

# HOME INSURANCE TERMS AND CONDITIONS OF ERGO MIDI

## KT.0928.15

These terms and conditions of insurance shall apply to home insurance contracts concluded at ERGO Insurance SE.

In any matters not resolved by these insurance terms and conditions, the parties to an insurance contract shall be guided by the general terms and conditions of insurance contracts, the Law of Obligations Act and other legislation.

### 1. Insured object

- 1.1. The insured object, as specified in the insurance contract, is:
  - 1.1.1. a structure (a building, an apartment, apartment ownership or a civil engineering work);
  - 1.1.2. domestic property;
  - 1.1.3. civil liability.
- 1.2. The building (e.g. a residential building, an ancillary building, a summerhouse) is a structure that is permanently connected to the ground and has a roof, outer walls and interior space, including the essential parts, such as hot water boilers, electrical wiring, ventilation and air conditioning equipment.
- 1.3. An apartment is a constructionally distinct and separately usable residential area and its parts, which can be changed without damaging any legal shares of the building, affecting the rights of other owners or changing the external shape of the building. Parts of the apartment are:
  - floors, ceilings and walls up to the load-bearing structure;
  - apartment doors and windows;
  - balcony and loggia;
  - hot water, cold water and gas piping starting from the closing fittings of the apartment;
  - sewerage, ventilation and air conditioning systems starting from the apartment connection or input, which are bordered with a wall, the floor or the ceiling;
  - electrical installations starting from the fuse box of the apartment;
  - the part of the heating system which is in the exclusive ownership of the apartment owner;
  - a storeroom attached to the apartment.
- 1.4. The apartment ownership is a constructionally bordered and separately usable residential area, as well as parts of a building attached to the residential area along with the part that corresponds to the total area of the residential area and that is not a physical part of the building. In addition to the apartment ownership, the insurance also covers a storeroom, which is located in the building and belongs to the apartment.
- 1.5. Along with the building, the apartment and the apartment ownership the insurance cover also applies to:
  - the video surveillance system, antennae, sunshades and lighting fixtures attached to the exterior of the building;
  - fitted furnaces, stoves, fireplaces;
  - built-in low voltage wiring for communications, TV and sound equipment
  - fire extinguishing, fire alarm and security alarm systems; fitted furniture along with the integrated devices;
  - bathtubs, shower stalls, sanitary equipment, suspended ceilings;
  - built-in sliding and folding doors.
- 1.6. The building, the apartment or the apartment ownership does not include mobile stoves and heating elements, refrigerators and washing machines, curtain rods, busbars, carpets, lighting fixtures and other assets insurable as domestic property.
- 1.7. A civil engineering work is a structure that is permanently connected to the ground and is other than a building (e.g. a fence, an awning, a pool, a greenhouse).
- 1.8. Domestic property means movables specified in the insurance contract and located in the insured place.
- 1.9. Unless stated otherwise in the insurance contract, domestic property does not include:
  - the building and its parts;

- agricultural products, alcoholic beverages;
- cash, bank cards, documents, manuscripts, drawings, archives, models, securities (e.g. coupons, bonds, checks, lottery tickets);
- information and software contained in data processing systems and devices;
- ammunition, explosives;
- motor vehicles, trailers and semi-trailers, agricultural machinery (excl. lawn tractors);
- aircraft and watercraft (incl. jet skis);
- living creatures or plants;
- assets belonging to a tenant in case the tenant is not the policyholder.

### 2. Insurable value and sum insured

- 2.1. The insurable value of the building, the apartment, the apartment ownership and civil construction works is the reinstatement value thereof, i.e. the lowest possible expenses for the restoration thereof to its initial state in case of destruction.
- 2.2. The insurable value of the domestic property is its re-acquisition value, i.e. the amount of money necessary for acquiring an equivalent item.
- 2.3. The insurable value of works of art (paintings, prints, sculptures), collections, jewellery, mobile phones over two years of age, photography equipment over two years of age and computers and related devices over two years of age is their market value. In case the policyholder does not provide the acquisition documents of a mobile phone, photography equipment, computer or related device over two years of age in case of an insured event, the item's insurable value is regarded to be their market value.
- 2.4. The sum insured is the maximum amount paid per insured event.
- 2.5. The sum insured shall not be reduced by the amount of indemnity paid out.
- 2.6. In case of civil liability insurance, the sum insured that is agreed upon in the insurance contract shall be the maximum limit for all claims arising from the same insured event.

