

Foreign travel insurance policy wording

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Insurer means ERGO Insurance SE, represented by ERGO Insurance SE Lithuanian branch.

Policyholder means the person who applied to the insurer regarding conclusion of the insurance contract or who was offered by the insurer to enter into an insurance contract or who has entered into an insurance contract with the insurer.

Insured person means the foreigner indicated in the insurance contract who faces in his/her life an insurable event in respect of which the insurer must pay the insurance benefit.

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Insurable event means the happening indicated in the insurance contract upon the occurrence of which the insurer must pay the insurance benefit.

Insurance contract means the contract the parties where to are the insurer and the policyholder. In the insurance contract the policyholder undertakes to pay the insurance premium to the insurer. In the insurance contract the insurer undertakes to pay to the policyholder, the insured person or the third party for whose benefit the insurance contract was concluded the defined insurance benefit calculated according to the insurance contract if and when an insurable event described in the insurance contract occurs. The insurance contract in-

cludes the present insurance policy wording, the request to conclude an insurance contract (if any), insurance policy, and contract terms and amendments thereto (where agreed upon by parties to the contract).

Insurance policy means document issued by the insurer which certifies conclusion of the insurance contract.

Deductible means the amount of money paid by the policyholder in the case of each insurable event. The insurer's liability in the case of each insurable event equals the amount of damages less deductible. Deductible can be expressed in the amount of money and/or percentage of the damage amount.

Visited country means **Republic of Lithuania or Republic of Lithuania and states of the Schengen Agreement**. The insured person's permanent country of residence or former permanent country of residence before his/her arrival to Lithuania if he/she has not resided in the Republic of Lithuania for the last five years in a row shall not be deemed a visited country.

Schengen or Schengen Area means **territories of signatory states of the Schengen Agreement**.

Permanent country of residence means the country where the person resides permanently or most of the time and which the person considers the place of his/her private, social and economic interests. If the person resides in several countries, the country which he/she has the strongest link with (where his/her private property or the largest share of the property is located, etc.) shall be considered his/her principal residence.

Foreigner means a natural person who is not citizen of the Republic of Lithuania regardless of his/her possession of citizenship of any foreign state.

Work permit in the Republic of Lithuania means a document which grants the right to the foreigner to work in the Republic of Lithuania for the time indicated therein.

Temporary residence permit in the Republic of Lithuania (hereinafter referred to as **temporary residence permit**) means a document which grants the right to the foreigner to reside temporarily in the Republic of Lithuania for the time indicated therein.

Officially organised sport competitions and training sessions are those arranged by sport organisations, sport clubs possessing the rights of a legal entity, sport schools, sport centres, sport bases, sport branch federations, associations, societies as well as other organisations and institutions engaged in physical training and sport activities which provide conditions for practicing physical training and sport, train athletes, arrange sport competitions and other physical training and sport events. Officially organised sport competitions are held according to the competition regulations, which must comply with sport competition rules. The regulations must indicate organisers of the competition, terms and conditions for holding the competition and safety requirements.

Terrorism means causing hazard to the lives or health of many people, property or infrastructure sites through threat of using force (e.g.: causing to explode, setting on fire, spreading radioactive, biological or chemical harmful substances, preparations, microorganisms, etc.), in pursuit of political, religious, ideological or ethnic goals, including the intention to influence or intimidate the government or the whole or part of the society.

Third party means the person who under the concluded insurance contract is not linked to the policyholder or the insurer with any insurance contractual relations.

General provisions

1. Form and content of the policyholder's request to conclude an insurance contract

1.1. The insurance contract shall be concluded following the policyholder's oral or written request. In its request to conclude a travel insurance contract the policyholder shall provide particulars of the policyholder and the insured person (first name, surname, address, personal ID number or date of birth, passport number, insurance term, valid territory, purpose of travel (travelling to engage in physical work, sport, etc.), mode of travel and any other information which the insurer may request to assess the insurance risk.

