

ERGO

To insure is to understand.

Terms and conditions of ERGO rental agreement insurance

KT.0953.19



TERMS AND CONDITIONS OF ERGO RENTAL AGREEMENT INSURANCE

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1. GENERAL PRINCIPLES, APPLICATION OF TERMS AND CONDITIONS, RELATED PERSONS AND DEFINITIONS

- 1.1. With the Rental agreement insurance, the policyholder insures the Tenant's risks to the extent of the financial obligations arising from the Rental agreement, reducing the setbacks arising from an abrupt change in the financial status of the Tenant and their family caused by unwanted loss of job, accident, illness, death or proprietary damage caused to the Landlord. The Rental agreement insurance also protects the Landlord, ensuring the performance of the financial obligations agreed in the Rental agreement.
- 1.2. Insurer means ERGO Insurance SE (hereinafter ERGO) and policyholder means Rendin OÜ (hereinafter also the policyholder).
- 1.3. Insured person means the Tenant who has entered into the Rental agreement through the mediation of Rendin OÜ.
- 1.4. Beneficiary means the Landlord who has entered into the Rental agreement through the mediation of Rendin OÜ.
- 1.5. Insurance contract means the fixed-term contract entered into between ERGO and the policyholder, pursuant to which the policyholder agrees to pay insurance premiums and ERGO agrees to pay the Landlord the insurance indemnity in the case of an insured event. To confirm the existence of insurance cover, the policyholder provides the Tenant and the Landlord with an insurance certificate.
- 1.6. These insurance terms and conditions explain the scope and validity of the insurance cover as well as the code of conduct in the case of an insured event.
- 1.7. 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. If these terms and conditions are in conflict with the general terms and conditions of insurance contracts, these terms and conditions will prevail.
- 1.8. Insurance premium means the amount of money agreed in the insurance contract and payable by the policyholder to ERGO. The insurance premium is calculated for each lease and insurance contract separately and its amount depends on the amount of the rental payment.
- 1.9. Place of insurance means the residential premises constituting the object of the Rental agreement.
- 1.10. Insurance period means the period of time agreed in the insurance contract and it starts on the start date of the Rental agreement and lasts until the expiry of the Rental agreement, but for no longer than 12 months. If the term of the Rental agreement is longer than 12 months, the insurance cover will extend, with the consent of the policyholder, for the next 12 months, but for no longer than until the expiry of the Rental agreement.
- 1.11. Sum insured means the maximum possible amount of the indemnity per insurance period.
- 1.12. Insured event means an unexpected and unforeseeable event that has occurred under the terms and conditions set out under the description of insurance covers.
- 1.13. Insurance indemnity means the amount of money that ERGO calculates and pays to the Landlord in order to cover the obligation that the Tenant incurs to the Landlord pursuant to the Rental agreement.
- 1.14. Deductible means the amount of money or the part of damage agreed in the insurance contract to be deducted from the amount of the indemnity by ERGO. The deductible is applied to each insured event pursuant to the procedure set out under the description of insurance covers.
- 1.15. Rental agreement means the contract for use of residential premises entered into in respect of the place of insurance by the Tenant and the Landlord through the mediation of the policyholder.
 - 1.15.1. Expiry of the Rental agreement also entails simultaneous expiry of the insurance contract.
 - 1.15.2. The insurance contract may be terminated before the expiry of its term if the insurance interest ends or by agreement between the parties.

