



**The Terms and Conditions of home insurance describe the types of home insurance coverage, actions to be taken in the event of a loss and the principles of indemnification.**

Home insurance offers insurance coverage to home owners, landlords and tenants. It provides comprehensive and selected cover for structures and household property against the risk of unexpected and unforeseen events. Liability insurance comes to the rescue if the insured person is liable for damage caused to another person.

An insurance contract consists of the insurance policy (hereinafter **policy**) and these Terms and Conditions of Home Insurance (hereinafter **Terms and Conditions**). The sum insured (maximum limit of indemnity) and the amount of deductible are indicated in the policy for the insured items. Before concluding the insurance contract, the policyholder must make sure that the information specified in the offer and/or the policy is correct and that the scope of insurance cover is appropriate, and read through the Terms and Conditions.

**The insurer** is AS LHV Kindlustus (hereinafter **LHV**).

**The policyholder** is the person specified on the policy.

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# Terms and Conditions of Home Insurance

Valid from  
16.12.2024

## Definitions

**Insured or insured person** is the policyholder and the policyholder's spouse or partner and children up to and including the age of 21 and dependents residing with them in the same household. Dependents are considered to be the children over the age of 18 and parents of the policyholder and their spouse or partner if they require daily nursing care and live permanently with the policyholder.

**Third party**, i.e. a party who has suffered loss is, for the purposes of the liability insurance, a person to whom the insured has caused property damage and to whom the insured is obliged to compensate damage. A third party is not a party to the insurance contract or an insured person.

**Beneficiary** is a person entitled upon occurrence of an insured event, to receive indemnity, agreed monetary amount or fulfilment of some other LHV obligation pursuant to the insurance contract. The beneficiary is specified in the policy.

**Loss event** is an unexpected event that causes property damage.

**Insured event** is an event provided for in the Terms and Conditions, in the event of which LHV must perform its obligation arising from the insurance contract.

**Insurance cover** is LHV's obligation, defined by the Terms and Conditions of the insurance contract, to pay, upon the occurrence of an insured event, indemnity or to perform other obligations set out in the insurance contract.

**Insurance period** is a period specified in the policy, damage caused during which as a result of the insured event is indemnified.

**Sum insured** is the insured value of the insured object or the maximum monetary amount that LHV will provide as indemnity for the damage caused due to an insured event. If the sum insured is specified in the policy, LHV shall compensate damage to the extent of the sum insured. The sum insured shall not be decreased by indemnity disbursed.

**Deductible** is the amount, specified in the policy, to be borne by the policyholder upon occurrence of an insured event.

**Total risk insurance** is the damage or destruction of insured item due to sudden and unforeseeable event not excluded in clauses 6.1–6.29 of the Terms and Conditions.

In the case of **selected risk** insurance, the risk is insured to the extent set out in the insurance contract.

**The insured object** is indicated on the policy:

- **Structure** (building, unit in a terraced house, unit in a semi-detached house, apartment, small building, and infrastructure);
- **household property** (movable property located at the insurance location indicated in the policy and portable movable property);
- **financial expenses** (cost of renting a replacement dwelling, cost of loan payments, rental income forgone);
- **real estate owner's or possessor's liability;**
- **personal liability.**

**Construction work** is the erection, establishment, installation, expansion, alteration, demolition or other activity related to a structure as a result of which a structure comes to exist or its physical properties change or which alter its envelope, load-bearing and/or stiffening constructions, or where utility systems are installed, altered or demolished. If said works are performed in an insured structure, LHV must be notified of them upon entering into, or during the term of validity of the insurance contract. Construction work does not include refurbishment of home interior finishing, such as replacement of wallpaper or floor covering or painting of walls and ceilings.

**The utility system of a structure** is a set of equipment, installations or communications necessary for the operation, use or safety of a structure, together with the necessary structural elements up to the nearest connection point. Utility systems are, for example, heating, cooling, water, gas supply, sewerage, ventilation, electricity, and security systems as well as smart home devices permanently connected to the structure.

**A household appliance** is a device that facilitates household chores, is electrically powered, used indoors, such as a refrigerator, washing machine, clothes dryer, vacuum cleaner, electric stove, coffee maker, dishwasher, oven, or kitchen

hood. For the purposes of these Terms and Conditions, electronic and smart devices, tools and lawn mowers are not considered to be household appliances.

**An electronic device** is a device that is used for entertainment, communication or other personal use, such as televisions, photographic equipment, video and audio equipment, desktops and laptops, and drones.

**A smart device** for the purposes of these Terms and Conditions are smartphone, tablet computer, smart watch, wireless earphones and wireless speakers.

**Rental home** is a dwelling for the use of which a lease agreement is concluded.

**"Reasonable"** is construed as what persons acting in good faith in an identical situation would usually consider reasonable. To assess reasonableness, LHV considers the nature of the insurance cover standards and practice and other circumstances.

**Dark period** is considered to be the time from sunset to sunrise.

## Structure insurance and household property insurance

### Structure

1. A structure can be a building, apartment, infrastructure and a small building.
  - 1.1. **Building** (e.g. detached house, unit in a terraced house, part of a semi-detached house or outbuilding) is a structure permanently anchored to the ground, with walls, a roof and interior spaces, and all of its essential parts, including interior finishing, integrated furniture (not including appliances), permanently fixed luminaires, plumbing fixtures and utility systems.
 

**Together with the building, the following objects in the ownership of the policyholder and located on the same immovable are insured:**

    - **infrastructure and small buildings** in the sum insured specified in the policy;
    - **solar panels and associated equipment** (e.g. inverter, battery bank) in the sum insured specified in the policy;
    - **electric car charging station and associated equipment** in the sum insured specified in the policy;
    - **parts of the insured building that are located in the building and are awaiting installation** (e.g. new windows and doors, ventilation pipes, insulation material, paint buckets and bags of cement);
    - **fuels necessary for heating the building** in the sum insured specified in the policy;
    - **landscaping restoration expenses** in the sum insured specified in the policy.
  - 1.1.1. All essential parts of a unit in a terraced house are insured up to the interior finishing of the neighbouring house or unit. Utility systems are insured proportionally to the size of the share co-owned by the policyholder in a unit in a terraced house or part of a semi-detached house.
  - 1.1.2. The following associated with a unit in a terraced house and part of a semi-detached house are insured in proportion to the size of the share co-owned by the policyholder: infrastructure and small buildings, solar panels and electric car charging point along with associated equipment, fuel necessary for heating the building, landscaping and parts of the building and construction materials located in the building and awaiting installation.
  - 1.2. **Infrastructure** is a structure permanently anchored to the ground and which is not a building or apartment. Infrastructure is, for example, fence, exterior lighting, flagpole, grill pavilion, shelter, swimming pool, playground and terrace. Infrastructure can also be insured as a separate item listed in the insurance contract.
  - 1.3. **Small building** means a building with a footprint of up to 20 m<sup>2</sup> located on the same immovable as the insured building. Small building includes greenhouse, shed and children's playhouse. A small building can also be insured as a separate item listed in the insurance contract.
  - 1.4. **Apartment** is a defined dwelling including parts thereof, e.g. together with interior finishing; electricity and utility systems, plumbing fixtures, integrated furniture (not including appliances), permanently fixed luminaires and climate control components installed on the exterior wall of the building.
 

