



The Terms and Conditions of Device Insurance describe the insurance coverage for accidents befalling device, action to be taken in the event of a loss and the principles of indemnification.

Device insurance covers various types of device on all-risk basis in the event of damage caused by unexpected and unforeseen events. Protection covers device when used by either the owner or other users.

The material parts of the insurance contract are the insurance policy (hereinafter **policy**), **certificate** and these Terms and Conditions of LHV Device Insurance (hereinafter **Terms and Conditions**). The sum insured (maximum limit of indemnity) and the amount of deductible (the excess; the amount that will be borne by the policyholder in the event of an insured event) are indicated in the policy for the insured objects. Before concluding the insurance contract, the policyholder must make sure that the information specified in 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. Persons equated with the policyholder are insured person and all persons lawfully in possession or use of the insured object (hereinafter **policyholder**).

Contact details for the insurer

Customer support

Mon–Fri 9 am–5 pm
699 9111
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Claims adjustment

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Terms and Conditions of Device Insurance

Valid from
28.02.2021

Definitions

Loss event is an unexpected event that causes patrimonial damage.

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

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

Sum insured is value of the insured object or the largest amount of money to be indemnified in case of an insured event. The sum insured is not reduced by the paid indemnity.

Insurable value is the amount required to acquire an identical item (the same product or equivalent product in terms of its characteristics).

The insured object is specified in the policy.

Movables are durable goods that are purchased as new from a store.

Insured object

1. The insured object may be various types of movable property, taking into consideration the following restrictions.
 - 1.1. The following are not insured together with the insured object:
 - 1.1.1. consumable parts, other parts and components of the insured object that are replaced during normal use of the device, such as batteries, charger, drill, disc, chain, cartridge head, light bulb, filter, cartridge, tape, drum, consumable material and the like;
 - 1.1.2. a third object (such as a memory stick) left in the insured object;
 - 1.1.3. software installed on the insured object, including software failures caused by viruses or spyware;
 - 1.1.4. data stored in the insured object or damage to or destruction of the data;
 - 1.1.5. loss caused by the impossibility of using the insured object;
 - 1.1.6. other damage not directly caused to the insured object.
 - 1.2. The following is not an insured object:
 - 1.2.1. a used item, except for a sample product used in the seller's shop;
 - 1.2.2. motor vehicle, trailer, watercraft and aircraft, and their engines, parts and accessories;
 - 1.2.3. drone.

Insured event

2. **An insured event is an unexpected and unforeseen event that occurred during the insurance period, including destruction, damage, theft or robbery**, as a result of which damage to the insured object occurs and which is not excluded in clause 3 of the Terms and Conditions;

Exclusions

3. LHV will not indemnify for damage indirectly or directly caused by the following events, causes or consequences.

- 3.1. Damage and injury that occurred before the conclusion of the insurance contract**
Damage and injury that occurred before conclusion of the insurance contract or the occurrence of which had become evident by the time of conclusion of the insurance contract.
- 3.2. Recurring damage**
Damage that occurs with a predictable frequency, and damage where the policyholder has failed to take measures to prevent its aggravation or recurrence.
- 3.3. Unattended or lost insurance object**
Losing or forgetting of property, including leaving the insured object in a visible place in a vehicle or other visible place or unlocked room.
- 3.4. Long-term process**
Damage to the insured object caused by normal gradual wear, spoilage, corrosion, rust, material fatigue or mould.
- 3.5. Expansion or contraction**
Damage caused by shrinkage or expansion of the insured object or its parts, unless it has occurred directly as a result of the insured event.
- 3.6. Cosmetic defects that do not affect the intended use of the object**
Scratches, tears, dents, change of colour tone and the like that do not affect the intended use of the insured object.
- 3.7. Nuclear energy, blasting and vibration**
Blasting and mining operations, vibration, explosion of nuclear and radioactive material, use of nuclear energy for any purpose, or such a process that goes out of control.
- 3.8. Damage indemnifiable under another contract**
Damage indemnified under, for example, a (manufacturer's) warranty or another contract.
- 3.9. Maintenance works**
The cost of maintenance or repair work and the cost of spare parts to be replaced during maintenance work, including the cost of eliminating minor external defects, such as removing stains and discolouration and eliminating odour changes, and removing external scratches.
- 3.10. Environmental pollution**
Costs of eliminating environmental pollution.
- 3.11. Military action, terrorist acts and riots**
War and political armed conflict, act of terrorism, insurrection, riot, strike, work stoppage; military action, mass unrest, coup and state of emergency.
- 3.12. Expropriation**
Expropriation, confiscation or other similar event.
- 3.13. Use of the object for other than the designated purpose**
Use of the insured object for a reason or in a way not intended, such as use in violation of the manufacturer's instructions, overrun of the work cycle, incorrect or incomplete connection, installation or cleaning or maintenance or repair, including repair and maintenance by a third party or unauthorised company.
- 3.14. Use of substandard parts or repair**
Use of defective or incorrect or non-manufacturer-certified spare parts, accessories or materials by the manufacturer, modification in violation of the manufacturer's instructions, repair error.
- 3.15. Use of the object for commercial purposes**
Renting or lending the insured object to another user for a fee.
- 3.16. Equipment failure**
Damage or destruction of the insured object due to internal electrical or mechanical failure of the insured object.

