

ERGO Insurance SE

Terms and conditions of ERGO legal protection insurance for private persons



Dear Customer!

The following terms and conditions of ERGO legal protection insurance for private persons explain the principles that will guide us in providing this service to you.

ERGO legal protection insurance helps you in legal cases. A legal case is an event on the basis of which you file a legal claim or on the basis of which a legal claim has been filed against you. When a legal case occurs, we will provide you with guidance on how to proceed, we will arrange for your representation before the court and in court, and we will cover the necessary legal expenses.

In addition to these terms and conditions, the General Terms and Conditions for ERGO insurance services also apply. All insurance conditions can always be found on our website at the following address: www.ergo.ee. Which terms and conditions of insurance apply to a particular service and insurance contract is indicated on the insurance policy.

Please take the time to read the terms and conditions of insurance carefully. If you have any questions, please do not hesitate to contact us (contact: info@ergo.ee).

We would be happy to help you.

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1. What do we insure

- 1.1. The insured person (hereinafter referred to as You or the insured person) is a natural person and his/her spouse or domestic partner, who are adults and named on the insurance policy, and their:
 - 1.1.1. children under 21 years of age who do not have to be named on the policy;
 - 1.1.2. Insured persons' children from the age of 21 who are named on the insurance policy are also insured;
 - 1.1.3. and the parents and grandparents of the insured persons, if they are named on the insurance policy.
- 1.2. The insured person must be a citizen of the Republic of Estonia or hold a valid permanent residence permit in the Republic of Estonia
- 1.3. The insured object is your legal interests and the legal expenses incurred in defending them.
- 1.4. A loss event (hereinafter also referred to as: "case/dispute/event") is a breach of legal provisions or contractual terms and conditions which has given rise to a legal claim filed by you or filed against you or a situation which may result in a legal claim filed by you or against you.
- 1.5. Legal expenses are the justifiable, reasonable, and verified costs that you will have to bear in the event of a dispute, including procedural costs and other similar costs, as provided for in the insurance contract. We have explained the principles of reimbursement of legal expenses in more detail in Chapter 5, section "Reimbursable expenses".

2. What does the insurance cover

- 2.1. The standard insurance cover extends to contractual disputes between you and a third party, non-contractual disputes, and property disputes. Standard protection does not cover disputes concerning your employment contract, and the vehicle and participation in traffic or real estate. You can choose to take out additional insurance cover for these disputes. The selected additional coverages are listed on the insurance policy. The cover areas are explained in more detail in chapter 2.3 "Insurance cover areas".
- 2.2. An insured event is a sudden and unforeseeable occurrence that has taken place during the period of validity of the insurance cover in a field specified in section 2.3 of the insurance terms and conditions. Events that we do not consider to be an insured event are listed under each field and in the exclusion clauses in section 2.4.

2.3. FIELDS OF INSURANCE COVERAGE

- 2.3.1. **Contractual disputes.** The insurance cover extends to claims arising from a contract (other than an employment contract).

Example:

The seller has sold you a defective product; the service provider has provided you with poor quality service; the insurer refuses to pay you indemnity arising from an insurance contract.

The insurance cover does not extend to (exclusion clauses for contractual disputes):

- 2.3.1.1. contractual claims arising out of a collateral agreement (including a suretyship agreement);
- 2.3.1.2. contracts relating to securities or other financial instruments (including crypto-asset, funded pension, pension insurance and investment contracts);
- 2.3.1.3. loan contracts, except loan contracts between private individuals.

- 2.3.2. **Non-contractual disputes.** The insurance cover extends to claims arising out of tort.

Example:

A dog attacks you; a vehicle hits a cyclist and causes injury.

- 2.3.3. **Property disputes.** The insurance cover extends to disputes over movable or immovable property.

Example:

Disputes over right of use; recovery of property belonging to you from unlawful possession.

- 2.3.4. **Employment contract disputes.** The supplemental insurance coverage for employment contract disputes applies if you as the insured person are an employee. An employee is a natural person who has concluded an employment contract. We also consider a state official or local government official or public servant to be an employee.

