

ERGO

ERGO Insurance SE Latvia Branch

ERGO Watercraft Insurance Terms and Conditions No. KK 04-2023



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Please read the entire Insurance Agreement carefully in order to find out your rights, duties and what is not insured.

ERGO Watercraft Insurance Terms and Conditions No. KK 04-2023 is an integral part of the Insurance Agreement. The Policyholder and the Insurer may agree in writing regarding changes to the Insurance Agreement provisions.

These Insurance terms and conditions have been written in Latvian and English Languages. In case of any discrepancies between texts the prevailing one shall be the text in Latvian language.

1. Definitions

Insurer – ERGO Insurance SE, registered in the Commercial Register of the Republic of Estonia under registration No. 10017013, registered office: Veskiposti 2/1, Tallinn, 10138, Estonia, represented in the Republic of Latvia by ERGO Insurance SE Latvian Branch, registration No. 40103599913, registered office: Skanstes iela 50, Riga, LV-1013. Main business – insurance, except for life insurance.

Policyholder – a legal entity or private individual who enters into the Insurance Agreement for their own or another party's benefit.

Insured – a legal entity or private individual specified in the Insurance Policy that has insurance interest and to whose benefit the Insurance Agreement has been concluded.

Insurance Event – a sudden and unforeseeable event, independent of the will of the Insured, having a causal relationship to the Insured Risk, occurrence of which is possible in the future and upon occurrence of which, payment of the Insurance Indemnity is foreseen according to the provisions of the Insurance Agreement.

Insurance Agreement – an agreement between the Insurer and the Policyholder whereby the Policyholder undertakes to pay the Insurance Premium in the manner, amount and within the time specified in the agreement, and to comply with the other provisions of the agreement, and should an Insurance Event occur, the Insurer undertakes to pay Insurance Indemnity to the party specified in the Insurance Agreement under the provisions of the Insurance Agreement, and fulfil other duties specified therein. The scope of the Insurance Agreement includes the Insurance Object specified in the Insurance Agreement, all the insured risks and any exceptions thereto, the Insurance Amount and the Liability Limit.

Insurance Object – an engineering unit intended for recreation, amusement and Amateur Level Competitions, designed for use on water, such as a ship with engine and equipment registered in accordance with the legislation, motor boat (cutter), yacht (catamaran, trimaran), rowing boat, or other water vehicle used for moving persons and cargo on water. Insured shall be the engine of the Watercraft and the operating equipment on board as specified in the application for insurance.

Insurance Policy a certificate issued by the Insurer confirming the conclusion of the Insurance Agreement..

Insurance Premium – the fee specified in the Insurance Policy for the provision of insurance.

Insurance Period – the period of time specified in the Insurance Policy, provided that the Insurance Premium is paid in accordance with the payment schedule.

Insurance Amount – the amount specified in the Insurance Agreement, under which the Insured is covered.

Amateur Level Competition – regattas, training cruises, trials or other sporting events involving participants who are classified as Group 1 (amateurs) under the World Sailing Sailor Classification Code and whose watercraft has all necessary certificates, permits and licences and which take place in the territorial waters of Latvia.

Insurance Protection – the Insurer's obligation to pay the Insurance Indemnity if the Insured Risk occurs during the Insurance Period.

Insurance Indemnity – the amount of money to be paid or the cost of services to be provided for the Insurance Event in accordance with the Insurance Agreement. The Insurance Indemnity shall be paid in accordance with the indemnity principle, unless the Insurance Policy specifies a different principle for payment of the Insurance Indemnity.

Insurance Territory – the territory specified in the Insurance Policy in which the Insurance Agreement is in force.

Liability Limit – the amount of money specified in the Insurance Agreement, within the framework of which the Insurer indemnifies the loss.

Destruction – a condition of the Watercraft where the cost to repair damage caused by an Insurance Event exceeds 70% of its Actual Value.

Civil Liability – the obligation to indemnify for damage caused to a Third Party, to indemnify or compensate for this damage.

Actual Value – the lowest restoration costs to restore the Watercraft to the quality and condition it was in immediately before the occurrence of the Insurance Event, less depreciation.

Short-Term Rental – the provision of the Insurance Object to a Third Party for a period of less than 24 hours in return for consideration.

Loss of the Watercraft – an event where no news of the insured Watercraft has been received for three consecutive calendar months in a year, with the last news of the Watercraft having been received during the period of the Insurance Agreement.

Watercraft – any floating craft and the equipment used thereon (included in the manufacturer's (factory's) equipment) used for the movement and/or transport of goods and passengers by water.

Beneficiary – a person specified in the Insurance Policy (in personal and damage insurance) receiving the Insurance Indemnity or its part in the cases specified in the Insurance Agreement, or a person who has the right to receive the Insurance Indemnity.

Ancillary Equipment – equipment, systems and accessories incorporated in the Watercraft which are not installed by the factory (e.g. audio and video equipment, communication system peripherals, additional lights).

