shall pay out the Insurance Indemnity if the unemployment period exceeds 30 days. The right to receive the Insurance Indemnity arises from the 31st day of unemployment.
- 6.5.** Insurance Indemnity includes:
- 6.5.1.** Monthly Rent Fee specified in the Rental Agreement;
  - 6.5.2.** Expenses directly related to the rented apartment specified in the Rental Agreement; expenses for the utility services, not exceeding 35 % of the monthly Rent Fee specified in the Rental Agreement, per month.
- 6.6.** Insurance Indemnity for "Unemployment Insurance" is paid out until the day when full Sum Insured specified in the Insurance Contract for the type of insurance coverage "Unemployment Insurance" is paid out.

## **7. TYPE OF INSURANCE COVERAGE – RENT FEE DELAY**

- 7.1.** BTA pays out the Insurance Indemnity to Beneficiary if the Insured has not paid the Rent Fee and the sum of delayed Rent Fee payments exceeds the Rent Fee of 2 months.
- 7.2.** Insurance Indemnity is paid out in the amount of the delayed Rent Fee.
- 7.3.** The precondition for payment of the Insurance Indemnity is a warning on termination of the Rental Agreement sent by the Beneficiary or the authorised person of the Beneficiary to the Insured.
- 7.4.** The Insurance Indemnity for the "Rent Fee Insurance" is paid out to the day when full Sum Insured specified in the Insurance Contract for the type of insurance protection "Rent Fee Insurance" has been paid.
- 7.5.** BTA is entitled to request the Insured to repay the paid Insurance Indemnity, and the Insured is obliged to make a repayment to BTA by the specified deadline.
- 7.6.** Beneficiary is obliged to submit to BTA at the request of BTA documents, e.g., a written notice to the Insured regarding the delay in Rent Fee payment, and to submit to BTA the necessary authorisations required by BTA to exercise its rights referred to in Clause 7.5.

## **8. TYPE OF INSURANCE COVERAGE – HARM CAUSED BY THE TENANT**

- 8.1.** BTA shall pay out the Insurance Indemnity to Beneficiary for cases when the Insured has damaged the apartment property stated in the Rental Agreement, its equipment, or the Beneficiary's property in the apartment.
- 8.2.** Within the framework of this type of insurance coverage, the Insured shall also mean persons staying on a legal basis at the apartment property specified in the Rental Agreement, e.g., the Insured's family members.
- 8.3.** The Insurance Indemnity shall be paid out to compensate the direct losses related to damage caused to the property owned by the Beneficiary.
- 8.4.** If repairs of the damaged property or item are economically justified, BTA shall pay the Insurance Indemnity in the amount of the repair expenses. If repairs of the damaged property or items are economically unjustified or the item cannot be replaced with an equivalent, the Insurance Indemnity shall be paid in the amount of the market value of the damaged property as on the date when the Insured Event occurred. If items

equivalent to the damaged items are not available on the market, the calculation of the Insurance Indemnity shall be based on the value of items as similar as possible and of not worse quality, e.g., the latest model of the damaged item.

- 8.5. The Insurance Indemnity shall be paid to the Beneficiary to compensate for the losses, but not exceeding the Sum Insured specified for the type of insurance coverage "Harm Caused by the Tenant".
- 8.6. If the Beneficiary has agreed with the Insured on elimination of losses, or the Insured has already eliminated the loss in full or in part, BTA shall not recognise such agreements and actions as binding on it and shall not pay the Insurance Indemnity, if BTA will not receive submitted evidence on the Insured's liability for damage to the property and the amount of losses caused by the damage.
- 8.7. If the Insurance Indemnity for the damaged property may be requested under another Insurance Contract, e.g., Property Insurance Contract, the Beneficiary shall at first request disbursement of the Insurance Indemnity in accordance with that contract.
- 8.8. Losses for damage to property occurring due to reasons beyond the Insured's control, e.g., due to burglary, shall not be compensated. Losses for damage caused to property owned by the Insured or other third parties which are not Beneficiary, e.g., the Insured's family members, neighbours, shall not be compensated.
- 8.9. BTA is entitled to request from the Insured repayment of the paid Insurance Indemnity, and the Insured is obliged to repay it to BTA if the Insured has caused harm to the property of the Beneficiary located in the apartment property specified in the Rental Agreement due to the following reasons:
  - 8.9.1. harm has been caused due to intentional actions of the Insured (evil intent or gross negligence);
  - 8.9.2. at the moment of causing harm, the Insured has been using alcohol, narcotic, psychotropic substances, or medication which has not been prescribed by a doctor.