### 3. Covered place

- 3.1. The covered place is the building, a part of the building or the apartment that is located at the address specified in the insurance contract.
- 3.2. Unless otherwise specified in the insurance contract, insured locations of domestic property do not include:
  - civil engineering works;
  - sheds, garages and other auxiliary structures of an apartment building;
  - storerooms belonging to an apartment ownership, except for insured events caused by a fire or a storm.

### 4. Insured events

- 4.1. The insured event is the damage to, destruction of or loss of an insured object as a result of the following unexpected and unforeseeable events.
- 4.2. Fire  
Damage caused to the insured object shall be compensated in case it is caused by:
  - 4.2.1. fire, soot, smoke and fire fighting water. Fire is understood as an open flame that has occurred outside its intended hearth or has exited it and is able to spread

- 4.2.2. with its own force, posing a threat to the surroundings; direct strike by lightning, i.e. the direct contact between the lightning and the building that is the covered place or insured object, whereupon the lightning charge lands through the building;
- 4.2.3. damage caused to electrical installations due to the lightning;
- 4.2.4. explosion (incl. explosion of an explosive), which is understood as a force with immediate effect that is created upon the expansion of gases or vapours;
- 4.2.5. falling of an airborne vehicle, its parts or cargo from a height.
- 4.3. Damages caused by the following are not compensated:
  - 4.3.1. damage caused to electrical installations by electric current (except when the effects of the electric current are caused by a thunderstorm), including excess voltage, overload, insulation defects, short-circuit, insufficient contact and damage to measuring, testing or safety equipment;
  - 4.3.2. damage caused to household equipment and consumer electronics as a result of the electric current or lightning.
- 4.4. Water accident  
Damage caused to the insured object shall be compensated in case it is caused by:
  - 4.4.1. water that has poured from the internal water supply network or part thereof, including a tap;
  - 4.4.2. water that has leaked out as a result of breakage of household appliances (incl. washing machines and dishwashers, boilers) that are permanently connected to the internal water supply network and the connecting details of such appliances;
  - 4.4.3. waste water or sewage that has leaked out due to a problem in the internal sewerage system;
  - 4.4.4. water or other liquid that has leaked out of the heating or cooling system of the building or of the parts thereof;
  - 4.4.5. water that has leaked out of an aquarium.
- 4.5. The following shall not be compensated:
  - 4.5.1. the repair or re-acquisition costs of an aquarium, household appliance, equipment or piping that has caused the damage;
  - 4.5.2. damages caused by evaporated water or excessive moisture, except for when caused by events listed in clauses 4.4.1–4.4.5;
  - 4.5.3. damages caused by cleaning water;
  - 4.5.4. damage caused by rotting or other long-term processes (e.g. corrosion, wear, dry rot fungus, mould);
  - 4.5.5. damage caused by water or other liquids that have penetrated the building from the outside (unclosed openings, border structures or sewerage systems)
  - 4.5.6. damage caused by condensation.
- 4.6. Burglary  
Damage caused to the insured object shall be compensated in case it is caused by:
  - 4.6.1. burglary, which is understood as a theft by way of removing, breaking or picking open the barrier or lock that prevented entry to the insured location, which was locked. The removal, breaking or picking open of a barrier or lock must be established. Picking the lock does not include opening a lock with the original key or copy thereof;
  - 4.6.2. robbery, which is understood as taking the assets by physical violence or a direct threat of physical violence;
  - 4.6.3. wrongful activity of a third party, which is understood as wrongful destruction or damage of property at the time of a burglary or robbery.
- 4.7. The cost for restoring the barrier structures of a building/apartment or their parts, which were broken or damaged as a result of the burglary or robbery shall be compensated.
- 4.8. Storm  
Damage caused to the insured object shall be compensated when caused by:
  - 4.8.1. a storm. A storm is understood as a wind with the average speed or with gusts of at least 18 metres per second. An insured event caused by the storm also includes damage caused by trees, poles or other items that have fallen on the insured object as a direct result of the storm. In case the wind speed cannot be