Excess – the amount of loss expressed in monetary terms or as a percentage that is covered by the Policyholder, should an Insurance Event occur. Percentage-based Excess is calculated based on the losses insured.

Personal Data Processing – any activity or set thereof, automated or not, performed with personal data or sets of personal data such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, review, use, disclosure by transmission, dissemination or otherwise making available, matching or combination, limitation, erasure or destruction.

Gross Negligence – in accordance with Section 1645 of the Civil Law of the Republic of Latvia, a highly reckless and negligent action, such action or actions, the harmfulness and danger of which could not and should not have remained unknown to the Policyholder.

Related Person – a person who is a relative up to the second degree of consanguinity, spouse or in-law up to the first degree of consanguinity, or a person with whom there is a common household, the founder, member, member of the management board or member of the supervisory board of the Policyholder's company, as well as another business company in which the majority of shares of the capital company or partnership investment (capital) is owned by the respective founder, member, member of the management board or member of the supervisory board.

Standard Equipment – the standard equipment specified by the Watercraft's manufacturer, the equipment built in and installed by the manufacturer, as well as the mandatory equipment (e.g. life-saving appliances, fire extinguishing equipment, communication equipment) specified in the applicable laws and regulations while on board the Watercraft.

Market Value – amount of money determined on the day of appraisal, for which the Watercraft should transfer from one owner to another as a result of the commercial transaction between the voluntary seller and buyer, presuming that each of the parties act competently and without force, being aware in advance of the real condition and value of the Watercraft at the particular moment.

Third Party – any natural or legal person, except the Policyholder and the Insured, the Beneficiary, the rightful user of the Watercraft, including the lessee and sublessee, and the employees or authorised persons of any of the aforementioned persons and their relatives up to the third degree, spouses and persons related to them by blood up to the second degree.

World Sailing – the governing body of the sport of sailing recognised by the International Olympic Committee and the International Paralympic Committee (IPC).

2. The Insurance Object

- 2.1. The Insurance Object shall be the Watercraft (its hull, machinery, Standard Equipment and Ancillary Equipment) referred to in the Insurance Agreement.
- 2.2. The Ancillary Equipment is only insured if it is specified in the Insurance Agreement and while it is carried on the Watercraft.
- 2.3. Standard Equipment and Ancillary Equipment installed on the Watercraft during the Insurance Period shall be insured only if specified in the Insurance Policy.

3. The Insured Risks

- 3.1. The Insurer shall pay the Insurance Indemnity in respect of damage to the hull, engine and equipment of the insured Watercraft and actual or constructive total loss of the Watercraft upon the occurrence of any of the following principal risks:
 - 3.1.1. collision with another watercraft, obstacle, swimmer, animal or other object in water traffic, or grounding;
 - 3.1.2. capsizing, sinking of the Watercraft in motion (being driven);
 - 3.1.3. exposure of the Insured Object to fire, smoke, soot and extinguishing works;
 - 3.1.4. explosion;

- 3.1.5. storm (direct impact on the Insurance Object caused by air flow induced by meteorological conditions, if the wind speed is not less than 17 m/s. Damage caused by the falling of objects, such as items lifted during the storm and trees, on the Insurance Object, shall also be indemnified);
- 3.1.6. flood, lightning, hail, earthquake, volcanic eruption;
- 3.1.7. ejection of objects on board the Watercraft in the event of an emergency;
- 3.1.8. breakage of propeller shafts as a result of the events referred to in paragraph 3.1.1, resulting in damage to or destruction of the Watercraft (including engine propeller support, propeller blades);
- 3.1.9. the Insurance Object being removed from the water for parking on a slipway or being lowered into the water from a slipway;
- 3.1.10. the Insurance Object being removed from the water for parking on a special trailer or being lowered into the water from a special trailer;
- 3.1.11. collision of a moored Insurance Object with a pier or pontoon, including as a result of storm, flood, lightning, hail, earthquake, volcanic eruption;
- 3.1.12. secret or open, by violence or threat of violence, hijacking or attempted hijacking of the Insurance Object, its parts, Standard Equipment or insured Ancillary Equipment;
- 3.1.13. intentional, malicious acts of Third Parties resulting in damage to or destruction of the Insurance Object;
- 3.1.14. in the event of a road traffic accident, i.e. a collision with another vehicle, obstacle, pedestrian, animal or other object, or overturning of a vehicle in motion, on the road or in any other place where the vehicle is likely to be driven, falling (from a bridge or similar), sinking or being covered by ice or the occurrence of any of the above principal risks, during the transport of the Insurance Object by a motor vehicle on a special trailer designed for the carriage of Watercrafts;
- 3.1.15. upon the occurrence of an Insurance Event, the Insurer shall also cover all claimed and provable reasonable expenses incurred by the Insured in connection with immediate measures to prevent and mitigate damage in order to avoid further loss resulting from exposure to the insured risks. Rescue expenses are covered up to EUR 5000.00 unless otherwise provided in the Insurance Agreement.
- 3.2. By separate agreement in the Insurance Agreement, which shall be specified in the Policy, Insurance Protection may be provided for damage to the hull, engines and equipment of the Watercraft as well as for actual or constructive total loss of the Watercraft in the event of the additional risks listed below (only provided that the basic risks mentioned in Clause 3.1 are insured):
 - 3.2.1. High Speed Risk Protection – when driving at a speed greater than 31.484 kilometres per hour (17 knots), the maximum design speed of the Insurance Object, as specified by the manufacturer, exceeds 17 knots;
 - 3.2.2. Amateur Competition Risk Protection – when the Watercraft is participating in an Amateur Competition;
 - 3.2.3. Training Risk Protection – when any of the principal risks occurs while the Insurance Object is used to conduct driver training on the Watercraft;
 - 3.2.4. Rental Risk Protection – when one of the principal risks occurs while the Insurance Object is put into the use of a third party for remuneration (rental). This risk protection does not apply to Short-Term Rental;