**The following is insured together with the apartment:**

    - **balcony and terrace;**
    - **storage room**, located on the same immovable as the apartment, which is lockable and is in the sole use of the policyholder (including in sole use on the basis of the right of specific use);
    - **electric car charging station and associated equipment** in the sum insured specified in the policy. An electric car charging point that belongs to the policyholder and which is associated with the apartment and

installed next to the vehicle parking space located on the same plot is insured;

- **interior finishing elements for an insured apartment that are located in the apartment and are awaiting installation** (e.g. flooring, wallpaper, paint buckets and bags of filler);
- **fuels necessary for heating the apartment** in the sum insured specified in the policy.

**The following is not insured together with the structure:**

- 1.5. parts of structure and equipment that are co-owned by apartment owners, such as load-bearing structure, facade, stairwell/entrance hall, roof, lift, heating, electrical and ventilation system and property co-owned by the apartment owners;
- 1.6. items insured as household property, including integrated appliances;
- 1.7. soil and roads;
- 1.8. infrastructure built in water;
- 1.9. water (such as well water and swimming pool water) or liquid or gas that has flowed out of a pipeline.

**Insured value of the structure and general principles for compensating the related damage**

- 1.10. The insured value of the structure is the restoration value of it, the amount of which is the cost of restoring the structure in its initial form without deducting depreciation.
- 1.11. If the structure's sum insured is specified in the insurance contract, LHV shall, in the event of an insured event, indemnify the damage to the extent of the structure's insured value, not to exceed the sum insured.
- 1.12. The precondition for restoring the structure is that it is restored in the same location and for the same purpose.
- 1.13. LHV shall indemnify the reasonable and justified costs of restoration, including costs of demolition and waste removal.
- 1.14. If the policyholder desires to receive the indemnity in monetary form, the prerequisite for this is the consent of LHV. In this case, the amount of the indemnity is the calculated restoration value, less VAT. If the policyholder proves within 24 months of receiving the monetary indemnity that it has used the funds for restoring the insured structure, LHV shall also pay the VAT part.

**Household property**

2. Household property is movable property that belongs to or is in the legal possession of the insured, is located at the insurance location and is portable. The sum insured for household property is specified in the policy.

**The following special Terms and Conditions apply to household property.**

- 2.1. **Art and valuables** (including paintings, precious metal items and antiques) are insured at the pre-insured-event market value not to exceed the sum insured specified in the policy.
- 2.2. **Property located in the storage room belonging to the apartment** is insured if the storage room is located on the same immovable as the insured apartment, is in the exclusive use of the policyholder and all openings of the storage room are closed and locked. The sum insured for property located in the storage room is specified in the policy.
- 2.3. **Household property that is stored in a self-storage unit of up to 20 m<sup>2</sup>**, is insured if the self-storage unit is rented from a professional self-storage service provider, all the openings to the warehouse are closed and locked and the warehouse has a security system. The sum insured for property located in the self-storage unit is specified in the policy.
- 2.4. **Property located in an outbuilding associated with a detached house, part of a semidetached house or unit in a terraced house** is insured if the outbuilding is in the exclusive use of the policyholder and all openings of the outbuilding are closed and locked. The sum insured for property located in the outbuilding is specified in the policy.
- 2.5. **Property located on the immovable outside of the building** is insured if the items located on the immovable (not including yard furniture, robot mower, trampoline, grill and outdoor radiant heater) are moved to a locked room before the occupants leave home or darkness falls. The sum insured for property located on the immovable is specified in the policy.
- 2.6. **Property located on a balcony or terrace** is insured if items located on a ground floor balcony or terrace (not including yard furniture, robot mower, trampoline, grill and outdoor radiant heater) are moved to a locked room before the occupants leave home or darkness falls. The sum insured for property located on a balcony or terrace is specified in the policy.
- 2.7. **Portable property** is insured worldwide if it accompanies the insured. If the policyholder has entered into several home insurance contracts with cover for portable assets, if necessary the sums insured for portable property in

these contracts are summed up and a single deductible – the largest one – is charged. The sum insured for portable property is specified in the policy.

**Example.** Policyholder has concluded a home insurance contract which provides 3000 euros insurance for portable property with a deductible of 200 euros. In addition, policyholder has LHV insurance on a summer cottage under which portable property is also insured to the extent of 3000 euros, but the deductible is 300 euros. In such a case the insured has the right to receive up to 6000 euros in indemnity if an insured event occurs, paying only 300 euros in deductible.

- 2.8. **The amount on the bank account** is insured in the event of loss or theft of bank card. LHV shall indemnify for unlawful card payments made within 48 hours of loss or theft of bank card. The cardholder is responsible for immediately blocking the bank card if an insured event occurs. The sum insured for funds held on bank account is specified in the policy.
- 2.9. **Expenses on applying for passport, ID card, driving licence, vehicle registration document and bank card** shall be indemnified in the case of their loss or theft. LHV indemnifies expenses on applying for these documents under standard procedure without charging a deductible.
- 2.10. **Expenses on treatment, cremation and burial of pets** incurred in an insured place of residence as a result of theft, robbery, natural disaster or fire shall be indemnified by LHV. Pets shall not include animals prohibited from being kept as pets, wild animals living freely in nature, herd animals or livestock used for commercial purposes. The sum insured for incidents related to pets is specified in the policy.

**The following is not insured as household property:**

- 2.11. items insured as a structure and parts thereof;
- 2.12. smart devices more than two years old and laptops and desktop computers more than four years old. The age of an item is the time elapsed since it was purchased. The age of an item is the time elapsed since it was purchased new;
- 2.13. items located on the immovable outside the building on an open (unglazed) first-floor balcony or terrace located during dark hours at the insured location (not including yard furniture, robot mower, trampoline, grill and outdoor radiant heater).
- 2.14. motor vehicles, trailers RVs and parts thereof if the above are subject to registration obligation under the Traffic Act (not including vehicle tyres, wheels, roof storage container, bike rack and light trailer with a gross weight of up to 750 kg if located in a locked structure at the insured location);
- 2.15. watercraft and aircraft and associated additional equipment and parts thereof (not including boats with a length of 5 m, including jets up to 50 horsepower boat motors if stored in a locked structure in the insured location);
- 2.16. information, software and licences;
- 2.17. securities and other documents and sets of documents, plans and drawings (not including costs of applying for new passport, ID card, driving licence and vehicle registration documents and bank card);
- 2.18. weapons and associated accessories, explosives;
- 2.19. birds, animals and fish (not including pets, in the event of damage caused by theft, natural disaster or fire);
- 2.20. plants and other living things (not including potted plants in the event of damage caused by theft or fire);
- 2.21. samples and prototypes, display exhibits and models and collections of things;
- 2.22. cash and digital money;
- 2.23. property used in the insured's economic activity.  
**Example.** Production and service equipment, goods, products (including semi-products) and samples are not insured as household property;
- 2.24. foodstuffs, beverages, tobacco and agricultural produce;
- 2.25. property that is in the use of the insured temporarily, for up to 30 days.