## 9. EXCEPTIONS

- 9.1. Exceptions applicable to the following types of insurance coverage: "**Death**" and "**Incapacity of Work**".

It shall not be deemed to be an Insured Event, and the Insurance Indemnity shall not be paid, if:

- 9.1.1. at the moment when the Accident occurred, the Insured was under influence of medication used without the medical prescription, under the influence of alcohol, narcotic or psychotropic substances, or if the referred to substances have been identified in the Insured's body, as well as if the Insured has refused from testing to identify the presence of the substances referred to in this clause in his body;
- 9.1.2. the Accident has occurred when the Insured was engaged in motor sport, auto racing, water motor sport, rock climbing, mountain climbing, diving deeper than 40 metres, skydiving, gliding, bungee jumping, speleology, any type of sport or activity related to jumping from heights, boxing, incl. kick boxing and Thai boxing, Alpine skiing outside marked routes;
- 9.1.3. the Accident has occurred when the Insured was participating at a world level or continental level competitions, when attempting to set a record, or participating in professional sport activities (the Insured is preparing for sports competition and participating in it against remuneration);
- 9.1.4. the Accident has occurred when the Insured was flying on an aeroplane, except flights with commercially licensed passenger airlines;
- 9.1.5. the Accident has occurred when the Insured was serving in the defence forces, incl., the professional military service;
- 9.1.6. the illness of the Insured is a mental illness (for example, neurotic and somatoform disorders, behavioural syndromes, affective (mood) disorders, schizophrenia, schizotypal disorders and nightmares); sexually transmitted disease (for example, syphilis, gonococcus infection, HIV, AIDS); an illness related to abuse of alcohol or other toxic substances; an inherent disease; a chronic disease or recurring disease requiring the use of medication to control it, or requiring regular visits to a doctor; a stroke; epilepsy;
- 9.1.7. the Insured is undergoing a cosmetic surgery, plastic surgery, scheduled treatment (including surgeries), an abortion, giving birth, family planning, or treatment of infertility;
- 9.1.8. the Insured has been diagnosed with a bacteriological infection, except tetanus or rabies, and other infections which have entered the body as a result of Accident;
- 9.1.9. the Insured has been diagnosed with changes to the spinal curve; internal or cerebral bleeding, except cases when caused by the Insured Event;
- 9.1.10. the Insured experiences poisoning, incl. poisoning by alcohol or drugs, poisoning from food, salmonellosis, dysentery, etc.;
- 9.1.11. suicide or a suicide attempt has been committed, or intentional harm has been caused to own health to cause an injury or an illness;
- 9.1.12. the Insured has an injury or an illness which has been diagnosed or was known before the effective date of the Insurance Contract;

**9.1.13.** the Insured has not sought medical aid in a timely manner and/or has not adhered to the indicated recovery course.

**9.2. Exceptions applicable to the type of insurance coverage "Unemployment Insurance".**

It shall not be deemed to be an Insured Event, and the Insurance Indemnity shall not be paid, if:

- 9.2.1.** employment relations have been terminated due to a notice by the Insured, or the employment relations have been terminated by mutual agreement between the Insured and the employer;
- 9.2.2.** until the date of commencement of the Insurance Period, public information has been available that the employer of the Insured would reduce the number of employees, or the employer of the Insured has informed employees on planned reduction of the employee number;
- 9.2.3.** employment relations have been terminated because the Insured has acted illegally when performing the work and has therefore lost the trust of the employer;
- 9.2.4.** employment relations have been terminated because the Insured has acted against good virtues when performing the work, and such conduct cannot be combined with continuation of the legal employment relations;
- 9.2.5.** employment relations have been terminated because the Insured, without a justifiable reason, has significantly violated the employment agreement or the set work procedures;
- 9.2.6.** employment relations have been terminated because the Insured has been under the influence of alcohol, drugs, or toxic substances when performing the work;
- 9.2.7.** employment relations have been terminated because the Insured has committed a serious violation of occupational protection rules and has endangered safety and health of other persons;
- 9.2.8.** the lost work is a seasonal or temporary work, or it is a work based on royalties contract or company contract, or an employment contract entered into for a definite period of time has expired;
- 9.2.9.** the Insured and the employer are mutually related, i.e., a company which is the employer is owned by the Insured, the spouse of the Insured, a relative of the Insured to the third degree or an in-law to the second degree;
- 9.2.10.** the employment agreement has been terminated by a court ruling, or the Insured has lost the right to perform the relevant work;
- 9.2.11.** the Insured is self-employed or an individual merchant;
- 9.2.12.** employment relations have been terminated during the trial period;
- 9.2.13.** an employment agreement entered into for a definite period of time has expired;
- 9.2.14.** employment relations are expired.