1.2. The request to conclude an insurance contract may be forwarded through an agent. Where appropriate the insurer may request documents to certify the agent's authorisation. The request is the integral part of the insurance contract.

Correctness of data provided in the request shall be the responsibility of the policyholder. Following conclusion of the insurance contract the policyholder's written request shall be deemed integral part of the insurance contract. Requests from legal entities must be signed by their competent representative and sealed. Should it be found that following conclusion of the insurance contract the policyholder provided the insurer with the knowingly false information about the circumstances which may materially impact the assessment of the insurance risk, the insurer shall have the right to demand invalidation of the insurance contract, unless the circumstances concealed by the policyholder vanished before or did not influence the insurable event.

2. Methods of entering into the insurance contract, the extent of insurance cover, non-insured events and not insured persons

2.1. An insurance contract shall be finalised in writing by one of the following methods: 2.1.1. The insurer provides the policyholder with a copy of insurance rules (or with a link to the insurer's website where insurance rules are published), an electronic insurance policy, and a document confirming finalisation of an electronic insurance contract; the policyholder pays the entire or the first insurance premium by the deadline set in the electronic insurance policy (for electronic insurance contracts). The original electronic insurance policy is stored in the insurer's electronic data holder. The policyholder may familiarise themselves with the original electronic insurance policy by visiting the self-service section of the insurer's website at www.ergo.lt. 2.1.2. The insurer provides the policyholder with a copy of insurance rules and the insurer and the policyholder sign an insurance policy; the policyholder pays the entire or the first insurance premium by the deadline set in the insurance policy (for hardcopy insurance contracts). 2.2. The individual provisions of the insurance contract, the method for finalising the insurance contract (hardcopy insurance contracts or electronic insurance contracts), the method for presenting information and documents in the course of implementing the insurance contract, and other data that is obligatory pursuant to legal acts shall be specified in the insurance policy and/or annex to the contract.

2.3. The insurance contract shall be concluded for the time period agreed between the parties thereto and indicated on the insurance policy.

2.4. Insurance coverage shall be valid on the territory indicated on the insurance policy other than that of the insured person's permanent country of residence, unless the insurance contract provides otherwise.

2.5. The start and end of each trip to the visited country shall be documented at the insurer's request.

2.6. The insurance contract shall be concluded for one year, unless the insurance contract provides otherwise.

2.7. An individual insurance contract may be concluded under mutual agreement between the policyholder and the insurer.

2.8. In the event of any discrepancies between the insurance terms of the individual insurance contract and the present wording, the terms of the individual insurance contract shall prevail.

2.9. Uninsurable events and uninsured persons

2.9.1. Under the present insurance policy wording, any damage, losses or costs directly or indirectly related to the events listed below shall not be indemnified despite that other causes or circumstances may have influenced the occurrence or scope of the damage, losses or costs:

- a) war, aggression, hostile actions of foreign forces, actions of military nature (irrespective of whether war was announced or not), civil war, riot, revolution, rebellion, introduction of special order, domestic upheaval which has reached the scale of a rebellion or of using military or unlawful power, strikes, lockouts and other malignant actions of workers with terminated employment contracts as well as detentions and arrests by government authorities and officials;
- b) any type of terrorist acts.

The above derogation also covers the damage, losses and costs caused by or associated with responding to, preventing or suppressing the actions and events listed in points (a) and (b) of the present clause.

2.9.2. The present insurance policy wording also precludes indemnity for:

2.9.2.1. damage caused by expropriation, seizure or destruction of property at the instruction of government authorities;

2.9.2.2. damage caused by direct or indirect exposure to nuclear energy and harm caused to human health by exposure to any kind of rays (radioactive, electromagnetic, thermal, light, etc.) as well as damage caused by using chemical and biological substances for non-peaceful purposes;

2.9.2.3. damage caused by deliberate self-injury, suicide or attempted suicide as well as damage caused by the accident experienced by the insured person at the time of committing or intending to commit an offence.