Example:

Your employer refuses to pay you the remuneration due under your employment contract; the employer terminates your employment contract without just cause.

The insurance cover does not extend to (exclusion clauses for employment contract disputes):

- 2.3.4.1. disputes arising out of collective work organizations or the conclusion, amendment or termination of collective agreements.
- 2.3.5. **Disputes relating to your vehicle and participation in traffic.** The supplemental insurance coverage for disputes relating to your vehicle applies if you were the owner of the vehicle or the authorized user under a leasing contract at the time of the loss event, as per the data in the Estonian Traffic Register. If you opt for this supplemental coverage, the insurance cover applies to disputes which are related to a vehicle driven by you, of which you are not the owner or authorized user in the event that the loss or damages arise out of your participation in traffic and have occurred on the territory of the Republic of Estonia.

A vehicle is a means of transport intended for use on the road and registered in the Estonian Traffic Register, which moves under engine power and participates in traffic, including a trailer.

Example:

Dispute over the purchase, sale, repair, etc. of a vehicle; a cyclist damages the vehicle you have rented.

The insurance cover does not apply, if (exclusion clauses for disputes relating to your vehicle and participation in traffic):

- 2.3.5.1. You have been driving a vehicle without a valid document required by law to drive a vehicle (i.e., you do not have the right to drive a vehicle of the corresponding category or the document certifying this or your health certificate has expired);
- 2.3.5.2. You have been driving in a state of intoxication (or had been under the influence of intoxicating substances after the accident and before being checked for intoxication by the police or a medical institution), or you have left the scene of a traffic accident without complying with the legal requirements in force, or you failed to properly report the accident or to provide assistance to the injured;
- 2.3.5.3. at the time of the loss event, the vehicle did not have motor insurance or the vehicle was not in a technical condition that would allow it to take part in traffic (e.g., no passed technical inspection, tires worn beyond the permitted limits), or you have violated the overweight or other requirements for the transport of goods, or you have failed to pay tolls or to comply with working hours and rest time requirements;
- 2.3.5.4. the dispute concerns parking tickets related to the vehicle (contractual penalties, delayed payment charges);
- 2.3.5.5. the dispute concerns the cargo transported with the vehicle;
- 2.3.5.6. the dispute concerns the non-conformity of a vehicle over 13 years of age with the sales contract, unless the vehicle has undergone a pre-purchase inspection at an authorized dealership.
- 2.3.6. **Disputes relating to immovable property.** The supplemental insurance coverage for disputes relating to immovable property applies if you are the owner or tenant of the immovable property under a written rental agreement at the time of the loss event and the immovable property is included in the insurance policy. Only immovable property located on the territory of the Republic of Estonia and entered in the land register can be insured.

Immovable property is a plot of land that has been entered into the land register, together with its essential parts and appurtenances. The essential parts of a plot of land are items that are permanently attached to it, such as buildings, growing forest, as well as property rights relating to the plot of land and belonging to the owner of the immovable property. Immovable property also includes apartment ownership, building rights and plots of land that are currently in use as movables.

Example:

Disputes relating to a sales contract for immovable property, a contract for the provision of a service (the service must be related to the immovable property) or a rental agreement; the upstairs neighbor causes flood damages to your insured immovable property.

Additional scope and exclusion clauses of the supplemental insurance coverage for disputes relating to immovable property:

- 2.3.6.1. In the case of a property rented out, the cover also extends to disputes arising from the rental contract, provided that you are the lessor as the owner of the property and not the subtenant. If you are renting out part of the property (e.g. a floor, a room), the insurance contract must indicate the specific physical share that you are renting out. The rental agreement must be for at least three months.