**9.3. Exceptions applicable to the insurance coverage "Harm Caused by the Tenant":**

It shall not be deemed to be an Insured Event, and the Insurance Indemnity shall not be paid for:

- 9.3.1.** the usual wear and tear;
- 9.3.2.** intangible harm;
- 9.3.3.** mutual claims between the Insured and their family members and other rightful users of the immovable property specified in the Rental Agreement;
- 9.3.4.** damage to the collections of jewellery, precious metals and products thereof; precious stones and semi-precious stones; paintings; art items; unique items; prototypes; collections (of uniform items (e.g., stamps, post cards, calendars, labels, coins) with a scientific, cultural, historical or artistic meaning and which have been collected for non-commercial purposes); antique items (antique items are such items that have been made at least 70 years ago, counting from the date of signing the Insurance Contract);
- 9.3.5.** foregone income and unearned profit.

**9.4. Exceptions applicable to all types of insurance coverage.**

It shall not be deemed to be an Insured Event, and the Insurance Indemnity shall not be paid, if:

- 9.4.1.** the event does not correspond to indications of the Insured Event specified in these Insurance Terms and Conditions;
- 9.4.2.** the event has taken place before the effective date of the insurance coverage or after its expiry;
- 9.4.3.** the Insured has committed criminally punishable actions;
- 9.4.4.** occurrence of the Insured Risk has been directly or indirectly caused by evil intent or gross negligence of the Policyholder, the Insured, or the Beneficiary;
- 9.4.5.** the Insured Event is related to war, invasion, occupation, annexation, hostile act of a foreign country (with or without evidence on involvement of a 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;
- 9.4.6.** the Insured Event is related to direct or indirect impact of a nuclear explosion, exposure to nuclear energy or radioactive substances, direct or indirect radioactive pollution;
  - 9.4.7.** the Insured Event is related to a 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;
  - 9.4.8.** the Insured Event directly arises in relation to a declared emergency situation or exceptional condition, including no compensation for any losses or expenses arising directly or indirectly from any measures of elimination of the emergency situation or exceptional condition;
  - 9.4.9.** the Insured Event has directly arisen in relation to an epidemic or pandemic, except the type of insurance coverage "Unemployment Insurance".