Deductible

- 4. Deductible** is the amount that is to be borne by the policyholder in case of an insured event. The deductible is deducted from the insurance indemnity to be paid. If the insured object has been damaged or destroyed as a result of several insured events, the deductible shall be applied for each insured event separately.

Action to be taken in the event of a loss event

- 5.** In the case of a loss event, the policyholder must:

- 5.1. take measures to prevent or reduce further damage;
- 5.2. report the incident immediately by calling 112 in case of suspicion of intentional actions of a third party or in the event of a fire or explosion; and in other cases, to the relevant competent authorities or persons;
- 5.3. notify LHV of a loss event within five days after the loss event occurred or was learned of;
- 5.4. follow the instructions given by LHV;
- 5.5. to provide LHV with the necessary information on the circumstances of the loss event and the potential cause of the damage and to provide LHV with access to the damaged object;
- 5.6. take into account that LHV may, in order to establish the circumstances of the loss event, require from the policyholder, among others:
 - 5.6.1. documents proving the expenses incurred due to the loss event;
 - 5.6.2. a certificate issued by the police in case of theft, vandalism and intrusion;
 - 5.6.3. a certificate issued by the Rescue Board in the event of fire;
 - 5.6.4. explanations regarding the loss event.

Safety requirements

- 6. LHV has the right to deny or reduce the indemnity if the policyholder has:
 - 6.1. failed to comply with safety requirements arising from legal acts or instructions for use;
 - 6.2. left a source of fire risk unattended or in the supervision of minor children;
 - 6.3. left its property in a place or conditions that do not conform to the manufacturer's instructions;
 - 6.4. failed to securely close windows, doors, hatches or other openings when away from home, thus making it possible to enter the building without having to break the closing mechanism or a barrier to entry;
 - 6.5. while away from home or at night, failed to move indoors property not intended to be stored permanently outdoors into a locked structure or left it in a place visible from the street (except garden furniture, robotic lawnmower, trampoline and garden grill);
 - 6.6. left insured property unattended;
 - 6.7. failed to take measures for preventing recurrence of damage.

General principles of indemnification

- 7. In case of an insured event, LHV indemnifies the direct and justified costs of restoration or replacement of the insured object and other costs provided in the Terms and Conditions, less the deductible specified in the insurance contract. LHV's general principles for indemnification are the following.
 - 7.1. LHV shall make a decision on indemnification in ten working days after it has received all necessary information on the loss event and the amount of damage. If, for reasons beyond LHV's control, it is not possible for LHV to determine the full amount of the damage, LHV will first indemnify the part of the damage where the amount of damage is clear. With good reason, LHV may extend the term for making a decision on indemnification of damage.
 - 7.2. After the occurrence of the insured event, the sum insured specified in the insurance contract does not decrease.
 - 7.3. LHV determines the method of indemnification, which may be the repair of the damaged item or replacement with an equivalent item, and also selects the repair company or the place from which the equivalent item will be obtained upon replacement. The corresponding solution shall be organised and ordered by LHV.
 - 7.4. LHV is not obliged to accept the repair or replacement of the insured object at a place other than LHV's chosen location or to pay indemnity in a larger amount than it would pay for repair or replacement of the item at LHV's selected providers.
 - 7.5. LHV reimburses the repair company directly for the cost of repairing the insured object and compensates the replacement cost to the seller.
 - 7.6. If it is not economically feasible or otherwise possible to repair the insured object, LHV shall replace the insured object with an equivalent one.
 - 7.7. If the claims adjustment process reveals that it is not an insured event, the related costs shall be borne by the policyholder.

- 7.8. LHV has no obligation to indemnify the value of the extant part of the insured object. If LHV reimburses the costs of replacing the insured object, LHV is entitled to the right of ownership of the replaced object.
- 7.9. If the policyholder wishes to keep the destroyed object in their own ownership, the insurance indemnity shall be reduced by the post-insurance-event value of the item.
- 7.10. LHV does not have to compensate the part of the VAT to the extent to which the policyholder is entitled to recover or offset it.

Obligations of the policyholder

- 8. The policyholder is obliged to:
 - 8.1. explain the rights and obligations arising from the insurance contract to all persons deemed equivalent to the policyholder who use the insured object;
 - 8.2. pay insurance premiums in the agreed amount and according to the agreed procedure;
 - 8.3. notify LHV of a loss event within five days after the loss event occurred or was learned of;
 - 8.4. 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;
 - 8.5. notify LHV as soon as possible if the information submitted to LHV turns out to be false or incomplete;
 - 8.6. notify LHV immediately of any increase in the insurance risk (for example, in the event of changes compared to those specified in the insurance contract) and of any transfer of the insured object;
 - 8.7. 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;
 - 8.8. if an item taken by theft or robbery is returned after LHV paid the insurance indemnity for it, return to LHV the insurance indemnity or hand over the returned item to LHV;
 - 8.9. return to LHV the insurance indemnity paid if, after indemnification of the damage by LHV, circumstances precluding indemnification become apparent or if the damage is indemnified by a third party;
 - 8.10. enable LHV to investigate the circumstances of the insured event in order to ascertain 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.