- 2.3.6.2. The insurance cover does not extend to rented out commercial buildings or to tenancy relations regarding immovable property related to agriculture, livestock and crop production or similar activities.
- 2.3.6.3. The insurance cover extends to legal relations relating to the immovable property which arise before the property is transferred to you (i.e., before the transfer of possession) and which result from the preliminary purchase contract, the reservation agreement and the pre-contractual negotiations of these transactions. You must be a party to the relevant contract, but the property does not need to be separately insured.
- 2.3.6.4. The insurance cover does not extend to disputes over the design, construction or sales contract of a new building or part of a new building (including the reservation agreement, preliminary contract, pre-contractual negotiations). A new building is a newly completed building or a building under construction. A building is considered to be new until five years have passed since the date of the initial transfer of possession.
- 2.3.6.5. The insurance cover also does not extend to disputes concerning the construction, expansion or conversion of a building or part of a building (including design, loan, and collateral agreements).

Example:

An incorrectly prepared design has to be redone; the foundations of a newly completed building start to sink; the construction work is not completed on time; the construction work or materials do not comply with the terms of the contract.

- 2.3.6.6. If the immovable property is co-owned, the cover extends proportionately to the share of the property that is under your sphere of influence.
- 2.3.6.7. The insurance cover does not extend to disputes between co-owners or joint owners (including disputes arising from the disposal, use or sharing of the immovable property), or to claims against an housing cooperative or association as a member thereof.
- 2.3.6.8. The insurance cover does not extend to disputes arising out of the exchange, sharing, gifting or lease of immovable property.

2.4. CASES TO WHICH THE INSURANCE COVER DOES NOT EXTEND (EXCLUSION CLAUSES)

Unless otherwise agreed in the insurance contract, the insurance cover does not cover disputes

- 2.4.1. if you knew or should have known that a loss event has occurred or would occur when taking out the insurance;
- 2.4.2. which are related to your economic activities. An economic activity is any business activity carried out independently with the goal of earning profit. An activity subject to a notification or licensing obligation is considered to be an economic activity even if does not have a goal of earning profit.
- 2.4.3. concerning your participation in companies, funds, societies or other associations and your activity in the management body of a legal person, in audit body, as a procurator, as a sole proprietor or in a liberal profession (notary, bailiff, lawyer, etc.) or concerning your activity in the Riigikogu or a local government body;
- 2.4.4. which arise out of a claim against us under our legal protection insurance policy and/or against the person who represented you in connection with the insurance claim;
- 2.4.5. which are related to family law, law of succession or criminal law. However, you are entitled to receive guidance on how to proceed in these fields, the principles for providing guidance are explained in more detail in section 6.2.
- 2.4.6. which are related to patent law, copyright law, trademark law, intellectual property, or industrial property;
- 2.4.7. which are related to constitutional, environmental or competition law;
- 2.4.8. which are related to bankruptcy (i.e., your bankruptcy proceedings, including events related to the initiation of bankruptcy proceedings or the representation of your interests in the bankruptcy proceedings of another person) or reorganization proceedings. However, the insurance cover will apply to bankruptcy proceedings arising out of employment relations if your employment dispute has been recognized as an insured event and the enforcement proceedings have lasted for at least 3 months.
- 2.4.9. which are related to administrative or administrative court proceedings (e.g. tax and customs disputes, disputes concerning social welfare, services or benefits, disputes concerning pensions, benefits, maintenance allowance or parental benefits);
- 2.4.10. which are related to occupational diseases;

- 2.4.11. which are related to enforcement proceedings or when a immovable or movable property has been seized under a court order;
- 2.4.12. which are heard by an international court (e.g., European Court of Justice, European Court of Human Rights);
- 2.4.13. which concern gambling or betting;
- 2.4.14. which are related to claims by persons insured based on the same insurance contract against each other under that very same insurance contract. If the dispute is with another insured person who is not covered under the same insurance contract, then the cover still applies;
- 2.4.15. which are related to claims which have been assigned to you free of charge or for a fee or have been transferred to you in another way (including by way of inheritance), as well as claims arising from a third-party claim made by you on your own behalf;
- 2.4.16. Which are related to your active participation in, or training for, a competitive sport. A competitive sport is an activity whose goal is achieving success in a public sports competition (including by means of a vehicle such as a bicycle, motorcycle, car), such as participation in league competitions, the Estonian Cup, championships, international competitions, the Olympic Games, as well as in training for such competitions. Competitive sports do not include recreational sports (e.g. recreational races) or doing sports for your health. The insurance cover does not extend to extreme sports either (e.g., bungee jumping or parachuting);
- 2.4.17. which are related to watercraft;
- 2.4.18. which relate to events to which the insurance cover does not extend in accordance with the General Terms and Conditions of ERGO insurance services (general exclusion clauses).