- determined at the site of the insured event, the storm is assumed to have existed if the policyholder supplies evidence that damage has been caused to the buildings or items in the surroundings of the covered place, which were in impeccable condition until then, and the damage has been caused only by the storm;
- 4.8.2. ridged ice;
- 4.8.3. hail.
- 4.9. Damages caused by the following shall not be compensated:
  - 4.9.1. damage caused by rain, snow or water resulting from the melting of snow, hail or water resulting from the melting of hail, which has penetrated through the openings, roof, walls or other structures of a building or civil construction work, except for events when the openings have come to existence due to the circumstances listed in clauses 4.8.1–4.8.3. The formed openings must be identifiable;
  - 4.9.2. damage that is directly or indirectly caused by a flood, incl. a flood resulting from a storm;
  - 4.9.3. the weight of ice or snow.
- 4.10. Flood  
Damage caused to the insured object shall be compensated in case it is caused by:
  - 4.10.1. a natural flood caused by the storm, precipitation or the flooding of a water body. The natural flood is understood as an extraordinary rise of the water level due to natural events to such an extent where the ground and/or the drainage system built according to the construction design (incl. the drainage and sewerage system) cannot contain such an exceptional quantity of water.
- 4.11. Damages caused by the following shall not be compensated:
  - 4.11.1. the construction or breakage of a dam or other protective structure;
  - 4.11.2. water moving below ground level (e.g. groundwater flooding the basement).
- 4.12. Vandalism  
Damages caused to the insured object shall be compensated when caused by:
  - 4.12.1. wrongful actions of a third party, aimed at damaging or destroying the building;
  - 4.12.2. being hit by a land vehicle, if the damages incurred are not compensated on the basis of another insurance contract or law;
  - 4.12.3. breakage of glass surfaces on the insured object;
  - 4.12.4. theft of the external parts of the building.
- 4.13. The following shall not be compensated:
  - 4.13.1. cracks and damages caused to the glass surface, which have left the glass unbroken;
  - 4.13.2. theft of the internal parts of the building.

## 5. Exclusions

Damage and costs shall not be compensated if they are directly or indirectly caused by:

- 5.1. the insured object not being used for its intended purpose;
- 5.2. normal wear and tear of the insured object, perishing, corrosion, fatigue of material, rotting, fungal damage, dry rot fungus, long-term degradation;
- 5.3. low-quality design, construction, repair or maintenance work, unsuitable or defective material;
- 5.4. subsidence of the earth, building or parts thereof regardless of the event causing or reason of the subsidence;
- 5.5. landslide;
- 5.6. radioactive radiation or radioactive pollution;
- 5.7. war, civil war, invasion, public unrest, coup d'état, strike, state of emergency, terrorism, expropriation;
- 5.8. use of nuclear energy for any purpose or nuclear energy getting out of control;
- 5.9. blasting or excavation works, vibration;
- 5.10. circumstances of which the policyholder was aware before concluding the insurance contract, but which he/she did not report to the insurer.

Compensation is also not paid for:

- 5.11. damage to domestic property outside the insured place;
- 5.12. damage to be reimbursed on the basis of the guarantee given to the insured object;
- 5.13. maintenance costs;

- 5.14. damage that is in a causal relationship with constructions works carried out on the insured object. Construction work means the establishment, extension, or reconstruction of a building, the modification of utility systems and the demolition of a building. The reconstruction of a building means the modification of the border structures of the building and the modification and replacement of stiffening and bearing structures. Construction works do not include the maintenance or repair of the building, such as wallpapering, painting, replacement of floorings or doors and windows, except for when this work is conducted by a construction company. In case maintenance and repair work is conducted by a construction company, insurance cover is only valid when the works have been agreed upon with the insurance provider;
- 5.15. monetary claims that cannot be regarded as direct proprietary damage (e.g. loss of income, damage to proprietary rights.);
- 5.16. costs of removing environmental pollution.