- 3.2.5. Towing Risk Protection – when any type of water ski, wakeboard, bladder or other equipment towed by it attached by rope, line or other attachment collides with the Insurance Object;
- 3.2.6. Piracy and Armed Robbery at Sea Risk Protection – damage, loss or destruction of the Insurance Object by piracy or armed robbery at sea. For the purposes of these terms and conditions, piracy or armed robbery at sea means any unlawful act of violence or detention or any act of robbery committed for selfish purposes by the crew or passengers of a private watercraft and directed:
- 3.2.6.1. on the high seas against the Watercraft or against persons or property on board the Watercraft;
- 3.2.6.2. against the Watercraft, persons or property at a place outside the jurisdiction of a State.
- 3.2.7. Operational Vehicle Risk Protection – use of the Insurance Objects for operational work in accordance with the law governing the use of operational vehicles;
- 3.2.8. Commercial Business Risk Protection – use of the Insurance Object for commercial activities carried out by a merchant on his own behalf for profit, such as, but not limited to, the carriage of passengers, cargo for a remuneration, the carrying out of special work at the request of third parties, the giving of actual possession of the Insurance Object to a charterer for a fixed period of time. The activities referred to in paragraphs 3.2.1–3.2.5 of these terms and conditions shall not be deemed to be carrying on Commercial Business within the meaning of this paragraph. Within the meaning of these terms and conditions, a merchant shall be understood to mean the Insured or Policyholder who is a natural person (individual merchant) or a commercial company (partnership and capital company) registered in the Commercial Register.
- 3.3. The territory of the Insurance Agreement may be specified as:
- 3.3.1. Latvia – the Insurance Protection is valid only in the territory of Latvia, i.e. the internal waters of the Republic of Latvia, the territorial sea of the Republic of Latvia. Internal waters are understood as the waters of watercourses (rivers, canals, etc.) and bodies of water (lakes, ponds, reservoirs) up to the land border of the Republic of Latvia and 3000 metres from the shoreline. Territorial sea means waters up to 12 nautical miles (22.224 km) from the shoreline;
- 3.3.2. Baltic states – the territories of Latvia, Lithuania and Estonia, the internal waters and territorial seas of these countries;
- 3.3.3. Named countries or territories – the Insurance Protection is valid in these countries and territories specified in the Insurance Agreement.

4. Exceptions

- 4.1. The Insurer shall not cover any losses, and the Insurance Indemnity shall not be paid should it contradict any sanctions, be it trade or economic, prohibitions or limitations imposed by resolutions of the United Nations or law of the European Union, or national sanctions set by the laws and regulations of the Latvian Republic. This exception shall also be subject to trade or economic sanctions, laws and regulations or legislation introduced in the United Kingdom or United States of America, unless it violates the law effective in the Republic of Latvia.
- 4.2. In the event of any of the cases mentioned in Article 4.1 of these Terms during the validity period of the Insurance Agreement, the Insurer shall be entitled to terminate the Insurance Agreement unilaterally within 10 (ten) working days from the day when the Insurer sent a notice of termination of the Insurance Agreement.
- 4.3. The Insurer shall not be liable to pay for loss or damage caused by:

- 4.3.1. a water traffic accident or a road traffic accident during the transportation of the Insurance Object if:
 - 4.3.1.1. the driver of the Watercraft or the driver of the land vehicle has left the scene of the water traffic accident or the scene of the road traffic accident in violation of the procedure established by the applicable laws and regulations;
 - 4.3.1.2. the Watercraft or the land vehicle has been driven by a person who is not entitled to drive the Watercraft or the land vehicle of the relevant category or is prohibited from driving the Watercraft or the land vehicle;
 - 4.3.1.3. the Watercraft or the land vehicle has been driven by a person who was under the influence of alcohol, drugs, psychotropic or other intoxicating substances in excess of the limits permitted by the laws and regulations of the State, or who evaded a test for the influence of such substances, or who used such substances after the accident before such test was carried out, or who was found to be incapable of acting under the influence of alcohol, drugs or other intoxicating, toxic or psychotropic substances.
- 4.3.2. unlawful possession of the Insurance Object at the time of the damage, unless the incident is classified as theft or robbery;
- 4.3.3. a water traffic accident occurring while the Watercraft is in a place where navigation is not permitted or which is not intended for water traffic (e.g. frozen water bodies, marshy areas, etc.);
- 4.3.4. failure of the Policyholder, the Insured or the authorised user of the Watercraft to comply with all instructions of the manufacturer or supplier of the Insurance Object or requirements of applicable laws and regulations regarding the use, parking, storage, testing, inspection, technical inspection, technical maintenance or repair of the Insurance Object, and such failure to comply with such instructions or requirements is causally connected with the occurrence of the loss;
- 4.3.5. damage to a hoisted sail or sail cover, except in connection with damage to the rigging or mast to which the sail is attached, if the damage to the rigging or mast is the result of an Insurance Event;
- 4.3.6. damage to the sail, mast and rigging, except if caused by the occurrence of the following risks: collision with another watercraft, obstacle, swimmer, animal or other object in water traffic, grounding, capsizing, sinking, fire, smoke, soot and extinguishing works on the Insurance Object, explosion of the Watercraft in motion;
- 4.3.7. damage caused by the outboard motor falling off or over the side of the Watercraft;
- 4.3.8. damage caused by internal breakage of the Insurance Object, however, if as a result of the foregoing, an accident occurs resulting in damage to other parts of the Insurance Object, then such loss shall be indemnified except for loss in respect of repair or replacement of the parts of the Insurance Object whose damage or breakage caused the occurrence of the accident;
- 4.3.9. theft of the Insurance Object using the original ignition keys of the Watercraft or the original controls of the anti-theft devices of the Watercraft;
- 4.3.10. the Policyholder, the Insured, an employee under their control, a family member, the driver of the Watercraft or an authorised user of the Watercraft having committed an unlawful act, whether secret or overt, with violence or threat of violence, hijacking or attempted hijacking of the Insurance Object, its parts, the Standard or the insured Ancillary Equipment or other intentional, malicious acts resulting in damage to or destruction of the Insurance Object;

- 4.3.11. theft of the outboard motor while the Watercraft is not in use and its motor is not removed, except if the Watercraft is at:
- 4.3.11.1. a marina or yacht club berth;
- 4.3.11.2. a secure area with physical security provided by a licensed security company or a specially trained person with whom there is a written agreement to provide such a service, or equipped with a security alarm with a connection to a console of a licensed security company, or video surveillance with an operator;
- 4.3.11.3. a locked premise.
- 4.3.12. theft or unlawful acts of third parties, the Insurance Object has been left unattended, unless:
- 4.3.12.1. it is locked, all windows, doors, hatches and portholes are closed, all anti-theft devices installed on it are activated and
- 4.3.12.2. the Insurance Object is:
- moored to a berth or pontoon intended for watercraft; or
 - anchored in a anchorage intended for watercrafts; or
 - parked in a place intended for the storage of watercrafts – a secure area with physical security provided by a licensed security company or a specially trained person with whom there is a written agreement to provide such a service, or equipped with a security alarm with a connection to a console of a licensed security company, or video surveillance with an operator.
- 4.3.12.3. the keys and documents of the Watercraft have been given to the person whose actions or inactions resulted in the theft or unlawful acts of Third Parties.
- 4.3.13. the Watercraft being stored contrary to the instructions of its manufacturer or supplier, resulting in damage to the Watercraft caused by freezing of the ground, movement of ice or rising water levels;
- 4.3.14. the Watercraft not being registered in the relevant register in accordance with the laws and regulations in force in the relevant State or not having a valid registration certificate;
- 4.3.15. the Watercraft being outside the Insurance Territory at the time of the accident, unless caused by the occurrence of the insured risk;
- 4.3.16. damage, destruction or loss of cargo, fuel, food, beverages or personal effects on board the Watercraft, as well as precious metals and articles thereof, works of art and objects, means of payment and securities;
- 4.3.17. damage or destruction of the Insurance Object caused by a design error of the Watercraft;
- 4.3.18. damage to the Insurance Object resulting from rust, corrosion, mould, decomposition and abrasion of the Watercraft; phenomena of a progressive or cumulative nature; wear and tear, obsolescence; damage, defect or failure due to exposure to temperature, precipitation, humidity;
- 4.3.19. violation of the requirements of the Watercraft Classification Society;