3. Where and when does the insurance apply

- 3.1. The insurance cover applies if the loss event occurs during the insurance period and is not subject to a waiting period.
 - 3.1.1 The time of the loss event is the time of the occurrence of an event that has given rise to a legal claim (e.g., buying defective goods, receiving a notice of termination of an unlawful employment contract, driving a vehicle into a pothole, causing alleged damage to a neighbor's apartment). Several causally related violations shall be considered as one loss event. In this case, the time of the loss event is the date of the first violation (for example, if you have been invoiced falsely for a service every month for five months, the date of the first invoice is the date of the loss event). In the case of a continuous violation, the time of the loss event is the date of the first uncorrected violation. If there is more than one violation, the first uncorrected violation must have occurred during the insurance period. More than one occurrence with the same cause, overlapping in time and concerning the same insurance contract shall be considered as one loss event, regardless of whether the same event relates only to you or to several insured persons or to a risk associated with them.
 - 3.1.2. The waiting period is a period of three months starting from the first day of the insurance period, during which we have no obligation to act under the insurance contract in the case of a loss event that occurs during that time. No waiting period shall apply:
 - 1) upon renewal of the insurance contract for a new insurance period, except upon renewal of the sum insured and the addition of a new insured person or immovable property or insurance cover for disputes relating to vehicles to the policy. In this case, the waiting period will start from the date of entry into force of the relevant amendment in respect of that amendment;
 - 2) if the person or their vehicle or immovable property added to the insurance policy was covered by another of our legal protection insurance policies immediately before the inclusion and the waiting period had expired in respect of that person under that insurance contract. In the case of disputes over a vehicle or immovable property, no waiting period applies provided that the owner of the vehicle or immovable property has not changed compared to the previous insurance contract;
 - 3) by adding the real estate to the insurance contract, if the real estate has been added to our insurance contract within thirty days after the transaction of acquiring the real estate (purchase, inheritance, acceptance of a gift, etc.) or the conclusion of a rent agreement by you and the waiting period no longer applies to you;
 - 4) if a dispute arises with another insurer over insurance indemnity and the insured event has occurred during the period of validity of our insurance contract;
 - 5) if the claim arises out of a non-contractual obligation.
- 3.2. In case of a non-contractual dispute, the insurance cover shall apply to loss events which have taken place in the countries of the European Economic Area.
- 3.3. In case of disputes arising from contracts, the insurance cover shall apply to loss events which have taken place in the Republic of Estonia, provided that Estonian law applies to the dispute and the dispute is to be settled in an Estonian court.

- 3.4. In case of disputes arising from an employment contract, the insurance cover shall apply to loss events which are subject to the jurisdiction of an Estonian court.
- 3.5. Regardless of where the loss event occurred, the insurance cover extends to disputes arising from an insurance contract, provided that the dispute is governed by Estonian law and is to be settled in an Estonian court.

4. What is the sum insured and the minimum claim amount

- 4.1. The sum insured is the maximum amount agreed in the insurance contract that we will pay out per insured event to cover the expenses referred to in Chapter 5, under the section "Reimbursable expenses". The sum insured for an insured event is the sum insured agreed in the insurance contract.
- 4.2. The minimum claim amount is the lowest possible claim amount specified in the insurance policy for which we have an obligation to fulfil the insurance contract. The minimum claim amount must be legally justified and does not include collateral claims (interest, interest on arrears, etc.) which you wish to demand from the counterparty in addition to the loss or damages actually suffered or which the other party demands from you.