## 6. Additional cover of property insurance

- 6.1. Cost of renting a temporary residence
  - 6.1.1. If the building or a part of it (apartment), which is the permanent residence of the policyholder, has been rendered temporarily or permanently inhabitable due to an insured event, all the substantiated and documented costs that the policyholder has incurred to rent an equivalent temporary residence for themselves or for a tenant who lived at the place of residence on the basis of a rental agreement are reimbursed.
  - 6.1.2. A building or an apartment is unsuitable for habitation if it is destroyed or damaged insofar that it makes normal living impossible or significantly harder.
  - 6.1.3. The following are reimbursed:
    - costs for moving to and back from a temporary residence;
    - rental costs of an equivalent temporary residence.
  - 6.1.4. Costs are reimbursed without excess and for a maximum of twelve months since the occurrence of the insured event, but not longer than:
    - the insured location has been restored as inhabitable or
    - the residential building or its part (apartment) is replaced.
  - 6.1.5. The following shall not be compensated:
    - utilities of a temporary residence;
    - late fees, contractual penalties;
    - the cost of finding a temporary residence.
  - 6.1.6. Insurance cover for rental costs of a temporary residence shall not extend to persons who use the insured building or part thereof (an apartment) on the basis of a tenancy contract.
- 6.2. The theft or robbery of a key
 

When the key to the insured residence is stolen or robbed, making it necessary to change the respective lock at the insured place, then the insurer shall reimburse the related costs to the extent of up to EUR 640 and without excess.
- 6.3. Costs of cleaning and transportation of rubbish
 

Reasonable expenses that are necessary for cleaning up the property that was damaged as a result of the insured event and the remaining assets, and for removing the rubbish are reimbursed.
- 6.4. Costs of minimising and mitigating the damages
 

In case of an insured event reasonable costs incurred by the policyholder in order to prevent or mitigate the damages are reimbursed.
- 6.5. Costs of determining the damages
 

Costs of determining the damages resulting from an insured event or the size of the damages are reimbursed if so agreed upon with the insurer in advance.

## 7. Civil liability insurance

- 7.1. The insured event means the unlawful infliction of damage by the policyholder to a third party, as a result of which the policyholder shall have the obligation to compensate for damage.
- 7.2. Damage that the policyholder has unlawfully caused to a third

party through the possession of the insured object insured with the same insurance contract shall be compensated when a claim has been filed for it against the insured person no later than a year after the end of the insurance period. Damages shall be compensated if the damages were caused through the fault of the policyholder and/or the policyholder is liable for the incurrence of the damage in accordance with the law. The event that has caused the damage must have taken place during the insurance period.