**Example.** Rented tools and a game console borrowed from a relative for a weekend are not insured.

**Insured value of household property and general principles for compensating damage**

- 2.26. If household property has been stolen, destroyed or damaged and it cannot be repaired, LHV shall indemnify expenses of purchasing a new item to the extent of the sum insured specified in the policy, taking into account the special conditions specified in clauses 2.1 to 2.10 of the Terms and Conditions.
- 2.27. If a household appliance and/or electronic device is in repair or delivery is pending due to an insured event, LHV shall compensate reasonable and justified rental and supply expenses of a substitute piece of equipment rented

for the time of the repair or until the new one is delivered up to the sum insured specified in the policy. The substitute equipment does not have to be the equal of the one being substituted, but must fulfil its primary functions. LHV reserves the right to appoint the service provider from whom the policyholder rents the substitute equipment.

## Selected risk insurance

3. **With a Start Home selected risk insurance plan**, the policyholder can select among the insurance cover specified in clauses 4.1–4.5 of the Terms and Conditions. Additional cover specified in clauses 8.1–8.5 of the Terms and Conditions can also be selected. Only the exclusions listed by the relevant insurance cover shall apply to the selected risk insurance cover and selected additional cover.

4. **The types of insurance cover under selected risk insurance are as follows.**

### 4.1. Fire and explosion

Indemnification of damage caused by:

- fire spreading beyond the combustion chamber and related smoke, soot and firefighting work;
- impact wave caused by explosion of boiler, receptacle or other pressurized vessel;
- direct lightning strike;
- object that has fallen on an insured item due to lightning strike.

Damage incurred as a result of an event specified in clause 4.1 of the Terms and Conditions shall be compensated on the basis of fire insurance risk even if no direct combustion process occurred.

**Example.** Damage caused by a tree falling on the insured object as a result of lightning strike is covered even if no fire occurred.

**Damage caused by the following events or consequences is not insured:**

- short-circuit, overloaded electrical system or other electrical cause if no fire occurred;
- acts of war, nuclear energy, terrorism, civil unrest, cyber attack or environmental pollution.

### 4.2. Pipe leak

Indemnification of damage caused by:

- liquid spilled due to breakage of water supply, heating or cooling system or internal storm water pipes;
- water leaking out due to breakage of a household appliance permanently connected to water supply system or of a household appliance's connecting components;
- effluent or wastewater spilled as a result of an internal sewerage system failure (clog).

**Damage caused by the following events or consequences is not insured:**

- damage occurring gradually over a long term and resulting in wear, deterioration, corrosion, material fatigue, decay, rot, crumbling, cracking, corrosion, formation of lime scale, fungal damage, mould and mildew, macrofungus as well as harm caused by other damage occurring over a long term;
- damage caused by liquid flowing through the building's structures (such as a wall, roof, open window, balcony) or pipes outside the building;
- flood damage;
- damage caused by water vapour, condensation or excess humidity, not including events caused by an insured event involving a burst pipe;
- searching for the cause of damage (such damage is covered by total risk insurance);
- item that caused the insured event;
- loss of liquid or gas that has flowed out of a pipeline;
- acts of war, nuclear energy, terrorism, or civil unrest.

### 4.3. Storm and hail

Indemnification of damage caused by:

- strong wind;
- hail;



- tree or other object that has fallen on an insured item due to strong wind.

**Damage caused by the following events or consequences is not insured:**

- precipitation or snowmelt that has penetrated the structure through windows that have not been closed or envelope structures, not including a case where the openings through which the water penetrated were themselves caused by the storm;
- power outage or fluctuation in electrical current (including overvoltage);
- weight or shifting of ice or snow.

#### 4.4. Flood

Indemnification for damage caused by groundwater levels that have risen higher than the surface due to rainfall, snowmelt or high water (including high water caused by storm) which entered the building through the structure and/or sewerage system.

**Damage caused by the following events or consequences is not insured:**

- damage caused by movement of water below the surface that penetrated the building through the structure and/or sewerage system;
- damage caused by acts of war, terrorism, civil unrest, nuclear energy, blasting or cyber attack.

**Example.** Water damage caused by rise in surface water level accompanying melt water is not insured if the surface water does not rise above the ground surface but due to which the water has entered the building through openings and cracks in the basement.

#### 4.5. Offences against property

Indemnification of damage caused by the following actions in relation to an insured object:

- theft;
- robbery;
- intentional damage or destruction by third party.

**Damage caused by the following events or consequences is not insured:**

- fraud;
- acts of war, nuclear energy, terrorism, civil unrest, environmental pollution or cyber attack.

## Total risk insurance

5. **A total risk insurance** insured event is the damage or destruction of an insured object due to a sudden and unforeseeable event, taking into account the exclusions specified in clauses 6.1–6.29 of the Terms and Conditions. The policyholder can select from among Standard Home and Premium Home total risk insurance plans.
- 5.1. **Standard Home total risk insurance plan** covers all risks not excluded in clauses 6.1–6.29 of the Terms and Conditions, and encompasses additional cover for equipment faults specified in clause 7.1 of the Terms and Conditions.
- 5.2. **Premium Home total risk insurance plan** covers all risks not excluded in clauses 6.1–6.29 of the Terms and Conditions and encompasses all additional covers specified in clause 7.1–7.6 of the Terms and Conditions.
- 5.3. The additional covers specified in clause 8.1–8.5 of the Terms and Conditions can be selected for Standard Home and Premium Home.
6. **Total risk insurance does not cover damage directly or indirectly caused by the following events or consequences:**
  - 6.1. **Recurring damage**  
Damage occurring with a predictable frequency and damage where the policyholder failed to take measures to prevent the intensification or recurring of the damage.  
**Example.** Damage caused by annual flooding is not insured.
  - 6.2. **Loss or misplacement of insured object**  
The loss or misplacement of insured property, not including bank card, identity document, vehicle registration document or keys.



**Example.** Damage caused by forgetting a tablet computer on an airliner is not compensated.

### 6.3. Long-term process

Damage caused gradually over a long term or as a result of a long-term process.

**Example.** Damage caused by ordinary gradual wear, deterioration, corrosion, material fatigue, decay, rot, crumbling, cracking, corrosion, formation of lime scale, fungal damage, mould and mildew, macrofungus or other damage occurring over a long term.

### 6.4. Expansion or contraction

Damage caused by contraction or expansion of the insured object or parts thereof, not including a case occurring directly as a consequence of insured event.

### 6.5. Subsidence, shifting soil and landslide

Damage caused by sinking of soil or insured structure and/or parts thereof, regardless of the event or cause of the subsidence. LHV shall not compensate damage caused by landslide and/or shifting soil.

### 6.6. Pet, rodent, bird, pest or insect activity

Damage caused by chewing, tearing, scraping and excretion by pets, rodents, birds, pests or insects, not including a case where it caused a fire in the insured structure or broken glass in the structure or if a wild animal caused damage.

### 6.7. Cosmetic defect that does not impact the purposeful use of the object

Scratches, pitting, stains, dents, tears, colour changes and other defects that do not impact the purposeful use of the insured object.

### 6.8. Nuclear energy, blasting and vibration

Blasting and mining operations, vibration, explosion of nuclear and radioactive material, use of nuclear energy for any purpose or loss of control of such use.

### 6.9. Other damage compensated on the basis of a contract

Damage compensated e.g. on the basis of a (construction) warranty agreement.

### 6.10. Maintenance work

Expenses on maintenance or repair and expenses on spare parts to be replaced during maintenance work, including expense of eliminating minor external defects.