5. What are the principles of reimbursement

REIMBURSABLE EXPENSES

- 5.1. We will arrange the defense of your legal interests both in and out of court if your claim is recognized as an insured event. We will reimburse justified, reasonable and verified legal, procedural and other such costs to the extent provided for in the insurance contract from the decision to recognize the damage as an insured event.
- 5.2. We will reimburse:
 - 1) the justifiable, reasonable, and verified fees of one representative, up to an amount which does not exceed the average market standard for the provision of such legal services. The representative/criminal defence counsel's travel costs shall not be reimbursed if the insured person has chosen their representative from an office outside the work area of the court or institution whose competency includes handling the case in the first instance.
 - 2) the legal expenses for civil proceedings (state fee, bail, costs of reviewing the case), and in addition to extrajudicial costs in civil proceedings, the bailiff's fee for securing an action and the costs of a ruling for securing an action, the bailiff's fee for service of process and the costs for an expedited procedure of a payment order;
 - 3) before the court proceedings, we will reimburse the costs for the expert opinion of a person with the specific expertise for determining the price of a vehicle in a property or liability insurance dispute. If the matter does not concern the determination of the price of a vehicle in a property or liability insurance dispute, you will have to pay for the expert opinion of a person with the specific expertise;
 - 4) the legal expenses to be paid to the counterparty on the basis of an enforceable court decision;
 - 5) the expenses relating to enforcement proceedings (e.g. advance payment of enforcement costs or bailiff fees). We will reimburse the costs of enforcement proceedings brought by you against one of the debtors or joint debtors (i.e., the enforcement costs necessary to recover the debt), provided that we have recognized the case as an insured event before the enforcement proceedings are initiated and the enforcement proceedings are conducted in Estonia.
- 5.3. We will reimburse the legal expenses, procedural costs and other necessary expenses established in the insurance contract to the extent of the sum insured. If the sum of the legal expenses, procedural costs and other similar expenses exceeds the sum insured, you will have to pay the exceeding share yourself.
- 5.4. Legal expenses are justifiable and reasonable if your representation and defense are necessary, and the remuneration of the representative is in accordance with the complexity and extent of the insured event and does not exceed the average market price. Expenses are unjustifiable and unreasonable if the hourly rate for the work exceeds the average market rate, or the hours worked do not correspond to the amount of work done, etc.
- 5.5. Legal expenses, procedural costs and other similar expenses shall be paid out on the basis of documentation within seven days of receipt of the documentation. Documentation for expenses can be an invoice, a bank statement, an enforceable court decision or order, or any other document sufficient to document the legal expenses.
- 5.6. If you have incurred the legal, procedural, or other similar expenses yourself before agreeing the expenses with us, we will reimburse the expenses if you were unable to reach us and the expenses had to be incurred quickly to reduce further legal, procedural or other similar expenses or to prevent greater loss. Such an emergency situation may arise in non-contractual relations, especially during a stay abroad.

- 5.7. We will reimburse the costs partially if part of the claim amount is not covered by the insurance policy. In such a case, we will reimburse the legal, procedural, and other expenses necessary to defend your legal interests in proportion to the amount of the relevant claim that does and does not fall under the insurance cover. If you bring a claim together with other persons, we will reimburse only those expenses that you have to bear (e.g. a percentage of the legal fees, costs of representation).
- 5.8. If the court or the counterparty has reimbursed you for legal, procedural and other similar expenses that we have already reimbursed to you, you must reimburse us for the amount of the indemnity we paid out to you within seven calendar days of receipt (i.e., receipt in your account, receipt of cash, etc.).

