

Supplementary conditions for insuring the civil liability of building owners or possessors



TVHHV 20051

IF P&C INSURANCE AS. COMMERCIAL REGISTRY CODE 10100168

NB! THIS IS AN UNOFFICIAL TEXT. IN CASE OF THE DISPUTE THE ESTONIAN WORDING SHALL PREVAIL.

1. General provisions

- 1.1. These supplementary conditions are applicable for concluding an insurance contract for insuring the civil liability of owners or possessors of buildings or apartments located at the insurance location, provided that the building or apartment or property at home has been insured at the insurance location on the basis of the “Home Insurance Conditions” or “Housing Insurance Conditions” of If P&C Insurance AS.
- 1.2. In issues not regulated with these supplementary conditions, the “General Insurance Conditions” of If P&C Insurance AS shall be taken as the basis.
- 1.3. The policyholder shall be obliged to introduce the conditions of the insurance contract to the insured. The insurance cover shall be valid provided that the policyholder and the insured follow the requirements set forth in the conditions of the insurance contract.

2. Definitions

- 2.1. The insurer is If P&C Insurance AS.
- 2.2. The policyholder may be the insured himself or other person who has insurance interest.
- 2.3. The insured is the owner or possessor of a building or apartment located at the insurance location, furthermore, the insured is also the members of the family of the owner or possessor of the building or natural persons exercising actual power in terms of the property mentioned in point 2.8 with the permission of or order by the owner of the building (janitors, cleaners etc).
- 2.4. For the purposes of these conditions, the third person is a person who during the occurrence of the damages is not the policyholder, insurer or the insured.
- 2.5. The injured party is the third person for the direct material damage caused to whom the insured is legally responsible.
- 2.6. The insurance object is the material obligations of the insured that arise at the moment of occurrence of the insurance event due to the insurance risk.
- 2.7. The insurance event is an event that took place at the insurance location during the validity of the insurance cover and caused direct material damages to third person and for the compensation of which a claim for indemnities has been submitted against the insured during the period foreseen in point 6.1.
- 2.8. The insurance risk is the legal civil liability of the insured arising from the ownership or possession of a building or an apartment or a plot of land at the insurance location.
- 2.9. The insurance location is the location established in the insurance contract where the insurance event for the consequences of which the insurance cover applies, takes place.
- 2.10. The sum insured is the indemnity limit paid for the insurance events of the insurance period.
- 2.11. The direct material damage is material damage or personal injury.
 - 2.11.1. The material damage is damages arising from destruction of or damages to an object. The amount of material damage is the value of the destroyed property or the sum of money by which the value of an object decreased.
 - 2.11.2. The personal injury is damages arising from the death, injuries or physical harm of a person. The personal injury includes medical treatment expenses of the injured person, loss of income arising from the temporary or permanent incapacity for work, funeral costs, maintenance indemnity etc.

3. Application and scope of insurance cover

- 3.1. The insurer shall ensure the insured insurance cover for the insurance event that occurred due to the insurance risk during the insurance period.
- 3.2. The insurance cover is valid to the extent complying with the civil liability arising from the laws in force in the Republic of Estonia.

- 3.3. In the event of solidary liability the insurance cover is valid to the extent for which the insured has no right to submit recourses against other solidary obligors.
- 3.4. The insurer pays insurance indemnity for the insurance events of one insurance period in the sum which does not exceed the sum insured established in the insurance contract. A limit (indemnity limit) may be established for each insurance event or claim for indemnity with the insurance contract.