- 7.3. Costs for legal assistance necessary for the deferral of claims are to be reimbursed. These are understood as the sum the insured person has spent on legal assistance, expert assessments and court proceedings. The costs for legal assistance shall be compensated by the insurer in case these are necessary for evidencing the absence of liability and/or guilt of the insured person and in case these have previously been agreed upon with the insurer.
- 7.4. The owner of the building or apartment and people living permanently in the same household as the policyholder are treated as equivalent to the policyholder.
- 7.5. The following shall not be compensated:
  - 7.5.1. claims based on the loss of income and non-proprietary claims;
  - 7.5.2. claims arising from the policyholder's contractual responsibility, contractual obligations, incl. written and other guarantees, and similar claims;
  - 7.5.3. claims for damage arising from an act performed without due authority;
  - 7.5.4. claims that are based on events which caused damage and of which the policyholder was aware before entering into the insurance contract;
  - 7.5.5. claims caused by the intent or dishonesty of the policyholder and by his/her actions committed under the influence of alcohol, drugs, toxic substances, etc.
  - 7.5.6. mutual claims between the policyholder and persons considered equivalent to them;
  - 7.5.7. claims arising from labour, service or family law disputes;
  - 7.5.8. claims arising from lawful fines imposed on the policyholder or the injured party, accrued interest, interest on arrears and other punishments to be added to damage;
  - 7.5.9. claims arising from asbestos dust, diethylsilbestrol (DES), dioxin or acquired immune deficiency syndrome (AIDS), medicaments and communicable diseases;
  - 7.5.10. claims arising from unjust enrichment;
  - 7.5.11. claims arising from the policyholder's economic or occupational activities;
  - 7.5.12. claims arising from risk liability (incl. source of larger threat, except for a building or apartment) and producer liability;
  - 7.5.13. claims caused by a land, watercraft or aircraft that belongs to, is leased, borrowed, rented to and/or driven by the policyholder, except for claims arising from the use of land vehicles without the engine;
  - 7.5.14. claims related to the damage or loss of property belonging to third persons and being under the management or in the possession or use of or held by, etc. the policyholder;
  - 7.5.15. damage caused by force majeure;
  - 7.5.16. claims caused by radioactivity, radiation, toxicity or explosivity of substances;
  - 7.5.17. claims arising from contamination or pollution;
  - 7.5.18. costs of legal assistance when the reimbursement of damages has been precluded with the insurance terms and conditions and/or the insurance contract.

## 8. Obligations of the policyholder

- 8.1. The policyholder has the obligation:
  - 8.1.1. upon entering into the insurance contract, to supply to the insurer the correct and complete data in any matter concerning the insurance contract and to inform the insurer of all significant circumstances affecting the insurable risk; to enable a representative of the insurer to examine the property and to meet the additional conditions set by the insurer, which are necessary for reducing the insurable risk (e.g. the requirement for the

installation of fire or security alarms).

Significant factors affecting the insurable risk mainly include the information requested by the insurer before entering into the insurance contract. Significant factors affecting the insurable risk also include the failure to comply with the special conditions, additional conditions or agreements set out in the insurance contract or its annexes in relation to the insurable risk;

- 8.1.2. to allow the representative of the insurer to examine the state of the property and the documents necessary for entering into the insurance contract;
  - 8.1.3. to examine the insurance contract documents before entering into the insurance contract;
  - 8.1.4. to comply with the legislation applicable in the Republic of Estonia, the additional conditions specified in the insurance contract and the equipment operating manuals, to take his/her best efforts to avoid an insured event and to reduce any potential damage, not to increase the insurable risk and to prevent other persons for whom the policyholder is liable from increasing the risk;
  - 8.1.5. to explain the obligations under the insurance contract to the persons in whose possession or use the insured object belongs or to whom it is handed over;
  - 8.1.6. to immediately inform the insurer of the emergence of the multiple insurance and of the increase in the likelihood of the insurable risk (e.g. changes compared to what is specified in the application), unless the increase in the likelihood of the insurable risk is caused by commonly known circumstances. The insurer has the right to require that the policyholder applies additional safeguard measures in order to reduce the increased insurable risk and/or to demand the payment of a larger insurance premium corresponding to the increased insurable risk. The abovementioned does not preclude the right of the insurer to cancel the insurance contract with immediate effect, if necessary;
  - 8.1.7. to immediately inform the insurer of the transfer of the insured object;
  - 8.1.8. upon leaving a room or building, to close and lock all entrances and exits (doors, windows, hatches, etc.) at the covered place;
  - 8.1.9. if a security alarm system is installed, to switch it on when leaving the room or building, and not to limit the working area of sensors nor reduce their sensitivity;
  - 8.1.10. if a fire alarm system is installed, to keep the devices switched on around the clock;
  - 8.1.11. to use and maintain the alarm equipment as provided in the instruction manual;
  - 8.1.12. to close and empty the water supply and heating systems located in an unheated building or its part.
- 8.2. The insurer has the right to examine the insured object during the insurance period.
- 8.3. Upon an insured event, the policyholder has the obligation to:
- 8.3.1. immediately take measures to save the insured object, to prevent the damages from increasing and to mitigate the damages;
  - 8.3.2. notify the police immediately of the event in case intentional activity of a third person is suspected, or the local rescue board in case of a fire or explosion; in other cases the respective competent institutions or persons shall be notified;
  - 8.3.3. as soon as possible after having learned of the insured event, notify the insurer of the insured event either in person or through a representative, disclosing in their declaration information on the event, presumed damages, witnesses, participants and persons at fault, and follow any subsequent guidelines from the representative of the insurer;
  - 8.3.4. if possible, retain the scene of the insured event intact until the orders are given by the insurer;
  - 8.3.5. provide the list of property lost, damaged or destroyed as a result of the insured event as soon as possible;
  - 8.3.6. allow the insurer to identify in the loss adjustment procedures the reasons for and the amount of damage arising from the insured event, by submitting the necessary documentation.
- 8.4. The policyholder shall present the damaged property in the