2. DESCRIPTION OF INSURANCE COVERS

2.1. Insurance cover for loss of job

- 2.1.1. The insured event in the case of the insurance cover for loss of job is the loss of job of the insured person.
- 2.1.2. Employment relationship means a relationship for which remuneration is paid pursuant to an employment contract or a contract of service and which is regulated by the Republic of Estonia Employment Contracts Act or Civil Service Act and which prescribes a working week of at least 20 hours.
- 2.1.3. Loss of job means the unforeseeable end of the employment relationship of the insured person during the insurance period for the following reasons: lay-off, including lay-off due to the cessation of the activities of the employer, declaration of bankruptcy of the employer or termination of bankruptcy proceedings without declaring bankruptcy, abatement, collective cancellation of employment contracts, termination of the employment relationship by the insured person if the employer has failed to perform its obligation, upon reducing remuneration or upon failure to provide work. Loss of job is determined on the basis of the Republic of Estonia Employment Contracts Act or Civil Service Act.
- 2.1.4. The insurance cover for loss of job requires that the insured person has worked immediately prior to the occurrence of an insured event uninterruptedly for at least 20 hours a week for at least five months with the same employer.
- 2.1.5. The insurance cover for loss of job takes effect 60 days after entry into the insurance contract.
- 2.1.6. The indemnity is paid if an insured event has resulted in the Tenant's loss of job that lasts for more than 30 days. The right to the insurance indemnity arises as of the 31st day of unemployment provided that the Tenant has the right to receive state unemployment benefit.
- 2.1.7. After becoming unemployed, the insured person must have themselves registered as unemployed with the Estonian Unemployment Insurance Fund. ERGO must be notified of their registration and end of registration as unemployed as well as of the end of the period of incapacity for work or commencement of work.
- 2.1.8. The indemnity is calculated based on the monthly payment prescribed in the Rental agreement and it is limited to the sum insured as set out in the insurance certificate. The indemnity may include significant accessory expenses directly related to the place of insurance (additional services of the premises, etc.) to the extent of up to 33% of the monthly rent.
- 2.1.9. The insurance cover for loss of job is not in effect if the insured person is:
 - a) a sole proprietor or acts on the basis of a contract for services or an authorisation agreement;
 - b) the employer's relative in a descending or ascending line of up to the second generation, including a direct blood relative or a relative by marriage; or the insured person is a partner (shareholder, etc.) or a member of a management or supervisory body in their employer's company and therefore has the right to affect decisions regarding termination of employment contracts.
- 2.1.10. No loss of job indemnity is paid if the employment contract ends:
 - a) at the initiative of the insured person, except if the basis for the cancellation of the employment contract is the employer's failure to perform its obligations;
 - b) by agreement between the parties;
 - c) during the probationary period;
 - d) due to the expiry of a fixed-term employment contract or contract of service or end of temporary work;
 - e) due to criminal proceedings or a criminal conviction that has entered into force;
 - f) due to the loss of confidence in the insured person or due to their indecent or corruptive act;
 - g) due to an act of terrorism, act of war, armed conflict;
 - h) due to going on old-age pension or pension for incapacity for work.
- 2.1.11. No indemnity is paid if the insured person knew at the time of entry into the Rental agreement that their employment contract is terminated or they are released from civil service during the term of the insurance cover, e.g. the Tenant has beforehand received a notice of termination of the employment contract or release from civil service.

2.2. Insurance cover for accident and illness

- 2.2.1. The insured event in the case of the insurance cover for accident and illness is the incapacity for work or death that has occurred during the insurance period and has been caused by an accident that happened or an illness that appeared for the first time during the insurance period.
- 2.2.2. Incapacity for work means the loss of the Tenant's capacity for work due to damage to health caused by an accident or illness. Incapacity for work is certified by a certificate of incapacity for work issued by a doctor or a medical assessment decision.
- 2.2.3. The insurance cover for incapacity for work, accident and death takes effect immediately after entry into the insurance contract. The insurance cover for illness takes effect 30 days after entry into the insurance contract.
- 2.2.4. The indemnity is paid if an accident or illness has resulted in the Tenant's incapacity for work that lasts for more than 30 days. The right to the insurance indemnity arises as of the 31st day of incapacity for work.
- 2.2.5. The indemnity is calculated based on the monthly payment prescribed in the Rental agreement and it is limited to the sum insured as set out in the insurance certificate. The indemnity may include significant accessory expenses directly related to the place of insurance (public utility charges, etc.) to the extent of up to 33% of the monthly rent.
- 2.2.6. Payment of the indemnity for incapacity for work is terminated if:
 - a) the Tenant commences work;
 - b) the period of incapacity for work ends;
 - c) the agreed sum insured is paid.
- 2.2.7. No accident, illness and death indemnity is paid if the accident, illness or death has a cause-and-effect relationship with the following:
 - a) use of nuclear energy for any purpose or loss of control thereof or radioactivity, terrorism, war, civil war, invasion, any armed conflict, mass disorder, civil disturbance, revolution, coup d'état, strike, confiscation, seizure or lockout