- 4.3.20. loss recoverable under any other compulsory form of insurance;
- 4.3.21. loss of profits, wages, current (emergency) expenses, administrative or criminal offences, fines and penalties, interest on late payments, levies, taxes, or other similar charges and sanctions;
- 4.3.22. the use of the Insurance Object for competitions, training, operational work, towing of equipment, commercial purposes, renting, driving at speeds exceeding 17 knots, unless the above additional risks are included in the Insurance Agreement, as noted in the Insurance Policy.
- 4.4. The Insurer shall not cover and shall not be liable for losses that have arisen due to the following:
 - 4.4.1. from any offence against humanity and peace, war and genocide in all its forms as defined by the laws of the Republic of Latvia and international law, including, but not limited to, hostilities and/or similar acts, mass disturbances of any kind and nature, including riots, revolutions, civil war, etc.;
 - 4.4.2. from overthrowing the authority of the state 'de facto' or 'de jure', or from coercing the state or public authorities by any violent or unlawful means, including terrorism;
 - 4.4.3. from confiscation, nationalisation or total or partial destruction of property, if subject to decisions or orders of national or local authorities;
 - 4.4.4. from strike, lockout;
 - 4.4.5. from any act of terrorism or preparation for such an act. The term terrorist act in this exception shall refer to the committed or threatened use of violence due to political, religious, ideological or ethnic purposes carried out by one person or a group of persons acting on their behalf, under the assignment of any organisation(s) or government(s), or in cooperation with such, with the intent to influence a government and/or intimidate the public or a part of the public;
 - 4.4.6. from direct or indirect exposure to nuclear energy;
 - 4.4.7. from an infectious disease;
 - 4.4.8. from an information technology security incident (cyber incident), which for the purpose of these terms is deemed as a security incident on a computer, computer network or information system that causes or damages system security, including but not limited to cyber attacks, including various types of denial of service attacks to the information system, computer network or parts thereof; incidents caused by malicious software (computer viruses, worms, Trojan horses, malicious system blockers, etc.); any total or partial interruption of the operation of a computer, computer network or information system due to external physical forces or material damage, which in any way affects access to data and/or a computer, computer network or information system;
 - 4.4.9. the cost of regular maintenance, repair, cleaning, routine or extraordinary upkeep of the Insurance Object and its structural equipment, including the replacement of worn parts;
 - 4.4.10. the costs incurred by the Policyholder or the Insured in connection with expert examinations or inspections of any kind, the reimbursement of which is not expressly provided for in these terms and conditions or in the Insurance Agreement entered into;
 - 4.4.11. expenses incurred in connection with the maintenance of the Watercraft and its crew;

- 4.4.12. loss for which the manufacturer, supplier, seller, installer or repairer of the Insurance Object is liable by contract or by law;
- 4.4.13. loss resulting from improper transportation of the Insurance Object or if a technically defective or unsuitable motor vehicle, including a trailer, is used for transportation;
- 4.4.14. ransom in connection with piracy or armed robbery at sea;
- 4.4.15. or if the Insured, the Policyholder or the person claiming the Insurance Indemnity is found to be directly or indirectly involved in the manufacture, distribution or transportation of prohibited weapons (such as landmines, cluster munitions).

5. Signing of the Insurance Agreement, its termination

- 5.1. By concluding the Insurance Agreement, the Parties hereby agree that the laws and regulations of the Republic of Latvia shall apply to the fulfilment of the obligations arising from the Insurance Agreement, including the law of the Republic of Latvia "Insurance Contract Law" (hereinafter - Insurance Contract Law), and the regulations of the European Union applicable in the Republic of Latvia, CMR Convention. In the case of amendments to effective legal regulatory documents resulting in the terms and conditions of this Insurance Agreement being in conflict with the applicable law, the effective law shall apply to the fulfilment of the Insurance Agreement and its respective obligations, unless otherwise indicated in the legal regulatory documents.
- 5.2. The Insurance Agreement shall take effect on the date specified in the Insurance Policy, if the Policyholder has paid the Insurance Premium in the amount and within the time specified.
- 5.3. The Insurance Agreement is concluded based on a written application of the Policyholder.
- 5.4. The duration of the Insurance Agreement is specified in the Insurance Policy. The Insurance Agreement may be terminated early, subject to written agreement between the Policyholder and the Insurer.
- 5.5. Any of the Parties may terminate the Insurance Agreement early, after the occurrence of the Insurance Event, provided that the Insurance Indemnity has been paid.
- 5.6. The Policyholder shall be entitled to unilaterally withdraw from the Insurance Agreement, notifying the Insurer of this in writing. The Insurer shall resolve to terminate the Insurance Agreement subject to the Policyholder's notification regarding its withdrawal from the Agreement.
- 5.7. The Insurance Agreement may be terminated in the cases determined in the Insurance Contract Law or other laws and regulations of the Republic of Latvia, including, the Insurer may terminate the Insurance Agreement in the case that information has changed regarding the possibility of the occurrence of the insured risk and the possible amount of Losses during the validity period of the Insurance Agreement.
- 5.8. The Policyholder shall give the Insurer a written notice of termination of the Insurance Agreement 15 days prior to termination of the agreement.
- 5.9. If the Insurance Agreement is terminated and no Insurance Indemnity payments have been made during its validity period, the Insurer shall refund to the Policyholder the unused part of the Insurance Premium, which shall be determined by deducting from the Insurance Premium a part paid for the duration of the Insurance Agreement and expenses of the Insurer related to the conclusion of the Insurance Agreement, up to a maximum of 15% of the Insurance Premium. In all cases, except for the events specified in legal acts of the Republic of Latvia governing insurance, when there have been Insurance Indemnity claims during the validity period of the Insurance Agreement and the Insurer has paid the Insurance Indemnity in accordance with these provisions, the Insurance Premium for the entire validity period of the Insurance Agreement shall be payable to the Insurer.