**Example.** Expenses on removal of stains, colour and odour changes or external scratches are not compensated.

### 6.11. Environmental pollution

Expenses on eliminating pollution.

### 6.12. Acts of war, terrorism and civil unrest

War and political armed conflict, terrorism, insurrection, riots, strike, work stoppage, acts of war, civil unrest, coup d'état and state of emergency.

### 6.13. Compulsory expropriation

Compulsory expropriation, confiscation or similar event.

### 6.14. Use of object for other than the designated purpose

Use of an insured object for a purpose or in a way it was not intended for or which does not conform to the way it was intended by the manufacturer to be used.

### 6.15. Use of structure for other than the designated purpose

Use of the insured structure or part thereof for business, not including if the policyholder's business means working at home on a computer or if LHV and policyholder have agreed otherwise.

**Example.** On the basis of agreement between LHV and policyholder, a structure may be insured if the policyholder as an individual or together with their family produces confectionery products on individual order. A structure is not insured if the policyholder has founded a confectionery business at home and produces confectionery products using an assembly line and/or where employees other than the policyholder work on the basis of employment contract.

### 6.16. Damage incurred in the course of use of sports equipment and tools (including yard work equipment)

Damage incurred in the course of use of sports equipment and tools (including yard work equipment)

**Example.** Damage incurred by bicycle while riding it is not compensated.

**Example.** Damage incurred to a bicycle while it was attached to a car's roof for transport is compensated.

**6.17. Damage incurred in the course of use of motor vehicle and light trailer**

Damage incurred in the course of use of motor and electric vehicles, personal light electric vehicles, all-terrain vehicles and light trailers during their ordinary use.

**6.18. Items left in vehicles**

Damage caused by theft of items left in an uncovered or tented bed of a truck, unlocked roof storage compartment, motorcycle baggage compartment or panniers.

**6.19. Cyber attack**

Damage incurred to an insured object as a result of malicious action perpetrated via network and information systems, not including if a fire was caused by the cyber attack.

**6.20. Condensation**

Damage caused to parts of a structure by water condensing on it.

**6.21. Rise in surface water level**

Damage caused by rise in water level within the ground if there is no direct causal connection to storm or downpour in the insurance location.

**6.22. Equipment fault**

Fault caused by power outage or other electrical fault (including electrical fault caused by thunderstorm) and internal electrical or mechanical fault in the insured object, unless the insurance cover specified in clause 7.1 of the Terms and Conditions is listed in the policy.

**6.23. Damage caused by construction defect**

Damage incurred as a result of a construction defect, substandard work, unsuitable or defective material or product, unless the insurance cover specified in clause 7.2 of the Terms and Conditions is listed in the policy or the construction defect caused a fire or pipe leak and fire and leak cover was specified in the policy.

**6.24. Damage caused during construction works**

Damage incurred by the insured object during construction works, unless the insurance cover specified in clause 8.1 of the Terms and Conditions is listed in the policy or a fire was caused in the course of construction works.

**6.25. Damage caused by snow or ice accumulating on the roof**

Damage caused by snow or ice accumulating on the roof, unless the insurance cover specified in clause 7.3 of the Terms and Conditions is listed in the policy.

**6.26. Precipitation entering the structure**

Precipitation and snowmelt entering an insured structure through the roof, walls or other structural elements, unless the insurance cover specified in clause 7.4 of the Terms and Conditions is listed in the policy.

**6.27. Damage caused by tenant**

Damage caused by the tenant or persons co-inhabiting with the tenant permanently on leased premises either intentionally or through gross negligence, not including if the insurance cover specified in clause 8.2 is listed in the policy.

**6.28. Financial claim**

Financial claims not construed as direct property damage (such as rental income forgone, loan payments, substitute home expenses, moral damage), unless the insurance cover specified in clause 8.3–8.5 of the Terms and Conditions is listed in the policy.

**6.29. Undocumented property**

Property whose existence has not been substantiated, i.e. there are no remnants of the property, receipts, user manuals, bank statement info or other evidence.

**Types of additional cover included in total risk plans**

7. The additional cover included in clauses 7.1–7.6 of the Terms and Conditions are included in total risk plans and cannot be selected separately as add-ons. Standard Home plan includes the additional cover specified in clause 7.1 of the Terms and Conditions and Premium Home includes all of the additional covers specified in 7.1–7.6.

### 7.1. Equipment fault

In the event of equipment fault insurance cover, LHV compensates damage caused by power outage or electrical fault (including electrical fault caused by thunderstorm) or an electrical or internal mechanical fault in equipment. The following items associated with the structure are insured: technical systems, solar panels and electric vehicle charging points up to seven years of age, household appliances and electronic devices up to five years of age and laptops and desktops computers up to four years of age. Age of equipment is counted from the time at which it was purchased new. If the purchase date is unknown, the age shall be considered to be the time elapsed since the manufacturing date.

### 7.2. Damage to intact part of insured object caused by construction defect

In the event of damage incurred as a result of a construction defect, substandard work, unsuitable or defective material or product, LHV shall compensate damage to the intact part of insured object caused by a sudden and unforeseen event.

**The following damage is not insured:**

- damage to the object that caused damage;
- damage caused during construction works that can be insured with additional cover specified in clause 8.1 of the Terms and Conditions.

### 7.3. Damage caused by snow or ice accumulating on the roof

LHV compensates damage caused by the weight or shifting of snow or ice accumulating on roof.

**Example.** LHV compensates damage caused by drainpipes clogging and freezing and breaking off the roof structure.

### 7.4. Precipitation entering the structure

LHV compensates damage through precipitation and snowmelt entering the insured structure through the roof, walls or other envelope structures. The sum insured for precipitation entering the structure is specified in the policy.

**Damage** related to repair of leaking area **is not insured** if the leak location did not arise as a result of a sudden event.

### 7.5. Psychological counselling and treatment

If after an insured event related to a fire, burglary or robbery, the insured needs psychological counselling or therapy, LHV shall compensate the expenses on appointment fee and treatment determined/prescribed by psychologist, psychiatrist and/or psychotherapist. The sum insured for psychological counselling or therapy is listed in the policy.

### 7.6. Interior design service

If the structure is destroyed as a result of the insured event, LHV compensates the expenses of interior design service for restoring the structure. The sum insured for interior design service is listed in the policy.

### Types of additional cover that can be selected as add-ons for all plans

8. The additional cover included in clauses 8.1–8.5 can be selected as add-ons for all insurance plans.

#### 8.1. Damage caused during construction works

In the event of damage caused during construction works, LHV compensates damage incurred to the insured object. The insurance cover is valid if a roof, doors and windows have been installed on the structure and all of the openings in the exterior of the structure are completely constructed to prevent wind, snowmelt and precipitation (including condensation) from entering the structure and it is not possible for third parties to enter the interior of the structure without using tools. The deductible for damage caused due to construction works is 1000 euros per insured event, unless a fire occurred as a result of the construction works (in which case the deductible specified in the policy is applied).

**The following damage is not insured:**

- damage caused during construction works that did not meet the requirements or were illegal, and damage that such activities caused to the intact part of the insured object;
- damage caused through non-compliance with or intentional violation of the building design documentation, generally recognized requirement, standard, practice or construction technology.

## 8.2. Damage caused by tenant

LHV compensates damage caused to the insured object intentionally or through gross negligence by the tenant or persons co-inhabiting with the tenant permanently on leased premises. The insurance cover is valid in the case of leases with a duration of at least six months.

