

Valid from 25.08.2022

# ERGO

**Your home is your castle**

**We give you a sense of security and help in case of an accident**

## **TERMS AND CONDITIONS OF ERGO HOME INSURANCE**

**Maksi pakett**



# TERMS AND CONDITIONS OF ERGO HOME INSURANCE

## Maksi package

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ERGO Insurance SE (hereinafter ERGO) applies these terms and conditions of all-risk home insurance to home insurance contracts, the insured object of which is a structure, household property and liability.

ERGO offers insurance on the basis of the insurance interest and needs of the policyholder and insured person. The final choice is made by the policyholder. The agreed insurance covers are set out in the insurance contract.

Matters not resolved in these insurance terms and conditions are settled following the special terms and conditions specified in the insurance contract, the general terms and conditions of insurance contracts, the Law of Obligations Act and other legislation.

### 1. Insured object

- 1.1. The insured object, as specified in the insurance contract, is:
  - 1.1.1. a structure (a building, an apartment, apartment ownership or a facility);
  - 1.1.2. household property;
  - 1.1.3. liability (liability limited to the possession of an insured object, liability of a pet owner or extended liability).
- 1.2. **A building** (e.g. a residential building, an ancillary building, a summerhouse) means a structure permanently connected to the ground having walls, a roof and interior space as well as all the essential parts thereof, such as hot water boilers, electrical wiring, ventilation and air conditioning equipment.
- 1.3. The following property owned by the policyholder and located on the same registered immovable are insured against the same risks as the residential building:
  - facilities, incl. utility systems located on the registered immovable forming part of the building;
  - small buildings with a total area of up to 20 m<sup>2</sup>;
  - heating fuel for heating the residential building (e.g. firewood, coal, fuel oil, liquefied gas) for one year.
 Facilities, small buildings and heating fuel are insured for the total value of up to 10,000 euros.
- 1.4. Along with the residential building, the insurance cover applies to the reasonable and substantiated costs of restoring decorative plants in the yard surrounding the residential building, which are necessary for bringing the condition of plants damaged as a result of the insured event that has occurred to the residential building to their condition preceding the insured event.
- 1.5. **An apartment** means a structurally delimited residential area and parts thereof that can be changed without damaging any legal shares of the building, infringing the rights of other owners or changing the external shape of the building. The interior finishing, floors, ceilings, non-bearing partition walls, doors, windows, balcony, loggia and parts of the electrical, gas, heating, water supply, sewerage, ventilation and air conditioning systems that only serve the insured apartment are also insured along with the apartment.
- 1.6. **Apartment ownership** means an apartment with a share of the common ownership corresponding to the size of the ownership (e.g. the roof of the building, bearing walls, staircase, elevator).
- 1.7. In addition to the items described in clause 1.5, the following are insured along with the building, apartment or apartment ownership:
  - a storeroom, basement or garage box that can be locked, is located in the building, forms part of the apartment and is in the exclusive use of the policyholder;
  - video surveillance system, antennae, sunshades and lighting fixtures attached to the exterior of the building;

- fire extinguishing, fire alarm and security alarm systems;
  - built-in furniture, integrated equipment;
  - equipment intended for serving the building or apartment (e.g. wind turbine, solar panels).
- 1.8. **Civil engineering works** means a construction work that is permanently connected to the ground and is not a building. Civil engineering works are, for instance, fences, flagpoles, pools, bathing barrels, greenhouses, summer kitchens, outdoor fireplaces, wells, terraces, external lighting fixtures, car shelters, sculptures.
- 1.9. **Household property** means movables located in the place of insurance and owned by the policyholder or their family members or in their legal possession (except property listed in clause 1.10).
- 1.10. The insurance of household property does not cover:
- mobile phones, tablets and other smart devices older than two years and TV sets and desktop and laptop computers older than five years. The age of an item is calculated from the date it was purchased as a brand new item. If it is impossible to establish the purchase date, the release date of a specific model is taken into account;
  - motor vehicles, agricultural machinery and trailers thereof subject to registration and accessories installed thereon;
  - aircraft, except drones, insured to the extent of 1500 euros per insured event;
  - watercraft (incl. scooters, jet skis), except recreational craft with a length of up to 5 m located in the place of insurance (i.e. rowing boats, motor boats with a power of less than 25 kW and sailing yachts with a sail area of less than 25 m<sup>2</sup>) as well as boat motors with a power of up to 25 kW located in the place of insurance in a locked structure;
  - domestic property located in a construction work in progress if the opening(s) of the construction work are not permanently closed and the construction of the roof is not completed;
  - cash, documents, manuscripts, plans, drawings, archives, models, samples, securities, bonds;
  - agricultural products, alcoholic beverages;
  - information and software contained in an information processing system and data medium (except property referred to in clause 5.5);
  - ammunition, explosives;
  - plants, animals.