Obligations of LHV

- 9. LHV is obliged to:
 - 9.1. introduce to the policyholder the documents related to the insurance contract before concluding the insurance contract and keep secret information which has become known to LHV in connection with the insurance contract;
 - 9.2. issue to the policyholder a replacement policy, as well as copies of the policyholder's statements of intent submitted in a form that can be reproduced in writing, and data and copies of documents that affect the policyholder's rights or obligations arising from the insurance contract, if such activities are not in conflict with legal acts;
 - 9.3. to start claims adjustment immediately after receiving the notice of loss and to determine the amount of loss to be indemnified;
 - 9.4. 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;
 - 9.5. 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;
 - 9.6. 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 making of 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;
 - 9.7. if the obligation to indemnify damage arises, to reimburse, inter alia, the necessary expenses borne by the policyholder to determine the amount of the damage. LHV is not obliged to reimburse the policyholder for the costs

of hiring an expert or consultant if the policyholder was not obliged to hire an expert or consultant according to the contract;

- 9.8.** refuse to pay the insurance indemnity if the payee is subject to a corresponding restrictive international financial sanction established on the basis of UN resolutions or corresponding legal acts of the European Union or the Republic of Estonia.

Exemption from performance of insurance contract

- 10.** LHV has the right to deny or reduce the indemnity if:
- 10.1.** the policyholder caused the damage intentionally and/or while intoxicated;
 - 10.2.** the policyholder has intentionally submitted false or misleading information to LHV or failed to submit significant information concerning the important circumstances of the insurance contract or loss event;
 - 10.3.** the event is one where resulting damage is not compensated on the basis of the Terms and Conditions;
 - 10.4.** damage occurred to objects that are not insured under the Terms and Conditions;
 - 10.5.** the policyholder has not paid the insurance premium by the prescribed term or additional term and the insured event occurs after the expiry of the additional term, unless the failure to make the payment was due to a circumstance beyond the control of the policyholder;
 - 10.6.** the policyholder has not complied with one or more of the safety requirements specified in clause 6 of the Terms and Conditions or the obligation specified in clause 8 and said non-compliance has a causal link with the occurrence of the damage.
- 11.** LHV has the right to refuse to pay the insurance indemnity if the payee is subject to the relevant international financial sanction established by the Office of Foreign Assets Control (OFAC) under the relevant legislation of the United States of America or the relevant legislation of HM Treasury United Kingdom.

Termination, cancellation and withdrawal from the insurance contract

- 12.** The insurance contract shall expire:
- 12.1.** at the end of the insurance period;
 - 12.2.** upon cancellation of the insurance contract;
 - 12.3.** upon withdrawal from the insurance contract;
 - 12.4.** upon replacement of a destroyed insured object;
 - 12.5.** by agreement between the policyholder and LHV;
 - 12.6.** on other grounds provided for by legal acts.
- 13.** LHV has the right to cancel the insurance contract in accordance with the cancellation periods prescribed by legislation, if:
- 13.1.** the policyholder has not performed the insurance contract, among other things, not paying the insurance premium by the deadline or additional deadline;
 - 13.2.** the policyholder has intentionally submitted false information to LHV regarding the circumstances of the insurance contract and / or the insured event;
 - 13.3.** an insured event has occurred and LHV has made a decision on indemnification or refusal to indemnify the damage;
 - 13.4.** 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);
 - 13.5.** the insured object has been transferred;
 - 13.6.** other grounds for cancellation of the insurance contract provided by legislation become apparent.
- 14.** 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 an important 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.

15. If the insurance contract is entered into through telecommunications, 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.
16. 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, the insurance premium shall be deemed 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.
17. 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.
18. 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.
19. 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, overinsurance and multiple insurance

20. If the sum insured specified in the policy is less than the insurable value at the time of the insured event, LHV is liable for the loss in proportion to the ratio of the sum insured to the insurable value at the time of the insured event (underinsurance).
21. If the sum insured specified in the policy significantly exceeds the insurable value, LHV will indemnify the actual amount of loss (overinsurance).
22. If the policyholder insures the same insurance risk through several insurers and the total amount of insurance indemnities paid by the insurers exceeds the amount of the loss or the total of the sums insured exceeds the insurable value, the insurers shall be jointly liable (multiple insurance).
23. If the sum insured in the policy is equal to the insurable value at the time of the insured event, it is not a case of under- or overinsurance.

Communication

24. 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

25. 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.
26. 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

27. 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

28. 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 general terms and conditions.
29. 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.