## **10. OBLIGATIONS UPON OCCURRENCE OF A POSSIBLE INSURED EVENT**

- 10.1.** Obligations of the Beneficiary, the Insured (in the case of death of the Insured – of the heirs) the performance of which is a precondition for payment of the Insurance Indemnity:
- 10.1.1.** immediately, as soon as possible, notify BTA on occurrence of the possible Insured Event by providing accurate information on circumstances of the occurrence of the possible Insured Event. The Insured is entitled to authorise another person to inform on the possible Insured Event; and, in this case, information provided by such a person shall be deemed as information provided by the Insured, and the Insured is responsible for completeness and correspondence of the information provided by this person to the actual circumstances.
  - 10.1.2.** In the case of the type of insurance coverage "**Death**", additionally submit to BTA:
    - 10.1.2.1.** a copy of the death certificate;
    - 10.1.2.2.** an autopsy report or extract by the medical treatment institution stating the cause of death.
  - 10.1.3.** In the case of the type of insurance coverage "**Incapacity of Work**", additionally submit to BTA:
    - 10.1.3.1.** a statement from the medical treatment institution, a conclusion by a certified physician - specialist, stating an accurate diagnosis, conclusions of examinations, including laboratory examinations;
    - 10.1.3.2.** documents of relevant authorities proving occurrence of the Accident or stating the diagnosis of illness;
    - 10.1.3.3.** a certificate drawn up by the employer and a competent state institution if the Accident has taken place at work or in the related territory, or while performing the work duties;
    - 10.1.3.4.** copies of the Insured's ambulatory card and examination reports for the period when the Insured was on sick leave, if the sick leave was taken as a result of illness;
    - 10.1.3.5.** an extract – medical history from a hospital if treatment was undergone at a hospital during the period for which the Insurance Indemnity is claimed, if the incapacity of work occurred due to illness;
    - 10.1.3.6.** a sick-leave certificate issued in accordance with the requirements specified in laws and regulations of the Republic of Latvia with a stated sick-leave period.
  - 10.1.4.** In the case of the type of insurance coverage "**Unemployment Insurance**", additionally submit to BTA:
    - 10.1.4.1.** a document issued by the State Employment Agency as proof to a granted status of an unemployed person;
    - 10.1.4.2.** a decision on granting the status of an unemployed person issued by the State Social Insurance Agency;
    - 10.1.4.3.** a document based on which employment relations have been terminated.
  - 10.1.5.** In the case of the type of insurance coverage "**Rent Fee Delay**", submit a warning on termination of the Rental Agreement due to delayed Rent Fee payment which was sent to the Insured;
  - 10.1.6.** in the case of the type of insurance coverage "**Harm Caused by the Tenant**":
    - 10.1.6.1.** take all necessary measures to prevent or reduce further losses, as well as carry out instructions given by BTA aimed at reducing losses caused due to occurrence of the Insured Risk;

- 10.1.6.2.** immediately notify the State Fire-fighting and Rescue Service (VUGD) if the possible Insured Event has occurred due to fire, as well as notify other state institutions (e.g., State Police; Gas Emergency Service) in the cases provided for by laws and regulations of in force in the Republic of Latvia;
  - 10.1.6.3.** submit photographs or video recordings of the damaged items;
  - 10.1.6.4.** keep the useful remains of the damaged items and hand them over to the possession of BTA at the request of BTA for the period of inspection (if an inspection will be necessary).
  - 10.1.7.** submit a Rental Agreement and invoices prepared in accordance with the Rental Agreement;
  - 10.1.8.** submit other documents requested by BTA regarding the possible Insured Event, including such documents containing a trade secret or health data of a natural person so that BTA could determine causes of the possible Insured Event and the scope of the caused losses;
  - 10.1.9.** release the treating physicians from their duty of confidentiality and authorise a BTA representative to become acquainted with information included in the Insured's medical card and other documents related to the possible Insured Event and is necessary to decide on payment of the Insurance Indemnity;
  - 10.1.10.** permit BTA to perform an additional inspection to evaluate the Insured's health condition in relation to the possible Insured Event. BTA tasks the BTA medical experts or other specialists with the mentioned inspection. Expenses related to the actions mentioned in this clause are covered by BTA.
- 10.2.** The Insured may receive the instructions on actions to be undertaken in the case an Insured Event occurs by calling BTA Customer Support Service on 24/7 line (+371) 26121212. Accurate performance of these instructions is a precondition for receipt of the Insurance Indemnity.

## 11. INSURANCE INDEMNITY

- 11.1.** BTA shall indemnify the losses incurred due to the Insured's (tenant's) inability to perform the Rental Agreement due to occurrence of an Insured Event.
- 11.2.** When paying the Insurance Indemnity, BTA is guided by the data of the Rental Agreement at the moment when the Insured Event occurs.
- 11.3.** Maximum amount of Insurance Indemnity (Sum Insured) is stated in the Insurance Contract. If it appears that the Rent Fee which was taken as a base for calculations of the Sum Insured is unreasonably high, market Rent Fee for an equivalent rented apartment property shall be taken as the basis for calculation of the maximum amount of the Insurance Indemnity.
- 11.4.** Not later than within 5 business days after receipt of all documents which are necessary to clarify causes of the possible Insured Event and determine the amount of losses, BTA shall decide on payment of the Insurance Indemnity or refusal to pay the Insurance Indemnity.
- 11.5.** If the payment of the Insurance Indemnity is delayed because of BTA's fault, BTA shall pay a contractual penalty of 0.1 % from the unpaid sum of Insurance Indemnity for each day of delay; however, the total amount of the contractual penalty may not exceed 10 % of the unpaid amount of the Insurance Indemnity.
- 11.6.** After the request of the person entitled to claim the Insurance Indemnity, BTA shall acquaint the person with documents based on which BTA made a decision on payment of the Insurance Indemnity or refusal to pay the Insurance Indemnity, or shall issue copies of documents against fee not exceeding the expenses for making the copies of documents.
- 11.7.** BTA shall not acquaint the person entitled to claim the Insurance Indemnity with the documents and shall not issue copies of the documents if:
  - 11.7.1.** BTA has submitted documents to law enforcement authorities within the framework of criminal proceedings in relation to circumstances of occurrence of the Insured Risk;
  - 11.7.2.** documents contain a trade secret or personal data of another person which the person entitled to claim the Insurance Indemnity is not entitled to obtain.