## 2. Insurable value and sum insured

- 2.1. The insurable value of a structure means the reinstatement value, i.e. the cost of the restoration of a new equal structure. The sum insured equals the reinstatement value of a structure, unless the sum insured of the structure has been agreed in the insurance contract.
- 2.2. The insurable value of household property means the reacquisition value, i.e. the cost of the reacquisition of equal property (having the same technical qualities).
- 2.3. Household property in a locked storeroom, basement or garage box located outside the apartment in an apartment building and in the exclusive use of the policyholder is insured to the extent of up to 10% of the sum insured of the household property.
- 2.4. Household property that is carried by the policyholder or their family members and is under their supervision is also insured within the countries of the European Union in the amount of up to 2000 euros outside the place of insurance specified in the insurance contract. Family members of the policyholder include the spouse or cohabitant, their children, parents and dependants residing permanently together with the policyholder in the place of insurance.
- 2.5. Building materials not installed in a building or apartment in progress (e.g. bricks, pipes, painting, parquet, wiring), equipment not installed (e.g. sanitary equipment, air conditioner, heating system) and tools are insured to the extent of up to 25% of the sum insured of the household property. Such items are insured if they are located in a structure, the doors of which are properly closed, the windows of which are closed and all other openings of which are firmly closed, which would otherwise allow unauthorised persons to enter the building without using any aids.
- 2.6. Motor vehicles (incl. gardening equipment) with a power of up to 15 kW not subject to registration and intended for domestic use are insured to the extent of up to 25% of the sum insured of the household property.
- 2.7. Mobile phones, tablets and other smart devices are insured under the following principle:
- 2.7.1. the insured value of a device that is up to 5 months old (incl.) is 100% of the reacquisition cost of an equivalent new device;
- 2.7.2. the insured value of a device that is 6–12 months old is 75% of the reacquisition cost of an equivalent device;
- 2.7.3. the insured value of a device that is 13–24 months old is 50% of the reacquisition cost of an equivalent device;
- 2.7.4. the age of the device is calculated from the date it was purchased as a brand new item. If the purchase date is unknown, the release date of a specific model is taken as a basis.
- 2.8. TV sets and desktop and laptop computers are insured under the following principle:
- 2.8.1. the insured value of a device that is up to 12 months old is 100% of the reacquisition cost of an equivalent new device;
- 2.8.2. the insured value of a device that is 13–24 months old is 70% of the reacquisition cost of an equivalent device;
- 2.8.3. the insured value of a device that is 25–60 months old is 50% of the reacquisition cost of an equivalent device;
- 2.8.4. the age of the device is calculated from the date it was purchased as a brand new item. If the purchase date is unknown, the release date of a specific model is taken as a basis.
- 2.9. The sum insured is the maximum amount paid per insured event.
- 2.10. The sum insured is not reduced by the amount of insurance indemnity paid out.
- 2.11. The sum insured of liability insurance is the maximum indemnity with respect to all claims arising from the same insured event.