**Example.** If the tenant dropped an iron and the parquet floor was damaged as a result, such damage is insured under the standard total risk insurance plan. If the tenant intentionally broke the door to a room, this is intent and the damage shall be compensated on the basis of clause 8.2 to the Terms and Conditions.

## 8.3. Expenses on substitute dwelling

LHV compensates the expense of finding temporary dwelling, rental costs and costs of moving in both directions, if as a result of an insured event the insured dwelling has become unliveable and a substitute dwelling must be rented. The substitute dwelling does not have to be the equal of the one being substituted but must fulfil the primary functions of the dwelling being replaced. LHV shall compensate the utility costs on the insured dwelling and rental costs of the substitute rental costs until the insured dwelling is restored, not to exceed 24 months of the date on which the damage was caused. The sum insured for substitute dwelling costs is listed in the policy.

**The following is not compensated:**

- other expenditures that the policyholder would have had to bear regardless of the damage incurred;
- financial expenses during a period that the restoration of dwelling destroyed by insured event is delayed due to reasons owing to the insured.

## 8.4. Home loan payments

If as a result of an insured event, an insured dwelling has become unliveable, LHV shall compensate home loan payments, not for more than 24 months of the date on which the dwelling became unliveable and not in an amount higher than the home loan payment sum insured specified in the insurance contract.

## 8.5. Rental income forgone

If as a result of an insured event, an insured rental unit has become unliveable, LHV shall compensate the policyholder for rental income forgone, but not for more than 24 months of the date on which the dwelling became unliveable and not in an amount larger than the sum insured for revenue foregone specified in the insurance contract. The insurance cover is valid in the case of leases with a duration of at least six months.

# Liability insurance

## 9. Real estate owner's or possessor's liability insurance

Real estate owner's or possessor's liability insurance covers damage to property or harm to the health of a third party (including physical injury or death) that the insured person unlawfully caused to a third party and which the insured must compensate due to the fact that it is at fault for causing the damage or is by law liable for causing it. Real estate owner's or possessor's liability insurance compensates for non-contractual claims arising solely from ownership or possession of the building or apartment property constituting the insured object. LHV shall pay indemnity for an insured event taking place during the insurance period, regarding which a written claim for damages has been brought against the insured during the three years following the end of the insurance period specified in the policy. The ceiling for compensation of damage is the insurance amount for real estate owner's or possessor's liability insurance specified in the policy.

**Example.** If a water pipe bursts in an apartment as a result of which the downstairs neighbours sustain water damage, LHV shall compensate the damage caused to the neighbours in the framework of real estate owner or possessor's liability insurance.

## 10. Individual's liability insurance

**10.1.** With individual's liability insurance, LHV shall indemnify property damage incurred by a third party and legal assistance costs borne by the insured for the purpose of countering claims brought against them.

**Example.** If a child playing with a ball breaks a neighbour's window, LHV will compensate the damage incurred by the neighbour in the framework of individual's liability insurance.

**10.2.** An insured event is an unexpected and unforeseeable incident of property damage caused by the insured to a third party as a result of which the insured incurs a legal duty to compensate the damage. The insurance cover is valid in the Republic of Estonia. LHV shall pay indemnity for an insured event taking place during the insurance period, regarding which a written claim for damages has been brought against the insured during the three years following the end of the insurance period specified in the policy.

**10.3. The following property damage is subject to compensation:**

- 10.3.1. damage to an item, meaning expense incurred on repair or replacement with an equivalent as a result of damage or destruction of an item owned by a third party;
- 10.3.2. expenses incurred as a result of causing harm to the health of a third party, physical injury to or death of a third party;
- 10.3.3. a third party's legal assistance expenses related to bringing a claim for damages specified in clauses 10.3.1 and/or 10.3.2 of the Terms and Conditions, which is compensated at up to 20% of the insured amount for individual's liability insurance;
- 10.3.4. the insured's legal assistance costs, which have been pre-approved by LHV. LHV shall compensate these expenses within the sum insured for liability insurance and also if a claim brought against the insured later proves groundless. No deductible is charged for legal assistance costs.

**10.4. Additional cover for individual's liability insurance**

**10.4.1. Individual's liability insurance abroad**

If additional cover abroad for liability insurance is specified in the policy, insurance cover applies worldwide and the application of law is governed by the Private International Law Act.

**10.4.2. Pet owner's liability insurance**

If additional cover for pet owner's liability insurance is specified in the policy, insurance cover shall also apply in the event of damage caused by the insured's pet to a third party and for which the insured is liable under legal acts. Pets shall not include animals prohibited to be kept as pets, wild animals living freely in nature and livestock used in commercial activity. Pet owner's liability insurance does not encompass damage caused by pets to property in the possession of the insured.

**10.4.3. Personal light electric vehicle user's liability insurance**

If additional cover for personal light electric vehicle user's liability insurance is specified in the policy, insurance cover shall also apply in the event of damage caused by a personal light electric vehicle to a third party and for which the insured is liable under legal acts. The insurance cover shall apply if the personal light electric vehicle meets the requirements established in the Traffic Act and if it is used in accordance with procedures established in the Traffic Act. "Personal light electric vehicle" includes electric scooters, skateboards and hoverboards meant for carrying one person. The sum insured for personal light electric vehicle user's liability insurance is specified in the policy.

**11. Liability insurance does not apply:**

- 11.1. to claims brought by the insured;
- 11.2. claims related to a registered immovable not related to the insured location specified in the policy;
- 11.3. claims arising from other agreement or contractual relationship;
- 11.4. claims that are based on incidents of incurrence of damage that the insured knew of before entering into insurance contract;
- 11.5. claims arising from damage caused in the course of the use of a thing or object for a purpose other than the designated one;
- 11.6. claims arising from the economic or professional activity of the insured, including claims arising from manufacturer's responsibility or provision of service;
- 11.7. claims arising from actions committed by the insured in a state of intoxication or intentionally, due to gross negligence or in violation of law, not including a case where the damage is caused by a minor child who due to their age and mental capacity did not understand the potential consequences of their actions;
- 11.8. claims for non-material (i.e., moral) damages and purely economic damages (i.e., damages not directly related to personal injury or property damage), except for loss or reduction of income related to harm caused to the health of a third party.  
**Example.** If the insured damages the side mirror of a third party's car while riding a bicycle, the damage caused to the vehicle shall be compensated but not the third party's car lease payments during the period while the car is in the repair shop and cannot be used;
- 11.9. claims arising from damage caused to borrowed, hired, leased or otherwise taken into use property while it is in the possession of the insured;
- 11.10. claims arising from unauthorized agency;

- 11.11. claims arising from unjust enrichment;
- 11.12. claims arising from the possession, use or ownership of motorized vehicles (including drones and personal light electric vehicles) if additional cover for personal light electric vehicle user's liability insurance is listed in the policy;
- 11.13. claims arising from labour law, service law or family law disputes;
- 11.14. claims arising from damage caused due to assessed fines, default interest, interest or compulsory expropriation of property;
- 11.15. claims arising from spread of communicable diseases or misuse of medications;
- 11.16. claims arising from vibration, subsidence, shifting of soil, temperature, odour change, light, dust, steam; moisture, mould and mildew, condensation, corrosion, wear or other similar damage occurring over a long term;
- 11.17. claims arising from weapons, radioactivity, radiation, toxicity or explosion hazard;
- 11.18. claims arising from intentional unlawful activity of the insured;
- 11.19. claims arising from pollution, contamination or other environmental damage;
- 11.20. claims arising from damage caused by pets owned by the insured, unless the additional cover for pet owner's liability insurance is specified in the policy;
- 11.21. claims arising from damage caused abroad, unless additional cover for individual's liability insurance abroad is specified in the policy;
- 11.22. claims compensated on the basis of another insurance agreement;
- 11.23. legal assistance expenses if the compensation of damage is excluded by the Terms and Conditions. Nor shall LHV compensate legal assistance costs arising from the insured not agreeing with LHV's decision.