6. Insurance Premium

- 6.1. The amount of the Insurance Premium is determined by the Insurer in agreement with the Policyholder, taking into account the risk information provided.
- 6.2. The amount of the Insurance Premium depends on the value of the Insurance Object, the Insurance Territory and the additional risk cover chosen and other risk factors.
- 6.3. The Insurance Premium is paid in a lump sum for the entire duration of the Insurance Agreement. The Parties may agree on a different procedure for the payment of the Insurance Premium, stipulating it in the Insurance Policy or in the Special Provisions.

7. Obligations of the Policyholder and the Insured

- 7.1. The Parties shall have an obligation to comply with the provisions of the Insurance Agreement. The Parties shall be held liable for violating the provisions of the Insurance Agreement in accordance with the procedure prescribed by the Civil Law of the Republic of Latvia and other legal regulatory documents.
- 7.2. The Policyholder shall:
 - 7.2.1. provide the Insurer with completely accurate and truthful information which is essential for assessing the likelihood of the occurrence of the insurance risk and is important for the conclusion of the Insurance Agreement;
 - 7.2.2. notify the Insurer of other Insurance Agreements in force of which the Policyholder is aware, covering the same Insurance Object;
 - 7.2.3. pay the Insurance Premiums in the manner, within the timelines, and in the amount specified in the Insurance Agreement;
 - 7.2.4. the Policyholder or the Insured shall have the duty to notify the Insurer in writing during the validity period of the Agreement of any circumstances known to them that can significantly increase the probability of occurrence of the insured risk, or the possible amount of Losses;
 - 7.2.5. provide the Insurer with the opportunity to inspect the visual and technical condition of the Watercraft and the documents necessary for the conclusion of the Insurance Agreement;
 - 7.2.6. maintain and use the Insurance Object in a careful and safe manner, i.e.:
 - 7.2.6.1. when leaving the Insurance Object, it shall be locked, all windows, doors, hatches and portholes shall be closed, all anti-theft devices installed on it shall be activated;
 - 7.2.6.2. keys and registration documents shall be kept out of the reach of Third Parties;
 - 7.2.6.3. when leaving the Insurance Object Vehicle unattended, it shall be moored to a berth or pontoon intended for watercrafts or anchored in an anchorage intended for watercrafts, or placed in a place intended for the storage of watercrafts – a secure area with physical security provided by a licensed security company or a specially trained person with whom there is a written agreement to provide such a service, or equipped with a security alarm with a connection to a console of a licensed security company, or video surveillance with an operator;
 - 7.2.6.4. the outboard motor shall be attached to the hull of the Insurance Object with the screws or lock provided for this purpose;
 - 7.2.6.5. in case of loss of the Insurance Object's original keys, anti-theft device control panels or documents, notify the Insurer immediately and act in accordance with the instructions provided by the Insurer.

- 7.3. On the occurrence of an Insured Event:
- 7.3.1. notify the Insurer of the occurrence of the insured risk as soon as reasonably practicable and take all possible and reasonable steps to prevent or reduce the losses;
 - 7.3.2. submit to the Insurer an application for insurance indemnity, providing full and truthful information about the alleged Insurance Event and losses, as well as all information and documentation requested by the Insurer;
 - 7.3.3. report theft, robbery or traffic accidents to the police or the relevant public service;
 - 7.3.4. agree with the Insurer on a plan of action to reduce and prevent future losses and act accordingly;
 - 7.3.5. at the request of the Insurer, the Insured shall be obliged to grant the Insurer a written authorisation (with the right of sub-authorisation) to receive the necessary documents and information and to represent the Insured's interests;
 - 7.3.6. all documents received, any claim, summons, summons to appear in court or to take part in legal proceedings relating to the occurrence of the Insured Risk shall be submitted to the Insurer immediately upon receipt thereof;
 - 7.3.7. ensure that the Insurer participates in the determination of the nature, cause, type and amount of the losses;
 - 7.3.8. if a claim is brought against the Insured/Policyholder, invite the Insurer as a third party;
 - 7.3.9. the Insured shall be obliged to reimburse the Insurance Indemnity or any part thereof to the Insurer if, after the payment of the Insurance Indemnity, facts are established which prove that the Insurance Indemnity paid or any part thereof was unjustified or that the payment of the indemnity did not comply with the provisions of the Insurance Agreement or the requirements of the legislation.
- 7.4. If the Insurance Event occurs outside the territory of the Republic of Latvia, the Insured shall surrender the damaged Watercraft or the remains of the destructed Watercraft to the possession of the Insurer in the territory of Latvia, unless otherwise agreed with the Insurer.
- 7.5. The Insured or the Policyholder shall not be entitled without the written consent of the Insurer to compensate or give a promise to compensate the loss to a Third Party.
- 7.6. If the Insured does not participate in the investigation activities or court proceedings determined by law, the Insured undertakes to compensate the Insurer for the losses caused by such action or inaction.
- 7.7. All Losses resulting from the occurrence of one insured risk shall constitute a single Insurance Event, irrespective of the time of occurrence of the Losses and the number of Third Parties.