YOUR REPRESENTATION

- 5.9. We reserve the right to arrange representation for you. If it is necessary to involve a lawyer, we will act in your best interests and appoint a lawyer. You undertake to give our appointed lawyer the necessary authorization to represent you.
- 5.10. You may also choose your own lawyer, as long as you coordinate it with us. If you hire a lawyer yourself without having previously consulted with us in a form that can be reproduced in writing (e.g., by email), we may refuse to reimburse all or part of the expenses. If you want a lawyer whose fees do not correspond to the price level mentioned in section 5.4, you will have to pay the difference.
- 5.11. You may appoint a person other than a lawyer (e.g., a jurisconsult) to represent you only with our agreement, except in the case of a conflict of interest (see section 5.17).
- 5.12. We will enter into a legal services contract with the representative in your favor or in your name. You may also enter into a contract after having coordinated it with us. You will be billed for the representative's services unless we have entered into a legal services contract on your behalf.
- 5.13. We are not responsible for the actions of the representative (including meeting deadlines, competences) or for their conduct in providing legal services to you.
- 5.14. You undertake to authorize the lawyer to inform us of the legal services provided in the context of the claim. If the representative fails to cooperate with us, we will be released from our obligation to fulfil the insurance contract unless we have chosen the representative ourselves.
- 5.15. If you do not cooperate with the representative, i.e., you fail to attend an agreed meeting with the representative without providing a reason, fail to produce documents to the representative within the time limit and fail to inform the representative of the reasons for your failure to do so, or if the representative refuses to represent you for a reason attributable to you (e.g., you do not cooperate in other ways, you behave rudely), we have the right to refuse to pay further indemnity and to recover the costs already reimbursed.
- 5.16. If it is proven that the representative is not cooperating with you, you may change your representative with our agreement.

CONFLICT OF INTEREST

- 5.17. A conflict of interest is a situation where two or more insured persons with different interests have a legal protection insurance contract with us within the same legal dispute and the claim of two or more insured persons has been recognised as an insured event.
- 5.18. If there is a conflict of interest in the context of claims arising from the same legal dispute, we are obliged to inform you as soon as we become aware of the situation or should have become aware of it. If, for reasons beyond our control, a conflict of interest becomes apparent in the course of subsequent proceedings, you will have the right to choose a representative as soon as possible after becoming aware of the conflict of interest.
- 5.19. In the event of a conflict of interest, you are obliged to notify us of the occurrence of the loss event and to provide us with the information necessary to verify the conditions referred to in section 6.8.
- 5.20. If we have recognized the claim to be an insured event, you must inform us of the name and contact details of your representative if a conflict of interest has arisen and inform us of the authorization of the representative.
- 5.21. You may choose either a lawyer or another suitably qualified person (e.g., a jurisconsult) to represent you in the event of a conflict of interest.

EVALUATION OF THE OUTLOOKS FOR SUCCESS OF LEGAL AID

- 5.22. We will arrange the protection of your legal interests and reimburse the legal, procedural and other necessary costs specified in the insurance contract only if the case is estimated to be successful. The evaluation of the outlooks for success and malicious intent is our responsibility, during which we determine the merits of the claim made and the outlooks for success of the legal aid. We have explained the principles of evaluation of the outlooks for success and malicious intent in more detail in Chapter 7.

6. What should you and we do in case of a loss event or insured event

DAMAGE PREVENTION

6.1. You are obliged to do everything reasonable to avoid/reduce/not foster legal disputes.

Examples:

- put contracts in writing;
- use bank transfers instead of accepting payment or paying in cash;
- read contracts before signing them;
- have a pre-purchase inspection carried out before signing a sales contract for a used vehicle;
- do not enter into any online transactions with persons whose identity and contact details cannot be verified;
- contact us in good time and ask for guidance.