2.10. Unless the insurance contract provides otherwise, uninsurable events shall also include outcomes of diseases and accidents caused by:

2.10.1. involvement in any kind of officially organised sport competitions and training sessions.

The provisions of this clause shall not apply to sport sessions which are not organised by sport organisations and are the form of leisure for the insured person;

2.10.2. involvement in fighting sports or high-risk and extreme leisure sports (mountain skiing, diving, yachting, surfing, snowboarding, climbing, caving, gliding and hang-gliding, flying non-motorized aircraft, non-motorized flying vehicles, motor aeroplanes, light airplanes, parachuting, bungee jumping, etc.);

2.10.3. participation in individual tours and expeditions to sites with extreme climatic conditions (such as polar zone, desert, high seas, etc.).

2.11. This insurance policy wording does not cover indemnification for non-pecuniary damage, unless provided otherwise in other provisions hereof.

2.12. The present insurance policy wording does not provide insurance coverage for:

- a) mental patients in need of long-term care. A person in need of care is defined as an individual who continuously needs the help of others in his/her daily life;

- b) persons referred to a special educational establishment or under custodial penalty and persons under forced medical action. Neither shall insurance coverage be applicable during pre-trial detention or arrest.

2.13. Where during the insurance term the insured person becomes uninsurable according to points (a) and (b) of clause 2.12., his/her insurance coverage shall cease and the policyholder shall have the right to claim refund of the unused portion of the premium.

3. Sum insured and procedure for calculation of insurance premiums, the insurance contract effectiveness, the grounds for payment of premiums and liability and consequences for non-compliance

3.1. Insured sums shall be indicated on the insurance policy.

3.2. The insurance premium shall be calculated taking into consideration the insured sum, age of the insured person, selected insurance term, territory of insurance coverage, the purpose/nature of travel, selected insured risks and other information provided to the insurer prior to conclusion of the insurance contract.

3.3. The entry into force of the insurance contract shall in all cases be subject to the payment of the entire or first insurance premium, i.e. the insurance contract shall only enter into force after the entire or first insurance premium has been paid, regardless of whether the insurance contract provides that the entire or first insurance premium must be paid on the day the contract is finalised or that a later deadline for paying the entire or first insurance premium is set in the contract:

3.3.1. If the insurance contract provides that the entire or first insurance premium must be paid on the day the insurance contract is finalised and the policyholder has properly fulfilled its obligation to pay the insurance premium (i.e. the policyholder has paid the entire or first insurance premium by the set deadline and using the appropriate payment method), then the insurance contract shall enter into force from the day and hour of the start of the insurance period specified in the contract and insurance coverage shall only apply to insured events that occur after the entry into force of the insurance contract;

3.3.2. If the insurance contract provides that the entire or first insurance premium must be paid on a day later than the day the insurance contract is finalised and the policyholder has properly fulfilled its obligation to pay the insurance premium (i.e. the policyholder has paid the entire or first insurance premium by the set deadline and using the appropriate payment method), then the insurance contract shall enter into force from the moment the insurance premium is paid and insurance coverage shall also apply to insured events which the parties to the insurance contract were not aware of when finalising the insurance contract and which occur from the day and hour of the start of the insurance period specified in the contract until the moment of entry into force of the contract (i.e. insurance coverage shall apply retroactively);

3.3.3. Should the policyholder fail to pay the entire or first insurance premium by the deadline set in the insurance contract, then, regardless of whether the insurance premium had to be paid on the day the contract is finalised or by a later deadline set in the contract, the insurance contract shall only enter into force from midnight of the 3rd calendar day following the date the insurance premium is paid and insurance coverage shall only apply to insured events that occur after the entry into force of the insurance contract;

3.3.4. In all cases listed in clauses 3.3 and 3.1.1–3.1.3 of this article, insurance coverage shall apply not earlier than the start of the insurance period specified in the insurance contract.