### 3. Place of insurance

- 3.1. The place of insurance is the building, the part of the building or the apartment located at the address specified in the insurance contract.
- 3.2. A storeroom, basement or garage box, which can be locked, is located in the same apartment building as the residential space and is in the exclusive use of the policyholder or a small building forming part of a private house or terraced house, which can be locked, is also a place of insurance.
- 3.3. Sheds, garages and other auxiliary structures forming part of apartment buildings and located separately are not considered places of insurance, unless otherwise agreed in the insurance contract.
- 3.4. For insured household property intended for use outdoors, insurance cover also applies in the yard of the insured private house or terraced house. However, during the dark hours or when leaving the place of insurance, said property, excluding garden furniture, a trampoline, a barbecue or smoke oven or a robotic lawn mower, needs to be brought into a locked building. In addition to the insurance cover described in the terms and conditions, the above property is also insured against theft.

### 4. Insured event

- 4.1. An insured event means an unexpected and unforeseeable event, except for the exclusions listed in clause 6.
- 4.2. If the precise time of the insured event cannot be determined, it is deemed to be the day when the policyholder or a person considered equivalent to the policyholder should have learned about the insured event.

### 5. Additional cover indemnified

#### 5.1. Lease costs of temporary residence

- 5.1.1. If the permanent residence of the policyholder has been rendered uninhabitable due to an insured event, the reasonable and substantiated costs that the policyholder has incurred to find or rent an equivalent temporary residence for themselves or for a lessee who lives at the place of residence on the basis of a lease agreement and the relocation from a temporary residence are indemnified.
- 5.1.2. A building or an apartment is uninhabitable if it is destroyed or damaged insofar that it makes normal living impossible or significantly harder.
- 5.1.3. Costs are reimbursed without applying a deductible and for a maximum of twelve months after the occurrence of the insured event, but no longer than until the time when the place of insurance has been restored as inhabitable or the residential building or part thereof (apartment) is replaced.
- 5.1.4. Utility payments, penalties for late payment and contractual penalties related to the temporary residence are not subject to indemnification.

#### 5.2. Construction and repair

The insurance cover also applies during construction and repair. The insurance cover extends to a building in progress if the construction of the roof is completed, doors and windows are installed and all the other openings are firmly closed, which would otherwise allow unauthorised persons to enter the building without using any aids.

#### 5.3. Theft or robbery of a key

If a key to the insured residence is stolen or robbed, making it necessary to change the respective lock at the place of insurance, the reasonable and substantiated costs arising therefrom are indemnified without applying a deductible.

#### 5.4. Preventing and mitigating damage

In the case of an insured event, reasonable costs incurred by the policyholder in order to prevent or mitigate damage are reimbursed.

#### 5.5. Software restoration

Costs of restoring legally acquired software that was destroyed as a result of an insured event are reimbursed in the amount of up to 500 euros without applying a deductible. The software acquisition documents presented by the policyholder serve as the basis for indemnification.

#### 5.6. Damage caused by the activities of the Rescue Board

Costs incurred for the restoration of the insured property damaged as a result of the activities of the Rescue Board, which are not related to the insured event, are reimbursed without applying a deductible.

#### 5.7. Theft and robbery of a bank card

Transactions concluded or cash withdrawn from an ATM with a bank card stolen or robbed from the policyholder or a dependent family member living in their shared household are indemnified in the amount of up to 1000 euros.

### 6. Exclusions

The following is not indemnified:

- 6.1. damage caused by the gradual deterioration, wear and tear, aging, moulding, perishing, corrosion, exhaustion of material, rotting, fungal damage, dry rot fungus or long-term degradation of the insured object;
- 6.2. damage caused by the internal error or hidden defect of the insured object. **Example:** *a faucet with a defect causes a flood. The cost of the elimination of the flood is indemnified, but the cost of replacing the broken faucet is not indemnified;*
- 6.3. damage caused by the shrinkage or expansion of the building or parts thereof, unless this has occurred as a direct consequence of an insured event;
- 6.4. damage caused by subsidence of the earth, the structure or parts thereof, regardless of the event or reason that has