ACTIONS IN CASE OF A LOSS EVENT

- 6.2. After the loss event has occurred, you are obliged to ask us for guidance. We will provide you with guidance on how to behave in those fields, to which the insurance cover extends. In addition, you are entitled to guidance on family law, succession, and criminal law. We will provide you guidance over the phone and that guidance does not include document analysis.
- 6.3. You are obliged to inform us immediately if you reasonably expect that you may need our insurance cover as a result of a loss event. Notifying us of a claim does not relieve you of your obligations to other insurers (e.g., compulsory motor insurer).
- 6.4. You must give us notice of a claim and all the necessary documents in good time – that is, without undue delay, but no later than ten days before the required procedural step (e.g., the deadline for filing a complaint). If you do not provide with us with notice of a claim and all the necessary documents in good time, we will (depending on the impact of the violation) be released from fulfilling our obligations, in whole or in part.
- 6.5. You must provide us with all the proof we require to effectively handle a claim and give us a true and complete oral and written explanation of the facts of the claim. It is your responsibility to gather proof and to establish the identity and contact details of the other party to the dispute.
- 6.6. All documents must be submitted to us in Estonian. If you are required to have a document translated and the corresponding translation is necessary for us to determine our liability, and we decide that this is an insured event, we will reimburse you for the translation costs retrospectively, provided that they are justifiable, reasonable and verified.
- 6.7. If you have not submitted the documents requested by us within the specified time limit or have not notified us of the deadline for resubmission of evidence or information, we have the right to terminate the processing of the claim or insured event.

PROCESSING OF THE LOSS EVENT BY US

- 6.8. After we receive notice of a loss event, we will check whether:
- 1) the person entitled to submit a claim arising out of the loss event is an insured person, whether the insurance cover applies and whether the event is an insured event to which the insurance cover extends as agreed in the insurance contract;
 - 2) it is possible to achieve what you want during the processing of the case (we will evaluate the outlooks for success of legal aid, see chapter 7).
- 6.9. We will inform you within fourteen days of receiving notice of a loss event about whether or not the insurance cover applies and whether or not we will fulfil our contractual obligation. We will give our notice in a form which can be reproduced in writing.
- 6.10. If you have not provided us with all the information we need to verify the insurance cover or the claim, we may request additional documents and information within the time limit set out in section 6.9. In this case, the time limit in section 6.9 will begin from the moment you submit all of the requested information.
- 6.11. If our obligation to fulfil the insurance contract depends on the facts established in the course of legal proceedings, we reserve the right to decide whether or not to pay insurance indemnity after the suspension or termination of the relevant proceedings or the entry into force of a court decision.
- 6.12. Once we have decided that there is an insured event and we have received the corresponding authorization from you, we will take further action on your behalf (other than gathering proof) to seek the best legal solution. You must give us a power of attorney even if you have chosen to be represented by your own representative (we have explained the principles of choosing a representative in more detail in Chapter 5, section “Your representation”).

- 6.13. We can represent you within the limits of the power of attorney and accept sums of money on your behalf, which we undertake to pass on to you within seven days.
- 6.14. We will keep you informed of the progress of the claim and of any significant changes in the proceedings. If you have a representative defending your legal interests, you can ask the representative directly for information on the progress of the case.

YOUR OBLIGATIONS DURING PROCESSING OF THE INSURED EVENT

- 6.15. You must obtain our consent before taking any action that may affect the fulfilment of our contractual obligations or that is associated with or may be associated with legal, procedural, or other similar expenses, including the outsourcing of the settlement of an insurance claim to a third party. The consent must be in a form that can be reproduced in writing.
- 6.16. Neither you nor your representative may take or refrain from taking any action that would or might cause us to lose our right to recover all or part of the costs. Any actions relating to the incurrence, waiver, or recovery of legal, procedural, or other similar expenses must be agreed with us in advance and in a form that can be reproduced in writing.
- 6.17. You must obtain our prior consent in a form that can be reproduced in writing if you wish to reach compromise in legal proceedings involving the non-recovery of legal, procedural, or other similar expenses or if you wish to waive a claim.
 - 6.17.1 If you reach a compromise with the other party or waive a claim, regardless of our agreement, even though there is an outlook for success in the proceedings, you will be required to reimburse us for any expenses we have incurred on your behalf in the proceedings.
 - 6.17.2 If you do not reach a compromise with the counterparty, even though we believe that a better outcome cannot be achieved, we will be entitled to stop any further reimbursement with an evaluation of the outlooks for success of legal aid and we will not be liable for any further expenses.
- 6.18. You must avoid doing anything that may cause an unnecessary increase in expenses or may make it more difficult for the other party to reimburse them.
- 6.19. We have the right to refuse to pay indemnity or to provide any or all the services and to claim reimbursement of expenses already incurred if you have failed to comply with your obligations under the insurance contract, including if you have failed to provide the necessary information about the claim or if you have provided incorrect information. We will decide whether and to what extent to refuse to pay indemnity.