8. Payment of the Insurance Indemnity and assumption of the right of claim

- 8.1. These provisions provide for the payment of an Insurance Indemnity in respect of an Insurance Event occurring on the territory specified in the policy during the Insurer's period of liability.
- 8.2. The Insurer shall pay the Insurance Indemnity to the person entitled to receive the Insurance Indemnity at the time of the occurrence of the insured risk.

- 8.3. The indemnity shall be determined by the Insurer on the basis of the inspection report of the Insurance Object, loss calculation, opinions of competent authorities, taking into account the Insurance Amount, the value of useful residues, the Excess specified in the Insurance Agreement.
- 8.4. The amount of the Insurance Indemnity shall correspond to the amount of the provable loss caused to the Insured as a result of the Insurance Event up to the Insurance Amount.
- 8.5. If the Insurance Amount is less than the actual value of the Insurance Object (underinsurance), the Insurance Indemnity shall be paid in the proportion of the amount of the loss as the Insurance Amount bears to the value of the Insurance Object.
- 8.6. In the event of the Loss of the Watercraft, it shall be deemed to be a total loss.
- 8.7. If the parties have agreed on the payment of the Insurance Premium in instalments and it is not paid in full at the time of the occurrence of the Insurance Event, the amount of the unpaid Insurance Premium shall be deducted from the Insurance Indemnity to be paid.
- 8.8. By agreement of the parties, the Insurer may, before a full investigation and calculation of the loss has been carried out, pay a part of the Insurance Indemnity to the extent not disputed by either party.
- 8.9. In the event of theft or robbery, if the Insurance Object is found before the payment of the Insurance Indemnity, the Policyholder shall be obliged to take it back and withdraw the claim for payment of the Insurance Indemnity. This shall not preclude the compensation of any damage caused by the theft or robbery.
- 8.10. If the Insured recovers the stolen or hijacked Insurance Object after the Insurance Indemnity has been paid in full, the Insured shall return it or surrender the recovered Insurance Object to the Insurer by prior mutual agreement of both parties.
- 8.11. If the Insured has recovered the stolen or hijacked Insurance Object after the Insurance Indemnity has been paid for that property, which according to the provisions is lower than the Insurance Value, the Insured may keep the Watercraft by returning the Insurance Indemnity to the Insurer.
- 8.12. If the Insured has transferred the recovered Insurance Object to the Insurer, the Insured shall transfer to the Insurer the possession, ownership and all other rights which the Insured may have in respect of that property.
- 8.13. If the Insured has received compensation from the Third Party for the damage caused, the Insurer is released from the obligation to pay the Insurance Indemnity.
- 8.14. If the Insured has received a partial indemnity from a Third Party, the Insurer shall pay the difference between the calculated Insurance Indemnity and the amount received from the Third Party.
- 8.15. The Insurer shall have the right to reduce or refuse payment of the Insurance Indemnity if the Policyholder or the Insured fails to comply with the obligations referred to in paragraph 7 of these terms and conditions.
- 8.16. After the occurrence of an Insurance Event, the Insurer shall be entitled to verify how the Policyholder and the Insured have observed the provisions of the Insurance Agreement.
- 8.17. The Insurer shall make the decision to grant or refuse to pay the Insurance Indemnity within 5 (five) business days after receiving all the necessary documents and determining the full scope of losses.
- 8.18. Should the Insurer decide to refuse to pay the Insurance Indemnity, then within 10 (ten) days after the decision, the Insurer shall send a reasoned notification to this effect to the person entitled to claim the Insurance Indemnity.

- 8.19. The Insurer shall take over the rights of claim that the Insured has towards the person being responsible for losses, in the amount of the paid-out Insurance Indemnity.
- 8.20. If, as a result of the action or inactions of the Insured, recovery of the loss in favour of the Insurer is not possible, the Insurer may require reimbursement to the extent of the unrecoverable loss or reduce the amount of the Insurance Indemnity payable.