## 12. General principles for indemnification under liability insurance

- 12.1. If it is not possible to repair an item or purchase an equivalent, LHV shall compensate its pre-insured-event value.
- 12.2. If the total amount of claims exceeds the sum insured under liability insurance specified in the policy, LHV shall compensate claims up to the sum insured listed in the policy.
- 12.3. If the insured is liable for damage caused to a third party jointly with other persons (joint and several liability), LHV shall determine the indemnity based on the share of the insured's liability with respect to the joint and several obligors.
- 12.4. If the insured must pay the injured party periodic payments and the sum insured is lower than the expected total periodic payments, LHV shall compensate the damage up to the sum insured specified in the policy.
- 12.5. The basis for calculating reduction of income is considered to be the average income on which social tax was paid over the most recent 12 months.
- 12.6. The general Terms and Conditions for indemnification specified in clauses 21 to 31 shall also be taken into consideration, with prejudice to the special conditions in the general Terms and Conditions for compensating liability insurance.

## 13. Release from performance of insurance contract in liability insurance

- 13.1. LHV has the right to decline indemnity or reduce indemnity if:
  - 13.1.1. the insured compensates damage to a third party or acknowledges the claim for damages from a third party in a situation where the insured's liability or extent thereof is unclear;
  - 13.1.2. the insured has not adhered to one or more of the obligations specified in clauses 20.1–20.8 or 32.1–32.10 and there is a causal connection between the non-adherence and the damage being incurred;
  - 13.1.3. a personal light electric vehicle was used in a non-designated place, sport competition, extreme sport, providing courier service and/or in violation of traffic regulations or traffic law;
  - 13.1.4. any of the circumstances specified in clauses 34–35 of the Terms and Conditions occurs.

## Deductible

- 14. The deductible applies for each insured event separately and is deducted from the amount of loss suffered.
- 15. As to indemnification for a smart device, the deductible is deducted from the amount of damage separately for each item, including in a case where the smart device was damaged in the course of the same incident, not including in the event of damage caused as a result of a fire, burglary or robbery in the structure.



16. If deductible is applied under liability insurance, LHV shall compensate damage to the injured party and the policyholder shall pay the deductible to LHV.
17. **No deductible is charged if:**
- 17.1. only the glass surface of the insured structure was damaged, with no other damage incurred (unless Start Home insurance plan was chosen or if the damage is compensated in the framework of additional cover specified in clause 8.1 or if a greenhouse was damaged);
  - 17.2. in the case of burglary, the structure's burglar alarm is triggered and the alarm reaches the security firm;
  - 17.3. the door lock is replaced due to theft, disappearance or misplacement of key or a failure of the exterior door's lock and no other damage was incurred by the insured structure;
  - 17.4. expenses on applying for passport, ID card, driving licence, vehicle registration document and bank card under standard procedure shall be compensated;
  - 17.5. home assistance service is used and no other damage compensation is sought.

## Prevention and reduction of damage

18. Home assistance service is available to the policyholder around the clock, which helps to prevent damage from being incurred to reduce the amount of damage and contain further damage. The provider of the home assistance service must be summoned by phone 680 1122.
- 18.1. **Home assistance for damage prevention**  
If a direct risk to an insured object has arisen, the provider of home assistance service shall, in order to prevent further damage, remove the risk of ignition in the case of an electrical system failure, unclogs pipes, fells a hazardous tree located on the same plot as the insured object and which poses a direct risk to the structure, and repairs or replaces the structure's door lock if the lock is faulty or a third party has damaged it.
- 18.2. **Eliminating after-effects of plumbing emergency**  
A plumbing emergency is an accident with the consequences specified in clause 4.2 of the terms and conditions. The home assistance service provider shall stop the leak, if possible replacing or repairing the part that caused the leak and dries the surface on which water was spilled due to the plumbing emergency.
- 18.3. **Temporarily covering building shell of an insured structure**  
If the exterior of an insured structure was damaged or breaks due to an insured event specified in the insurance policy in a way that an opening created in the building shell poses a direct risk or causes direct damage to the interior of the structure (such as glass breakage due to the actions of a third party, roof damage due to storm), the home assistance service provider shall temporarily cover the insured structure or reinforce it to protect property. If necessary, the home assistance service provider shall arrange security for the insured structure until the temporary elimination of the damage, not to exceed 24 hours.
- 18.4. **Finding a temporary dwelling and moving**  
If, as a result of an insured event, an insured dwelling becomes unliveable, the home assistance service provider shall organize a temporary dwelling and move-in and living arrangements there for up to three days.

## Safety requirements

19. The policyholder and persons equated to the policyholder shall, in the ownership, possession, and use of the insured property:
- 19.1. fulfil safety requirements arising from legislation or instructions for use;
  - 19.2. refrain from leaving the source of fire risk unattended or in the care of minor children;
  - 19.3. properly maintain fireplaces, their flues, and chimneys;
  - 19.4. to make sure that combustion chambers in use have an authorization for use;
  - 19.5. discharge water from the water pipes and heating pipes of the insured structure if the structure is not heated during the heating period or if it is reasonably foreseeable that the temperature in the structure will drop below 0 degrees;
  - 19.6. clean the roof and its structures of snow, ice and debris having accumulated there;
  - 19.7. regularly empty the structure's local septic tanks;



- 19.8. during construction and repair works, to adhere to the safety requirements for the corresponding field, requirements arising from the Building Code and manufacturer's usage instructions, as well as requirements established by apartment association and other construction standards;
- 19.9. prior to drilling, make sure that there is no electrical wiring, piping or any other part of the utility system in the structure located beneath the floor, behind or inside the walls and ceiling;
- 19.10. before leaving home, to close and lock windows, doors, hatches and other openings so that precipitation cannot enter the structure and third parties cannot enter the structure without breaking barriers to entry;
- 19.11. before darkness falls, to lock exterior doors so that third parties cannot enter the structure without breaking barriers to entry;
- 19.12. to immediately replace the exterior door's lock if the key to the exterior door is lost or falls into the hands of a third party;
- 19.13. before leaving home or darkness, to move to a locked structure property not meant to be stored outside permanently, not including yard furniture, robot mower, trampoline, grill and outdoor radiant heater;
- 19.14. to anchor to the ground trampolines, shelters, tents and other similar items used outdoors;
- 19.15. to make sure that security of items is ensured during moving or transport;
- 19.16. to refrain from leaving insured property unsupervised;
- 19.17. to make sure that items left in a vehicle are not visible and to close all windows and roof hatch, lock doors and turn on the car alarm when leaving the vicinity of the vehicle;
- 19.18. to store portable property under one's own supervision or in a locked cabinet or room so that third parties do not have access to the property. As an exception, a baby carriage and bicycle (including cargo bike, electric scooter and electric bike) may be left outside the insured location without supervision during the daytime as long as it is locked to a fixed objects with a bicycle lock. If a baby carriage or bicycle is left in common areas in an apartment building, such as a bike storage room, stairwell, garage or basement, it must be locked to a fixed object using a bicycle lock;
- 19.19. to keep electronic devices and smart devices in an airplane, ship, bus and train under one's own direct supervision;
- 19.20. while in a place of lodging, to keep valuables, watches, art and antiques in a safe or secure storage room;
- 19.21. to adopt measures to prevent recurring damage;
- 19.22. if there is a requirements of an alarm system, to ensure that the alarm equipment is in working order and switched on when leaving the insured location.