7. What is the procedure for evaluation of the outlooks for success of legal aid or malicious intent and for obtaining an expert opinion

- 7.1. The evaluation of the outlooks for success and malicious intent is our responsibility, during which we determine the merits of the claim made and the outlooks for success of the legal aid. The merits of a claim and the outlooks for success of legal aid mean, first and foremost, that you have a legal basis for bringing a claim against the other party or for defending yourself and, secondly, that you have or can gather proof to support that legal basis. If the claim is not well founded, there is no legal basis, or the claim cannot be proven, it can be concluded that there is no outlook for success of legal aid and that we have no obligation to fulfil the insurance contract. We do not predict a possible court decision, instead we evaluate the outlooks for success on the basis of the proof available and the legal possibilities.
- 7.2. If there is no outlook for success of legal aid, we will explain this fact to you and the claim will not be pursued. If the only part of the loss event claim has outlooks for success of legal aid, we will explain to you what you can achieve in relation to the claim.
- 7.3. We shall have the right to demand documents and information required for the efficient resolution of the insured event during the procedure and evaluate the legal aid performance outlooks and maliciousness at any time, including after issuing insurance cover to the event (e.g. upon submitting a statement of claim or an appeal). You are obliged to promptly provide us with the documents, proof, and other information you have obtained in the course of the proceedings.
- 7.4. If you obtain new evidence after we have terminated the procedure or new circumstances occur, thanks to which the legal aid performance outlook improves or emerges, you may submit a new claim and we will decide whether to compensate further expenses. If the case has gone to court, this condition will only apply if the new proof could be obtained exclusively through the court (i.e., you have not maliciously withheld evidence).
- 7.5. If we refuse to fulfil the contract on the grounds of a lack of outlooks for success of legal aid or due to your malicious intent, and you do not agree, you can initiate proceedings for obtaining an expert opinion. To do so, you must notify us of your intention to initiate proceedings within 14 days of receiving the refusal decision and provide us with the name and contact details of your expert (i.e. lawyer). Once you have appointed your expert, we will appoint our own within fourteen days.

- 1) The experts must be impartial (including not having been involved personally or through their office in the previous handling of the case) and must handle the case in good faith.
- 2) After the experts have been appointed, we will provide them with all the information and materials known to us concerning the case.
- 3) If the experts reach a joint decision, that decision is binding to both you and us. This means that if the experts decide that legal aid can produce results, we have to fulfil our obligations.
- 4) If the experts find that our decision to refuse is correct, or if the experts do not reach a joint decision within two weeks of being provided with the materials, you must arrange the defense of your legal interests at your own expense. If the experts do not reach a joint decision, each expert must submit a written opinion to us and to you within four weeks of the date on which the experts were provided with the materials necessary to reach a decision.
- 5) The costs of the proceedings for obtaining an expert opinion will be borne by us or by you in proportion to the success or failure of the proceedings. The costs of one party's representative in the proceedings will be reimbursed. If the representatives cannot reach a joint decision, each party will bear the costs of their own representative.
- 6) If you have initiated the legal proceedings yourself and obtained a positive court decision (i.e., your statement of claim or appeal has been satisfied or the claims against you have been dismissed), we will reimburse you for all reasonable and proven legal, procedural, and other similar expenses incurred after the entry into force of the court decision retroactively, on the basis of these terms and conditions. We will reimburse these expenses only if you have exercised the right referred to in this Chapter and have initiated the proceedings for obtaining an expert opinion. We will also reimburse the costs of the proceedings for obtaining an expert opinion retroactively.