9. Submission of notifications, requests and information

- 9.1. The Policyholder shall submit all notifications, claims and applications pertaining to the Insurance Agreement and liabilities arising therefrom (including the Insurance Application, information about the Insurance Object, facts and circumstances required for assessment of the insured risk, changes to the contact information) to the Insurer in writing by sending it to the registered address of the branch of the Insurer, or electronically by using the e-mail address specified by the Insurer.
- 9.2. The Policyholder or the Insured shall submit all notifications, claims and applications pertaining to the Insurance Agreement and liabilities arising therefrom to the Insurer in such a form and type that enables the Insurer to clearly identify the Policyholder or the Insured as the submitter of the document.
- 9.3. The Insurer shall submit notifications, applications and claims referred to in the Insurance Agreement (including the Insurance Policy and other documents) in writing to the specified postal address of the Policyholder and/or the Insured. The Insurer shall be entitled to send the necessary information to the Policyholder and/or Insured to the specified e-mail address, if the Policyholder/Insured has specified it for the receipt of said information in the Insurance Agreement.
- 9.4. The Insurer shall inform the Policyholder about changes to the contact information of the Insurer, the Insurance Regulations or laws and regulations applicable to the Insurance Agreement on the website of the Insurer at www.ergo.lv, or send said information to the address of the Policyholder specified.

10. Confidentiality of information and personal data processing

- 10.1. The Insurer shall ensure the confidentiality of any information about the Policyholder and the Insured received subject to this Insurance Agreement and the effective laws and regulations, unless the laws and regulations provide for the transfer of such confidential information to Third Parties.
- 10.2. The Insurer shall carry out the processing of personal data in accordance with the Insurance Agreement, effective laws and regulations and the Insurer's Privacy Policy available on the Insurer's website at www.ergo.lv and the Insurer's retail locations. The Insurer's Privacy Policy may be sent to the Policyholder on request. The Policyholder shall be required to communicate the Insurer's Privacy Policy to those parties whose data the Policyholder transfers to the Insurer.
- 10.3. The Policyholder shall be required to read the Insurer's Privacy Policy prior to signing the Insurance Agreement, and to inform the parties, whose data are transferred by the Policyholder to the Insurer, of its contents.

11. Review of complaints and disputes

- 11.1. The Insurer shall review and provide a reply to complaints regarding services that violate the provisions of the Insurance Agreement, prepared and submitted to the Insurer by the Policyholder, the Insured or another party that is entitled to claim Insurance Indemnity subject to paragraph 10.1 and 10.2 of these terms and conditions, within 20 (twenty) days after receiving said complaints.
- 11.2. All disputes related to the Insurance Agreement shall be resolved through negotiations.
- 11.3. Should it not be possible to settle the dispute through negotiations, then in certain cases, the Policyholder, the Insured or the Beneficiary that are natural persons shall have the right to appeal to the following authorities with a request for extrajudicial review:
 - 11.3.1. To the ombudsman of the Latvian Insurers Association: the types of Insurance that are within the remit of the ombudsman of the Latvian Insurers Association are specified on the website of the ombudsman of the Latvian Insurers Association: <http://www.laa.lv/klientiem/ombuds/>. The procedure for the review of complaints of the insurers' clients by the ombudsman of the Latvian Insurers Association as well as the complaint application form are available online, on the official website of the Latvian Insurers Association www.laa.lv;
 - 11.3.2. To the Consumer Rights Protection Centre (PTAC), for violations of consumer rights that are not within the remit of the ombudsman. Additional information is available on the official website of the Consumer Rights Protection Centre www.ptac.gov.lv.
- 11.4. A complaint regarding compliance of the decision made by the Insurer with laws and regulations may be submitted to Latvijas Banka.
- 11.5. The Insurer shall be entitled to recover the Losses to the extent of the Insurance Indemnity paid against the person responsible for causing the Losses, except the Insured and the Policyholder.
- 11.6. Should no agreement be reached, the dispute shall be filed for review by a court of the Republic of Latvia in accordance with the laws and regulations of the Republic of Latvia.

12. Language of the Insurance Agreement

- 12.1. The Insurance Agreement shall be prepared and concluded in Latvian. Should the Insurer and the Policyholder agree to do so, the Insurance Agreement may be concluded in Latvian with an additional translation into another language. In such a case, should any contradictions be found between the wording of the Insurance Agreement in Latvian and the wording of the Insurance Agreement in the foreign language, the Latvian wording of the Insurance Agreement shall be decisive.
- 12.2. In fulfilling the obligations arising from the Insurance Agreement, the Insurer shall communicate with the Policyholder in the official language of the Republic of Latvia (Latvian).

How to respond in the event of an accident?

- Contact us by calling +371 6708 1887 and get advice on how to proceed
- Report the accident to the relevant authority (State Fire and Rescue Service by calling 112, State Police by calling 110, building management or the building manager)
- File a claim at www.ergo.lv, on www.mansergo.lv or by calling +371 6708 1887
- Moving, restoring or removing the insured property shall not be allowed without ERGO's written permission. Only urgent measures to prevent further damage shall be allowed