- caused the subsidence;
- 6.5. damage caused by insects, rodents and other pests, birds, domestic animals and pets;
- 6.6. damage caused by rain or water from melted snow entering the structure through the roof, walls or other construction structures, unless the openings have come into existence due to a storm (wind with an average speed or gusts of at least 18 metres per second), hail or ridged ice. As an exception, damage caused to interior finishing or household property by water entering the structures for the first time is indemnified to the extent of up to 3000 euros. This exception applies under the condition that no water has entered the place of insurance within the last five years;
- 6.7. damage caused by the weight of ice or snow;
- 6.8. blemishes (e.g. scratches, dents, notches, stains, tears or changes in colour) that do not affect the use of the insured object for its intended purpose;
- 6.9. faulty construction or repair work; planning or design error; use of defective or unsuitable building materials. As an exception, fire or pipe leakage caused as a result of the aforementioned reasons is indemnified. The costs of the restoration of an item that caused a fire or pipeline leakage is not indemnified. **Example:** *There is a fire due to a chimney that has defects or has been incorrectly installed and the building is destroyed. The restoration of the chimney is not indemnified, but the costs of the elimination of damage to other parts of the building are indemnified;*
- 6.10. damage caused to the utility system (e.g. heat pump, boiler, ventilation equipment) of the structure, which is older than seven years, by interruptions, disruptions or voltage fluctuations in power supply and internal electrical or mechanical failures or disruptions of the insured object;
- 6.11. damage caused during the use or operation of a motor vehicle or gardening equipment with a power of up to 15 kW not subject to registration and intended for domestic use;
- 6.12. damage caused to sports equipment or vehicles (e.g. bicycle, scooter, self-balancing vehicle) during regular use;
- 6.13. damage caused by blasting or excavation works, vibration;
- 6.14. damage to be reimbursed on the basis of the warranty granted to the insured object (incl. construction warranty);
- 6.15. costs of maintenance work and maintenance repairs as well as the cost of spare parts to be replaced in the course of maintenance;
- 6.16. monetary claims that cannot be considered direct proprietary damage (e.g. loss of income, damage to proprietary rights, moral damage);
- 6.17. costs of the removal of environmental pollution.

## 7. Liability insurance

- 7.1. An insured event means the unlawful infliction of damage by the policyholder to a third party, as a result of which the policyholder is obligated to compensate for damage.
- 7.2. Damage that the policyholder has unlawfully caused to a third party will be indemnified if a claim has been filed against the insured person within one year after the expiry of the insurance period. Unless otherwise agreed upon, the insurance cover only extends to the claims arising from the possession of the insured structure. Damage is indemnified if the damage was caused through the fault of the policyholder and/or the policyholder is liable for causing damage in accordance with the law. The event that caused damage must have taken place during the insurance period.
- 7.3. Costs for legal assistance necessary for opposing claims are to be reimbursed. These are understood as the sum the insured person has spent on legal assistance, expert assessments and court proceedings. The costs for legal assistance will be indemnified by ERGO if these are necessary for evidencing the absence of liability or guilt of the insured person and if these have previously been agreed upon with ERGO.
- 7.4. Upon entering into the insurance contract, it is possible to choose the liability insurance cover limited to the possession of the insured object, the liability insurance cover of a pet owner or the extended liability insurance cover.
- 7.5. The liability insurance cover limited to the possession of the insured object also extends to claims that are in a causal relationship with the possession of the structure covered by the same insurance contract.
- 7.6. The extended liability insurance cover applies to any damage caused to third parties, which is not excluded by these terms and conditions. The extended liability insurance cover applies in the territory of Estonia, i.e. damage arises in Estonia, a claim for indemnity is filed on the basis of Estonian law and the claim for indemnity is adjudicated in an Estonian court.
- 7.7. As for the liability insurance related to the possession of the insured object, the owner of the building or apartment and people living permanently with the policyholder in the shared household in the place of insurance or a tenant under a lease agreement, are treated as equivalent to the policyholder.
- 7.8. As for the liability insurance not related to the possession of the insured object, the spouse or cohabitant of the policyholder and their children under the age of 18 as well as the dependents of the policyholder are treated as equivalent to the policyholder.
- 7.9. **The following are not indemnified:**
  - 7.9.1. claims based on the loss of income or arising from non-proprietary damage. As an exception, loss of or reduction in the income or maintenance support, which is deemed part of personal injury, is indemnified;
  - 7.9.2. claims arising from the policyholder's contractual liability, contractual obligations, incl. written and other guarantees;
  - 7.9.3. claims arising from *negotiorum gestio*;
  - 7.9.4. claims based on events which caused damage and of which the policyholder was aware before entering into the insurance contract;
  - 7.9.5. claims caused by the intent or dishonesty of the policyholder and by their actions committed under the influence of alcohol, drugs, toxic substances, etc.;
  - 7.9.6. mutual claims between the policyholder and persons considered equivalent to them;
  - 7.9.7. claims arising from labour, service or family law disputes;
  - 7.9.8. claims arising from lawful fines imposed on the policyholder or the injured party, interest, penalties for late payment and other penalties to be added to damage;