## Action to be taken in case of loss event

- 20. In case of loss event, the policyholder must:
  - 20.1. to adopt measures for preventing or reducing further damage;
  - 20.2. to call 112 promptly if someone's life, health, property or environment is at risk or there is reason to believe that something dangerous is happening, and in other cases, to call the competent authorities;
  - 20.3. to notify LHV of a loss event promptly and no later than seven days after the loss event occurred or was learned of;
  - 20.4. in the case of liability insurance, to forward to LHV the claim brought against them promptly and no later than within seven days. The insured may not grant consent or promises related to compensation of damage before they are coordinated with LHV;
  - 20.5. to present damaged property or remnants thereof to LHV for inspection in their post-insured-event condition and not to begin restoration or recycling of destroyed property without consent from LHV;
  - 20.6. to adhere to the instructions given by LHV;
  - 20.7. to give LHV necessary information regarding the circumstances of the loss event and the possible person who caused the damage and to enable LHV access to the damaged item;
  - 20.8. to take into account that LHV may request from the insured, among other things, documents that prove the expenses incurred due to the loss event, and in the case of damage to property, a statements and explanations issued by the police or rescue board concerning the loss even.

## General principles for indemnification

21. If an insured event occurs, LHV shall compensate the direct and justified expenses of restoring or replacing insured items and other expenses set forth in the Terms and Conditions, less the deductible specified in the insurance contract.
22. LHV shall decide whether the property is to be restored, replaced with an equivalent or monetary compensation is to be paid.
23. When property is replaced or restored, LHV has the right to determine the means of replacement or restoration and the person who carries it out. LHV shall make the decision on compensation of damage within 10 working days of receiving all of the necessary information about the loss event and extent of damage. If, for reasons beyond the control of LHV, LHV is unable to ascertain the amount of total damage, LHV shall first compensate the part of the damage in the case of which the extent of damage is clear. If there is good reason, LHV may extend term for making the decision on compensation of damage.
24. If the time of occurrence of the insured event is not clear, it shall be considered to be the day on which the insured should have learned of the insured event.
25. LHV may replace an item destroyed due to insured event with an equivalent item or pay out indemnity monetarily to the extent equal to the value of purchasing the item again.
26. LHV is not obliged to compensate the value of the extant part of an insured item. If LHV compensates the expenses on replacement of an item, it shall have the right of ownership of the replaced item.
27. If the insured wishes to retain ownership of a destroyed item, LHV shall reduce the indemnity by the post-insured-event value of the property.
28. If, after an insured event, the property that was located in the structure must be stored on leased premises, LHV shall compensate reasonable and justified costs of storage at the time at which the insured structure is restored.
29. Other expenses specified in the Terms and Conditions or in the policy, LHV shall compensate the expense on the basis of substantiating document to a reasonable and justified extent.
30. Following occurrence of an insured event, the sum insured specified in the insurance contract shall not decrease.
31. If LHV compensates damage incurred to the insured in the case of an insured event, the insured's own right of recourse against the person who caused the damage (including tenant and service provider) shall transfer to LHV.

## Obligations of the policyholder

32. The policyholder is obliged to:
  - 32.1. pay insurance premiums in the agreed amount and according to the agreed procedure;
  - 32.2. in the case of an insured event, proceed from the requirements and instructions specified in the Terms and Conditions;
  - 32.3. provide LHV with complete and correct information for the assessment of the insurance risk and, upon concluding the insurance contract, notify LHV of all significant matters known to it that affect or may affect the decision to enter into the insurance contract on the agreed terms;
  - 32.4. notify LHV as soon as possible if the information submitted to LHV turns out to be false or incomplete;
  - 32.5. to notify LHV promptly of an increase in insurance risk and transfer of insured item.
 

**Example.** The policyholder must notify LHV if it begins construction works at home or starts leasing out the structure;
  - 32.6. do everything in its power to prevent an insured event and reduce possible damage, to avoid the possible increase of the insured risk and not to allow the persons who use the insured property to increase the insured risk;
  - 32.7. if it recovers an item taken by theft or robber, refund to LHV the indemnity paid for an item or to return the received item to LHV;
  - 32.8. to return to LHV the insurance indemnity paid if, after indemnification of the damage, circumstances precluding indemnification by LHV become apparent or if the damage is indemnified by a third party;

- 32.9. enable LHV to investigate the circumstances of the insured event in order to identify the amount of the loss and the persons responsible for the loss and, if necessary, to involve experts in establishing the circumstances of the insured event;
- 32.10. determine the insured persons' requirements and obligations arising from insurance contract, devoting enhanced attention to clarifying the need to perform safety requirements. If the insured persons have not performed the requirements of the insurance contract, LHV shall consider the policyholder to be in breach of the insurance contract.

## Obligations of LHV

- 33. LHV is obliged to:
  - 33.1. introduce the documents related to the insurance contract to the policyholder before concluding the insurance contract and keep secret the information which has become known to LHV in connection with the insurance contract;
  - 33.2. to start claims adjustment immediately after receiving the notice of loss and to determine the amount of loss to be indemnified;
  - 33.3. after receiving a notice of loss, to inform the policyholder which documents must be submitted to LHV in order to determine the cause and amount of the loss;
  - 33.4. make a decision on indemnifying loss or refusal to do so within ten working days of receipt of all required documents and determination of the amount of damage and the circumstances in which it occurred;
  - 33.5. indemnify the damage caused due to the insured event or pay the agreed monetary amount or the insurance indemnity in one instalment or in parts, or perform the insurance contract in another agreed manner. LHV must pay the insurance indemnity within a reasonable time after the completion of the claims adjusting operations and the indemnification decision. If LHV delays the performance of a monetary obligation, it is obliged to pay late interest at the rate provided in the Law of Obligations Act;
  - 33.6. reimburse expenses borne by the insured in connection with the determination of the damage and the amount thereof. LHV shall compensate costs of hiring an expert or consultant if the insured coordinated these expenses with LHV beforehand;
  - 33.7. reimburse the insured for the costs borne by the insured in relation to the prevention or reduction of the damage, which the insured considered necessary, even if bearing these costs did not yield the desired result. LHV must indemnify expenses incurred on the basis of its instructions even if they, together with other indemnity, exceed the sum insured.