- b) an illness or medical condition diagnosed or injury occurred prior to entry into the Rental agreement
 - c) stroke, a fit of epilepsy or other events of cramps
 - d) damage to health arising from treatment, incl. surgical treatment, unless the need for treatment has arisen from the insured event
 - e) bacterial infections, except tetanus, rabies and other infections that have spread through a wound received in the insured event
 - f) HIV or AIDS, hepatitis B or C
 - g) changes in spinal curves, internal or cerebral haemorrhaging, lower body or inguinal hernia, except if arisen from the insured event
 - h) poisoning caused by solid substances or liquids which have been voluntarily consumed (alcohol poisoning or poisoning by narcotic substances, food poisoning, salmonellosis, dysentery, etc.)
 - i) mental illness or medically diagnosed mental disorders and related injuries
 - j) a suicide attempt or suicide
 - k) the Tenant's stay in an institution of confinement as a confinee
- 2.2.8. No indemnity is paid if the accident has happened to the Tenant while:
- a) doing competitive sports or training therefor or going in for the following sporting events (including amateur sports, training, competitions): air sports (including bungee and parachute jumps), boxing (including kickboxing, Thai boxing), mountain climbing (excluding mountain hiking), downhill and speed skiing, alpine skiing on slopes without any tracks or outside ski tracks, rafting, car racing and motor sports (including water motor sports), any extreme sports;
 - b) working as any aircraft crew member, performing high risk duties in the Defence Forces, undergoing conscript or active service or being on a military mission.
- 2.3. **Insurance cover for death**
- 2.3.1. The insured event is the Tenant's death during the insurance period.
 - 2.3.2. In the case of the insured event, ERGO pays, in addition to the insurance cover for accident and illness, a lump-sum indemnity to the extent of the amount of rent of up to three months.
 - 2.3.3. The events in the case of which no indemnity is paid are listed in clauses 2.2.7 and 2.2.8.
- 2.4. **Insurance cover for payment defaults**
- 2.4.1. The insured event is the Tenant's failure to perform a financial obligation arising from the Rental agreement (payment of the amount of rent). A failure to perform an obligation is deemed an insured event if the Tenant has, regardless of the Landlord's reminder, failed to pay the amount of rent within 30 days as of the moment the claim falls due.
 - 2.4.2. The indemnity is calculated based on the monthly payment prescribed in the Rental agreement and it is limited to the sum insured.
 - 2.4.3. The Landlord is required to make every effort to terminate the lease relationship with the Tenant who fails to pay rent.
 - 2.4.4. ERGO has the right to request that the Tenant recover the insurance indemnity paid and the Tenant has the obligation to pay it to ERGO.
 - 2.4.5. ERGO organises the protection of the Landlord's lawful interests both in court and out of court in a dispute with the Tenant, including the demand of transfer of the place of insurance from unlawful possession after the expiry of the Rental agreement, while also covering costs for legal assistance and procedural expenses up to the amount of the sum insured.
- 2.5. **Insurance cover for Landlord's property (Tenant's liability)**
- 2.5.1. The insured event is an event in the course of which the Tenant has caused damage to the leased residential premises, their furnishings or the Landlord's other property located on the residential premises that the Tenant is required to indemnify to the Landlord.
 - 2.5.2. In respect of the Tenant's liability, which is related to use of the insured object, the persons equal to the Tenant are those who stay in the place of insurance lawfully (e.g. family members).
 - 2.5.3. Direct proprietary damage and other substantiated expenses set out in the insurance terms and conditions are indemnified, but no more than to the extent of the sum insured.
 - 2.5.4. If it is economically expedient to repair the damaged property, the substantiated repair costs are indemnified. If the damaged property is not repaired or replaced, the amount to be indemnified is its market value as of the moment the insured event occurred. If the same items are no longer sold, the amount of the indemnity is calculated based on the items that are equivalent or as similar to the destroyed items as possible, but not worse, e.g. a new version of the same model.
 - 2.5.5. The following is not indemnified:
 - a) natural wear and tear
 - b) non-proprietary claims
 - c) claims between the Tenant and persons connected with the Tenant
 - d) claims caused by radioactive, radiative, toxic or explosive substance, claims caused by elimination of contamination or pollution
 - e) claims related to the valuables (e.g. jewellery, paintings, works of art) left in the Tenant's possession by the Landlord
 - f) loss of profit
 - g) If the Tenant has damaged the Landlord's property for any of the following reasons, ERGO has the right, after payment of the insurance indemnity, to recover it from the Tenant and the Tenant has the obligation to pay it to ERGO: the Tenant's intent, dishonesty, intentional commission of a criminal offence or causing damage while intoxicated with alcohol, narcotic, toxic or other substances.

- 2.5.6. If the Tenant has come to an agreement with the Landlord or has already indemnified the claim or part thereof, ERGO does not deem it binding if the amount of the claim has not been proven or the indemnification obligation of the insured person is disputable.
- 2.5.7. If indemnification for damage can be claimed under another insurance contract, it must be done before filing a claim on the basis of the Rental agreement insurance contract.

Explanation. *This insurance does not cover the proprietary damage that has been caused to the Landlord beyond the control of the Tenant (e.g. burglary). Neither does it cover the damage caused to the Tenant's property and to third parties (neighbours, association, etc.). In order to receive the indemnity for the foregoing, it is recommended that a home insurance contract with the conventional liability insurance cover be entered into.*

3. LEGAL COUNSELLING

- 3.1. In the case of matters and disputes arising from lease relationships and from owning or using the residential premises (e.g. association, neighbours), the Tenant and the Landlord have the right to receive legal advice from lawyers of ERGO by telephone. The contact details of legal counselling are also published on the policyholder's website and in the policyholder's mobile application.