- 7.9.9. claims arising from asbestos dust, diethylstilboestrol, dioxin or acquired immune deficiency syndrome (AIDS), medicinal products or communicable diseases;
- 7.9.10. claims arising from unjust enrichment;
- 7.9.11. claims arising from the policyholder's economic or professional activities;
- 7.9.12. claims arising from risk liability (incl. source of a larger threat, except for a building or apartment) and manufacturer's liability;
- 7.9.13. claims arising from a land vehicle, watercraft or aircraft owned, leased, borrowed, rented and/or driven by the policyholder, except claims arising from operating a non-power land vehicle;
- 7.9.14. claims related to the damage to or loss of property belonging to third parties and under the management or in the possession or use of or held by, etc. the insured person;
- 7.9.15. claims caused by Force *majeure*;
- 7.9.16. claims caused by radioactivity, radiation, toxicity or explosiveness of substances;
- 7.9.17. claims caused by contamination or pollution;
- 7.9.18. claims arising from damage caused by animals belonging to the policyholder, except for claims arising from damage caused by pets belonging to the policyholder if this has been separately agreed upon in the insurance contract;
- 7.9.19. costs for legal assistance if the reimbursement of damage has been precluded under the insurance terms and conditions of the insurance contract.

## 8. Procedure for indemnification

- 8.1. Direct proprietary damage and other expenses set out in the insurance contract and substantiated will be compensated. The insurance indemnity is calculated based on the insurable value of the insured object, which was damaged, destroyed or lost as a result of the insured event, at the moment of the insured event.
- 8.2. In the case of a structure, ERGO has the right to indemnify at first the indemnity portion, which also includes the depreciation of the structure. The remaining portion is compensated for on the basis of calculations submitted for the restoration of the structure, provided that the policyholder will use the indemnity to restore a structure of the same type and purpose and at the same place within two years of the commencement of indemnification. At the same time, the policyholder must have supplied evidence that they have used the indemnity received first for restoring the same structure.
- 8.3. If it is economically expedient to repair the insured object, the substantiated repair costs are indemnified. If the insured object is not repaired or replaced, the reacquisition costs are indemnified. Upon indemnifying household property, the value of the insured object at the moment of reacquisition as a new item serves as a basis. If the same items are no longer sold, the indemnification is based on items that are as similar to the destroyed items as possible, but not worse, e.g. a new version of the same model. ERGO has the right to obtain an item that is as close in terms of its functions and appearance as possible.
- 8.4. Upon the destruction of the insured object, ERGO has the right to withhold insurance premiums from the insurance indemnity until the end of the insurance period.