## 12. EFFECTIVENESS AND VALIDITY OF THE INSURANCE COVERAGE

- 12.1.** The insurance coverage provided by the Insurance Contract becomes effective from the first date of the Insurance Period, but not earlier than as at the moment when the Insurance Premium or the first part of the Insurance Premium is paid (if the Insurance Contract provides payment of Insurance Premium in parts), in cases when:
  - 12.1.1.** the Insurance Contract provides that the first day of the Insurance Period is the day of payment of the Insurance Premium;
  - 12.1.2.** the payment day of the Insurance Premium is scheduled before the first day of the Insurance Period.
- 12.2.** If the Insurance Contract provides that the Insurance Premium or the first part of the Insurance Premium (if the Insurance Contract provides payment of the Insurance Premium in parts) have to be paid after the first day of the Insurance Period prescribed in the Insurance Contract; the insurance coverage becomes effective on the first day of the Insurance Period at the time stated in the Insurance Policy provided that the

Policyholder has paid the Insurance Premium or its first part within the term and in the amount provided in the Insurance Contract.

- 12.3.** The Insurance Contract shall be valid until 00:00 a.m. of the last day of the Insurance Period, unless the Contract has been terminated early at the agreement of Policyholder and BTA, or because of reasons provided for in the Insurance Contract Law.
- 12.4.** BTA is entitled to early termination of the validity of the Insurance Contract in relation to the specific Insured as of the moment when the Insured Event occurs, without payment of the Insurance Indemnity and without repayment of the paid Insurance Premium if the Policyholder, the Insured, the Beneficiary with an evil intent or by gross negligence:
- 12.4.1.** acted or failed to act in a way that increased the possibility of occurring Insured Event;
- 12.4.2.** has not notified BTA on occurrence of the Insured Event immediately after it became possible; has not taken all possible reasonable measures to reduce losses; or has not complied with BTA instructions, if any given;
- 12.4.3.** has not ensured a possibility to identify and evaluate the scope of losses, and circumstances of occurrence, when requested by BTA;
- 12.4.4.** has not submitted all document at the disposal and truthful information at the request of BTA to characterise the occurrence of the Insured Event and the caused losses or has not fulfilled other duties under the Insurance Contract after occurrence of the Insured Event.
- 12.5.** If the insured risk occurs due to malicious intent or gross negligence of the Policyholder, the Insured, or Beneficiary, the Insurance Contract is considered terminated as at the moment when the Insured Event occurs. In this case BTA will not pay Insurance Indemnity and will not repay the paid Insurance Premium. If several Insured persons have been insured under one Insurance Contract, or there are several Beneficiaries, the Insurance Contract remains in force in relation to other Insured and Beneficiaries who are not at fault for occurrence of the Insured Event.
- 12.6.** The Policyholder and BTA are entitled, with a prior notice, to terminate the Insurance Contract after payment of the Insurance Indemnity.
- 12.7.** Insurance is terminated:
- 12.7.1.** as of the day when occurs the insured risk – type of insurance coverage "Death";
- 12.7.2.** as of the day when BTA pays the Insurance Indemnity for the Insured Event which occurred due to insured risk – type of insurance coverage "Rent Fee Delay";
- 12.7.3.** simultaneously with the expiry of the validity of the Rental Agreement;
- 12.7.4.** in the case of unpaid Insurance Premium, starting with the first day of the month for which the Insurance Premium has not been paid;
- 12.7.5.** on agreement between the Insured and the Policyholder.
- 12.8.** When the validity of the Insurance Contract or insurance is terminated before its expiry, the unused part of the Insurance Premium is not repaid because payment of the Insurance Premium is set as monthly payments, so the overpayment of the Insurance Premium is not formed.