4. Restrictions

- 4.1. The insurance cover is not valid for the claims for indemnity submitted against the insured if the damages were caused by the following:
 - 4.1.1. business activities of the insured, participation in non-profit organisations, furthermore, activities of the insured as a member of the management body of any legal entity;
 - 4.1.2. performance, failure to perform or sub-standard performance of the contracts concluded by the insured;
 - 4.1.3. failure to adhere to the terms, agreements and budgets as well as contractual penalties (including fines for delay and fines), interests and other punitive sanctions;
 - 4.1.4. intentional violation of legal rules and obligations;
 - 4.1.5. as a result of breakdown of water supply, sewerage or heating system if the system is older than 20 years;
 - 4.1.6. to the property of other persons, which was in the legal or illegal possession of the insured (e.g. which he rented, leased, borrowed or which was the object of a deposit contract);
 - 4.1.7. dry rot, sinking of the building, contusion related to piling works;
 - 4.1.8. explosive works or incorrect storage of explosives by the insured or policyholder;
 - 4.1.9. pollution of the environment (soil, air, water);
 - 4.1.10. the reason that the insured failed to eliminate as soon as possible the dangerous situations which he was obliged to eliminate. A dangerous situation is a situation which facilitates or may facilitate damages.
- 4.2. The insurer shall not compensate:
 - 4.2.1. the claims for indemnity in the part exceeding the sum insured;
 - 4.2.2. the damages caused intentionally by the insured;
 - 4.2.3. the damages caused to the insured himself or to a person who pursuant to point 2.4 is not considered a third person;
 - 4.2.4. indirect material damage, including lost profit which the injured party would have received in the future if the violation against him had not occurred and non-patrimonial damage (i.e. moral);
 - 4.2.5. the expenses and obligations arising from public claims for fines, sanctions, public restrictions and encumbrances;
 - 4.2.6. the damages that are subject to indemnification within the framework of the obligatory insurance;
 - 4.2.7. the damages that are not subject to indemnification on the basis of the law applicable in the Republic of Estonia although the insured has indemnified or is obliged to indemnify it to the injured party.
- 4.3. The insurer has the right to refuse to indemnify damages for which the insured is responsible as the possessor or owner of the legal share of co-ownership of a building.

5. Activities in the event of loss

- 5.1. The policyholder is obliged to ensure informing of the insurer in writing without a delay but not later than during one week:
 - 5.1.1. of each event of loss that may cause claims for indemnity of a third person against the insured;
 - 5.1.2. of each claim for indemnity submitted against the insured.
- 5.2. The policyholder (insured) is obliged to inform the insurer without a delay of any investigation carried out to establish circumstances of a loss event, imposed fines and warnings as well as summons sent to the insured or call for discussion of a case of an administrative offence etc, also if the insurer has already been informed of the event of loss.
- 5.3. The policyholder (insured) is obliged to eliminate or decrease the caused damages as much as possible, following the orders of the insurer and take any possible action for establishing the extent of losses. He is required to submit to the insurer complete and truthful data regarding loss, inform him of all circumstances related to the loss and surrender all materials describing the loss event.
- 5.4. If the claim for indemnities is submitted through the court, the policyholder or the insured shall have to allow the insurer participation in the court proceedings, grant full authorisation to the representative appointed by the insurer and submit all explanations that the insurer considers necessary.
- 5.5. Without the previous written consent of the insurer the policyholder or the insured shall have no right to approve or satisfy the claim for indemnity either partially or fully. In the event of ignoring such condition, the insurer shall be relieved from the obligation to indemnify.

6. Obligations of the insurer upon arrival of the loss event

- 6.1. The insurer shall be obliged to handle and indemnify only the claims for indemnity that are submitted against the insured during the insurance period or during two years from the end of the insurance period during which the loss event occurred, provided that the insurer has been duly informed of the event.
- 6.2. In the event of submission of a claim for indemnity against the insured by a third person, the insurer shall:

- 6.2.1. check the circumstances underlying the claim for indemnity;
- 6.2.2. reject an unfounded claim for indemnity;
- 6.2.3. indemnify to the insured, to the extent established with the insurance contract, the material damage arising from the satisfaction of the claim for indemnity.
- 6.3. The insurer shall be obliged to make the decision on approving the claim for indemnity or rejecting the claim during two weeks from the day of receipt of all documents necessary for making the decision.
- 6.4. Upon approval of the claim for indemnity the insurer shall be obliged to indemnify the damages during one week from the making of the respective decision.

7. Principles of indemnification

- 7.1. If a court action arises between the insured and the injured party with regard to the circumstances of the insurance event, the insurer covers all costs related to the court action that are made with the prior written consent of the insurer.
- 7.2. The sum insured will not be decreased by the handling costs of the insurance event, including legal costs.
- 7.3. If the claims for indemnity arising from the insurance event exceed the sum insured or its residual part, the insurer shall cover the legal costs to the extent that comply with the ration of the sum insured and its residual part.
- 7.4. The insurer shall not bare legal costs that have occurred after the full payment of the sum insured.
- 7.5. The insurer shall compensate the legal claims for indemnity arising from the insurance event submitted against the insured provided that the policyholder or the insured have informed the insurer of the occurrence of the event according to point 5.1.
- 7.6. The policyholder shall be obliged to compensate the claims for indemnity even if the policyholder or the insured have failed to duly perform the obligations arising from point 5.1 but the failure to perform the obligations occurred due to negligence or without the fault of the policyholder or the insured. The insurer shall be relieved from the obligations mentioned in this point after one year from the occurrence of the insurance event.