## 9. Deductible

- 9.1. A deductible is deducted from the insurance indemnity.
- 9.2. When compensating for damage caused by construction or repairs, the triple rate of the deductible set out in the insurance contract is applied, but no less than 600 euros.
- 9.3. Upon damage to mobile phones, tablets and other smart devices and accessories thereof, the deductible amounts to 200 euros per insured event and device, unless the device is damaged or destroyed due to fire, lightning, failure of the internal water supply network, burglary, robbery, storm or natural flood.
- 9.4. A deductible is not applied if:
  - more than 50% of the insured structure has been destroyed;
  - the insured event has occurred only to the glass surfaces of the structure.

## 10. Obligations of the policyholder

The policyholder has the obligation to:

- 10.1. upon entering into the insurance contract, submit correct and complete data and inform of all significant circumstances affecting the underwriting risk known to the policyholder; **Example:** *Significant circumstances affecting the underwriting risk include information requested by ERGO before entry into the insurance contract. Significant circumstances affecting the underwriting risk also include failure to comply with the special conditions, additional conditions or agreements set out in the insurance contract or annexes thereto in relation to the underwriting risk;*
- 10.2. explain the obligations under the insurance contract to the persons in whose possession or use the insured object belongs or to whom it is handed over;
- 10.3. care for their property with prudence and diligence and do everything in their power to prevent a potential insured event and mitigate damage;
- 10.4. close and empty the water supply and heating systems located in an unheated structure or part thereof.

## **11. Actions in the case of a loss event**

In the case of a loss event, the policyholder is required to:

- 11.1. take immediate measures to save the insured object, prevent an increase in the damage and mitigate the damage;
- 11.2. notify the police immediately of the event if intentional activity of a third party is suspected or the Rescue Board in the case of a fire or explosion; in other cases the respective competent authorities or persons must be notified;
- 11.3. notify ERGO of the insured event as soon as possible either in person or through a representative, disclosing in their declaration information on the event, presumed damage, witnesses, participants and persons at fault, and follow any subsequent guidelines from ERGO's representative;
- 11.4. if possible, keep the scene of the insured event intact until orders are given by ERGO;
- 11.5. present the damaged property in the condition it is in after the insured event or the remnants of such property to ERGO for inspection. The policyholder may not start to restore the damaged property or recycle the destroyed property without ERGO's consent;
- 11.6. provide evidence of the occurrence of the insured event and submit information to ERGO that ERGO needs to determine its contractual obligations.

## **12. ERGO's release from the obligation to perform the insurance contract**

ERGO is partially or fully released from the obligation to perform the insurance contract if:

- 12.1. the policyholder has not met at least one of the requirements provided in clause 10 and there is a causal relationship between the failure to meet the requirement and the insured event or the amount of damage incurred;
- 12.2. the policyholder has not paid the insurance premium by the agreed due date (in the case of periodic payments, by the additional due date determined by ERGO) and the insured event takes place after the due date for the payment of the insurance premium;
- 12.3. the insured event has taken place due to the severe negligence or intent of the policyholder or a person considered equivalent to them or beneficiary or their actions committed under the influence of alcohol, drugs or other psychotropic substances;
- 12.4. the policyholder or beneficiary has misled or tried to mislead ERGO about the circumstances or amount of the damage or has otherwise tried to deceive ERGO as regards the circumstances of the insurance contract or performance thereof.

## **13. Insurance contracts with a term of more than 12 months**

- 13.1. If the term of the insurance period exceeds 12 months, ERGO has the right to amend the standard terms and conditions of the insurance contract and/or change the insurance premium, notifying the policyholder thereof at least 14 days in advance. No amendments or changes are made within the first 12 months of the insurance contract.
- 13.2. If the insurance contract is amended during the term of validity of an insurance contract, ERGO sends to the policyholder a new policy and amended contract documents. The former policy ceases to be effective the moment the new policy is issued.
- 13.3. If a policyholder does not consent to the amendments to the insurance contract, the policyholder has the right to cancel the insurance contract within 14 days of the receipt of the corresponding notice.