4. GENERAL PRINCIPLES OF INDEMNIFICATION FOR DAMAGE

- 4.1. ERGO indemnifies for damage arisen from the Tenant's failure to perform the Rental agreement due to an insured event.
- 4.2. Damage is indemnified in the cases and to the extent set out in these terms and conditions of Rental agreement insurance and in the insurance contract entered into between ERGO and the policyholder.
- 4.3. ERGO pays the insurance indemnity based on the data of the Rental agreement at the time the insured event occurred. ERGO pays the indemnity to the Landlord, applying the deductible pursuant to the procedure agreed in these terms and conditions.
 - 4.3.1. The maximum rate of the indemnity (the sum insured) is set out in the insurance certificate. If it appears that the amount of rent of the apartment serving as a basis for the calculation of the rate is unreasonably high, the rate is calculated based on the market price of similar leased residential premises.
 - 4.3.2. If several insured events occur at the same time, no multiple indemnity is paid.
- 4.4. **Actions in the case of a loss event**
 - 4.4.1. The Tenant or the Landlord must prove the occurrence of an insured event and notify the policyholder thereof at the earliest opportunity, but no later than within one week. The policyholder, in turn, notifies ERGO of the occurrence of the event. A loss notice must be sent via the policyholder's website or mobile application.
 - 4.4.2. In the case of a loss event that has occurred in the place of insurance, the Tenant must immediately record (photograph, film) the situation and start to reduce the loss. If necessary, notice of the event must be given to a relevant authority or person (Rescue Board, police, apartment association, owner of the residential premises, etc.).
 - 4.4.3. If it is not possible to record the situation, further actions must immediately be agreed with ERGO.
 - 4.4.4. It is not permitted to start to restore or recycle the damaged property without ERGO's consent.
 - 4.4.5. The Tenant and the Landlord must always take all reasonable steps to prevent the occurrence of legal disputes and damage (e.g. addressing ERGO at the right time and asking for guidelines on how to act). The Tenant and the Landlord must submit all of the requested evidence necessary for the efficient processing of the event as well as provide true and complete verbal and written explanations of the circumstances of the event.
 - 4.4.6. If the insurance indemnity can also be claimed on the basis of a contract (e.g. home insurance) entered into with another insurer, notice of the event must also be given to the other insurers.
 - 4.4.7. ERGO sends the Tenant and the Landlord a notice on registration of a claim for the indemnification for damage and provides guidance on the next steps.
 - 4.4.8. ERGO processes a claim for the indemnification for damage, makes a decision concerning the claim and pays the Landlord the insurance indemnity. The payment(s) is/are made within ten working days of the submission of all necessary documents and establishment of the basis for payment.
 - 4.4.9. ERGO notifies the policyholder, the Landlord and the Tenant of the decision made about the claim for the indemnification for damage by e-mail or via another technical solution (e.g. mobile application). ERGO gives notice based on the principles of purposefulness and minimum processing of data.
- 4.5. **Deductible**
 - 4.5.1. Deductible is deducted from the insurance indemnity in the case of every event.
 - 4.5.2. The amount of the deductible is equal to the rental payment of one month, but no less than the amount set out in the insurance certificate. The portion of the deductible is paid by the Tenant directly to the Landlord.
 - 4.5.3. The Tenant must pay the portion of the deductible to the Landlord within 15 days of making the indemnification decision.
 - 4.5.4. If the Tenant has not paid the portion of the deductible to the Landlord within the term set out in clause 4.5.3, it will be paid by ERGO and the Tenant must later repay it to ERGO.

5. GENERAL EXCLUSIONS AND RIGHT OF RECOURSE

- 5.1. ERGO pays no insurance indemnity if the event does not correspond to the characteristics of an insured event set out in the insurance terms and conditions.
- 5.2. ERGO pays no indemnity for the events that have occurred before the start of the insurance cover or after the end of the insurance cover.
- 5.3. If it appears that the loss event has been caused intentionally, incorrect information has been submitted on the circumstances of the loss event or the guidelines for actions in the case of a loss event (clause 4.3) have not been followed, ERGO has the right to reduce the indemnity, refuse to pay the same or request that the indemnity already paid be recovered along with the loss adjustment expenses.
- 5.4. If ERGO has, instead of the Tenant, paid the indemnity to the Landlord (e.g. deductible, intentional causing of damage), ERGO has the right, after payment of the indemnity, to recover it from the Tenant and the Tenant has the obligation to pay it to ERGO.