### **13. PAYMENT PROCEDURES OF THE INSURANCE PREMIUM**

- 13.1.** The Policyholder has to pay Insurance Premium within the term and in the amount provided in the Insurance Contract.
- 13.2.** The Insurance Premium is considered paid:
- 13.2.1.** if the Insurance Premium is paid in cash – at the moment, when the Policyholder has paid to BTA the relevant sum of money attested by a document supporting payment;
- 13.2.2.** if the Insurance Premium is paid by a non-cash settlement – at the moment when BTA has received the payment in the account specified by BTA;
- 13.2.3.** if the Insurance Premium is paid by paying it to the insurance agent clearly authorised by BTA to collect the Insurance Premium – at the moment when the Policyholder has paid the relevant sum of money to the insurance agent, and it is proved by a supporting document for the payment, or at the moment when the insurance agent has received the payment in the specified account.
- 13.3.** 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 BTA 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 payable.

### **14. ENTERING INTO THE INSURANCE CONTRACT BY REMOTE COMMUNICATION MEANS**

- 14.1.** The Insurance Contract can be entered into by using the remote communication means, i.e., by post, Internet, e-mail, phone, or other information exchange media.
- 14.2.** If the Insurance Contract is entered into by the Policyholder who is a consumer, such an Insurance Contract is governed by Provisions of Distance Contract publicly available on the BTA website <http://www.bta.lv>. Provisions of Distance Contract inter alia describe procedures for the use of withdrawal rights, i.e., the rights

to withdraw from the signed Insurance Contract, including an available application form that can be used to exercise the withdrawal rights.

**14.3.** A consumer is a natural person entering into the Insurance Contract for a purpose unrelated with its economic or professional activity.

## **15. PROCESSING OF PERSONAL DATA**

**15.1.** BTA as the controller or personal data processes personal data of natural persons in line with 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 personal data processing requirements prescribed in other laws and regulations.

**15.2.** The personal data processing principles of BTA are published on the BTA website: [www.bta.lv](http://www.bta.lv).

## **16. OTHER TERMS AND CONDITIONS**

**16.1.** Procedures on how BTA reviews a complaint on dissatisfaction with the Insurance Contract or insurance service submitted by the insurance applicant, Policyholder, beneficiary of indemnity, or other person entitled to claim an Insurance Indemnity is publicly available on the BTA website <http://www.bta.lv>.

**16.2.** All disputes between the parties to the Insurance Contract shall be settled via negotiation. If mutual agreement cannot be achieved, the dispute will be ultimately settled by courts of the Republic of Latvia and by application of laws and regulations in force in the Republic of Latvia.

**16.3.** BTA, as well as the Policy Holder and Insured shall provide notifications, requests and information related to the Insurance Contract in writing or via independent data carrier or remote communication means that the parties have agreed upon in the Insurance Contract.

**16.4.** Upon request of the Policyholder, Insured or another person who is entitled to claim the Insurance Indemnity, BTA shall provide its notifications, requests and information provided via website, independent data carriers or another remote communication means in writing and free of charge.

**16.5.** 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:

**16.5.1.** 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;

**16.5.2.** Insurance Policy;

**16.5.3.** These Insurance Terms and Conditions.

**16.6.** In the case of contradictions between the text of these Terms and Conditions in Latvian and the translation of these Terms and Conditions in any foreign language, the text of Terms and Conditions in Latvian shall prevail and be binding to the Parties.

**16.7.** Contractual relations arising from the Insurance Contracts are governed by the laws and regulations of the Republic of Latvia.

**16.8.** 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:

**16.8.1.** 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, the United Kingdom or the United States of America (upon condition that it does not violate any regulations or regulatory enactments, applicable to BTA);

**16.8.2.** 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.

**16.9.** These Terms and Conditions are published on the BTA website: [www.bta.lv](http://www.bta.lv).