## Exemption from performance of insurance contract

- 34. LHV has the right to decline indemnity or reduce indemnity if:
  - 34.1. the insured has caused damage intentionally and/or while intoxicated;
  - 34.2. the damage was caused to the insured object due to gross negligence or non-compliance with the duty of care by the insured;
  - 34.3. the insured has intentionally submitted false or misleading information to LHV or failed to submit significant information concerning the material circumstances of the insurance contract or loss event;
  - 34.4. the event is one where resulting damage is not indemnified on the basis of the Terms and Conditions;
  - 34.5. damage occurred to objects that are not insured under the Terms and Conditions;
  - 34.6. the policyholder has not paid the insurance premium by the prescribed term or additional term and the insured event occurs after the expiry of an additional term, unless the failure to make the payment was due to a circumstance beyond the control of the policyholder;
  - 34.7. the insured has not complied with one or more of the safety requirements specified in clause 19.1 to 19.22 of the Terms and Conditions or the obligation specified in clause 20.1 to 20.8 and said non-compliance has a causal relationship with the occurrence of the damage;
  - 34.8. it has not been possible to establish the amount of or circumstances surrounding the loss event.
- 35. LHV has the right to refuse to pay the insurance indemnity if the payee is subject to a relevant international financial sanction established by the Estonian Government, United Nations, European Union, Great Britain or the United States of America.

## Validity, termination, cancellation and withdrawal from the insurance contract

36. The insurance contract shall enter into force and insurance cover begin on the insurance period start date and end on the insurance period end date specified in the policy.
37. A fixed-term insurance contract shall expire after the end of the insurance period.
38. A perpetual insurance contract shall remain valid until cancellation and LHV shall send a new policy to the policyholder 45 days before the end of the insurance period.
39. The insurance contract shall expire:
  - 39.1. at the end of the insurance period;
  - 39.2. upon cancellation of the insurance contract;
  - 39.3. upon withdrawal from the insurance contract;
  - 39.4. by agreement between the policyholder and LHV;
  - 39.5. on other grounds provided for by legal acts.
40. The parties have the right to cancel a perpetual insurance contract under ordinary procedure by the end of the current insurance period, giving at least 30 days' notice.
41. LHV has the right to cancel the insurance contract in accordance with the cancellation periods prescribed by legislation, if:
  - 41.1. the policyholder has not performed the insurance contract, among other things, not paying the insurance premium by the deadline or additional deadline;
  - 41.2. the policyholder has intentionally submitted false information to LHV regarding the circumstances of the insurance contract and/or the insured event;
  - 41.3. an insured event has occurred and LHV has made a decision on indemnification or refusal to indemnify the damage;
  - 41.4. the insurance risk has increased (including if the insurance risk has increased independently of the policyholder and the policyholder does not agree to amend the insurance contract retroactively from the increase of the insurance risk);
  - 41.5. the insured object has been transferred;
  - 41.6. other grounds for cancellation of the insurance contract provided by legislation become apparent.
42. LHV has the right to withdraw from the insurance contract if the policyholder has failed to notify LHV of significant circumstances affecting the insurance risk when concluding the insurance contract and/or has knowingly submitted false information (including deliberately avoiding reporting a material circumstance). LHV may withdraw from the insurance contract within one month after it became aware or should have become aware of the policyholder's failure to perform the notification obligation.
43. If the policyholder has not paid the first insurance premium within 14 days after concluding the insurance contract, LHV may withdraw from the insurance contract until the payment is made. If the paid insurance premium (including an instalment thereof) is less than the amount payable specified in the policy, LHV shall deem the insurance premium not to have been paid. LHV shall be presumed to have withdrawn from the insurance contract if it does not file an action for the collection of the insurance premium within three months as of the premium becoming collectible.
44. If the insurance contract is entered into through telecommunications, the policyholder has the right to withdraw from the insurance contract within 14 days of the conclusion of the insurance contract. The policyholder must submit a written application to LHV regarding the withdrawal in a form that can be reproduced in writing. Upon withdrawal, LHV returns the paid insurance premium. If LHV has provided the policyholder with immediate insurance cover, the policyholder has no right of withdrawal.
45. If the insurance contract is entered into for more than one year, the policyholder has the right to withdraw from the insurance contract within 14 days as of the conclusion of the insurance contract. The policyholder must submit a written application to LHV regarding the withdrawal in a form that can be reproduced in writing. Upon withdrawal, LHV returns the paid insurance premium. If LHV has provided the policyholder with immediate insurance cover, the policyholder has no right of withdrawal.

46. If the insurance contract has been cancelled or a party has withdrawn from it, the parties to the insurance contract shall no longer be bound by the obligations arising from the contract as of the termination of the insurance contract. The rights and obligations of the parties, including the policyholder's obligation to pay insurance premiums to LHV, remain valid until the termination of the insurance contract.
47. If the insured object is destroyed as a result of an insured event or the insurance indemnity during the insurance period has been paid in the entire sum insured, LHV is entitled to the insurance premium for the current insurance period.

## Underinsurance and overinsurance

48. Underinsurance exists if the sum insured specified in the policy is lower than the insurance value at the time of occurrence of the insured event. In compensating damage, LHV shall not take into account potential underinsurance provisions and shall compensate damage up to the sum insured.
49. Overinsurance exists if the sum insured specified in the policy significantly exceeds the insurance value. In compensating damage in the case of overinsurance, LHV takes into account the actual loss amount.

## Communication

50. All notices necessary for the performance of the insurance contract shall be submitted in a form that can be reproduced in writing.

## Processing of personal data

51. LHV is entitled to process personal data related to the insurance contract on the basis of LHV's Principles of Processing Client Data and to disclose information related to the insurance contract to a third party whose right to receive information arises from LHV's Principles of Processing Client Data.
52. LHV has the right to preserve recordings obtained by telecommunication or other means in connection with the performance of the insurance contract and, if necessary, use them to prove the declarations of intent submitted by the policyholder.

## Expiry of claims arising from insurance contract

53. The limitation period for claims arising from the insurance contract is three years. The limitation period shall run from the end of the calendar year in which the claim becomes collectible.

## Conflicts in the insurance contract documents

54. If there are any inconsistencies in the documents of the insurance contract, the interpretation shall be based on the presumption that the Special Terms and Conditions of the insurance contract specified in the policy take precedence over the Home Insurance Terms and Conditions.
55. If the Terms and Conditions have been translated into a foreign language, their interpretation shall, in case of a dispute, always be guided by the Estonian-language Terms and Conditions.

## Applicable law and resolution of disputes

56. If the policyholder does not agree with an LHV decision or wishes additional explanations, they have the opportunity to write to LHV at [kindlustus@lhv.ee](mailto:kindlustus@lhv.ee) and Tartu mnt 2, 10145 Tallinn.
57. The extrajudicial processor of insurance disputes is the conciliation body of insurance disputes at the Estonian Insurance Association, email address [lepitus@eksl.ee](mailto:lepitus@eksl.ee) and address Mustamäe tee 46, 10621 Tallinn, and the Consumer Protection and Technical Regulatory Authority, email address [info@ttja.ee](mailto:info@ttja.ee) and address Endla 10a, 10122 Tallinn.
58. The legal acts of the Republic of Estonia apply to the insurance contract and disputes arising from insurance contract shall be adjudicated at Harju County Court.
59. Supervision over LHV as insurer is performed by the Financial Inspectorate, email address [info@fi.ee](mailto:info@fi.ee) and address Sakala 4, 15030 Tallinn.