condition as it is after the insured event or the remnants of such property to the insurer for inspection. The policyholder may not start to restore the damaged property or recycle the destroyed property without the consent of the insurer.

- 8.5. The policyholder is required to submit to the insurer the information that is necessary for determining the performance of the insurer's contractual obligations.

## 9. Compensation procedure

- 9.1. If the precise time of the insured event cannot be determined, it is deemed to be the day on which the policyholder or a person considered equivalent to the policyholder should have learned about the insured event.
- 9.2. Direct proprietary damage and other expenses that are set out in the insurance contract and are substantiated shall be compensated. The insurance indemnity shall be calculated based on the insurable value of the insured object, which was damaged, destroyed or lost as a result of the insured event, immediately before the insured event.
- 9.3. Excess shall be subtracted from the indemnity. If several excesses are applied simultaneously, only the largest excess shall be subtracted from the indemnity. No excess is applied when:
  - more than 50% of the insured building has been destroyed;
  - the insured event has occurred only to the glass surfaces of the building.
- 9.4. In case of over-insurance, the insurer shall compensate for the actual amount of damage.
- 9.5. In case of under-insurance, the insurance indemnity and other justified expenses, which have been determined in the insurance contract, shall be paid in proportion to the ratio of the sum insured to the insurable value at the time of the occurrence of the insured event. Upon the determination of indemnity for domestic property, under-insurance shall not be considered.
- 9.6. In case of a building, the insurer has the right to compensate at first the indemnity portion, which also includes the depreciation of the building.
- 9.7. The remaining portion shall be compensated on the basis of calculations submitted for the restoration of the building, provided that the policyholder will use the indemnity to restore a building of the same type and purpose and at the same place within two years as of the commencement of compensation. At the same time, the policyholder must have supplied evidence that they have used the first received indemnity for restoring the same building.
- 9.8. Upon the destruction of the insured object the insurer has the right to withhold insurance premiums from the insurance indemnity until the end of the insured period.

## 10. Release of the insurer from the obligation to perform the insurance contract

The insurer shall be partially or fully released from the obligation to perform the insurance contract, in case:

- 10.1. the policyholder has not met at least one of the requirements provided in clause 8 and there is a causal relationship between the failure to meet the requirement and the insured event and/or the amount of damages incurred;
- 10.2. the policyholder has not paid the insurance premium by the agreed due date (in case of periodic payments, by the additional due date determined by the insurer) and the insured event takes place after the expiry of the due date for the payment of the insurance premium;
- 10.3. the insured event has taken place due to severe negligence or intent of the policyholder or beneficiary;
- 10.4. the insured event has been caused by the activities of the policyholder or a person considered equivalent to them under the influence of alcohol, drugs or other psychotropic substances;
- 10.5. the policyholder or beneficiary has misled or tried to mislead the insurer about the circumstances and/or amount of the damage, or has otherwise tried to deceive the insurer as regards the circumstances of the insurance contract or its performance.

This is a translation of the original terms and conditions in Estonian, which take precedence should there be any differences between the original and the translation.