3.4. Where the parties agree that the insurance premium will be paid in instalments, depending on the mode of payment instalments of the insurance premium may be subject to extras:

- a) 3% for six-month instalments;

b) 5% for quarterly instalments.

3.5. Where payment of the annual insurance premium in instalments was agreed:

- a) all instalments after the initial instalment of the insurance premium shall be considered deferred instalments of the insurance premium as payment thereof is deferred until the payment date provided for in the contract;
- b) the insurer may claim immediate payment of the premium instalments for the current insurance year where the policyholder defaults on timely payment of the total deferred instalment of the insurance premium or pays only part thereof. In such a case the insurer shall gain the right to unilaterally send a notification to the policyholder about the change of the mode of payment of the premium, which shall become binding upon the policyholder;
- c) where an insurable event occurs and the insurance benefit must be paid, the insurer shall have the right to deduct deferred instalments of the insurance premium with expired due date from the insurance benefit.

3.6. 3.6. If the policyholder fails to pay the deferred portion of insurance premium within the time period provided for in the insurance contract, or pays only part of it, the insurer shall notify the policyholder in writing that insurance cover will be suspended after 15 calendar days following the dispatch date of the notification about the unpaid premium and the insurance contract will be terminated after 30 calendar days following the dispatch date of the notification. This condition of the rules does not apply, if the policyholder fails to pay the whole insurance premium or its first portion, as in all cases the insurance contract effectiveness is related to payment of the whole insurance premium or its first portion.

3.7. If the policyholder pays the insurance premium during the time period from the suspension of the insurance cover to its expiry referred to in paragraph 3.6, the insurance cover will be resumed at 00 a.m. of the third (3rd) calendar day following the payment of the premium.

3.8. The basis for the payment of the insurance premium shall be the insurance policy signed between the policyholder and the insurer or a different equivalent document.

3.9. Unless the insurance contract provides otherwise, the date indicated on the payment document shall be considered the moment of payment of the insurance premium or a part thereof in cash; the insurance premium shall be deemed paid by transfer when it appears on the insurer's bank account.

3.10. The insurance premium and the sum insured may be specified in the insurance policy either in the national and/or a foreign currency. Insurance premiums and indemnities may be paid either in the national and/or a foreign currency, provided this does not contradict legislation of the Republic of Lithuania. The annual insurance premium shall be converted into the national currency based on the official exchange rate valid on the date the payment must be made.

4. Multiple insurance terms

4.1. The policyholder and/or the insured person shall inform the insurer about other concluded or intended to conclude insurance contracts for the same risks with other insurers.

4.2. Upon the occurrence of an insurable event and after establishing that the policyholder and/or the insured person has concluded insurance contracts for the same risks with more than one insurance company, each insurance company shall pay the insurance benefit pro rata without exceeding the amount of damage. This provision shall not be applicable to accident insurance.

5. Pre-contractual rights and obligations of the policyholder and the insurer

5.1. The insurer shall have the right to request that the person intending to enter into an insurance contract provides the information required to conclude the insurance contract including documents confirming his/her health status.

5.2. Prior to concluding the insurance contract the policyholder shall furnish the insurer with correct details to calculate the insurance premiums. The policyholder shall supply the insurer with all information to the policyholder's knowledge about the circumstances which may materially impact the insurance risk. The policyholder shall also indicate the purpose of its or the insured person's purpose of arrival: temporary residence, holiday, physical work, sports, etc.

5.3. The insurer shall provide information to the policyholder including the insurer's name, type of the insurer's company, address, address of the insurer's affiliate or representative (if the insurance contract is being concluded elsewhere than in the insurer's registered office), procedure for the settlement of disputes arising out of or associated with the insurance contract, the insurer's conduct when the policyholder defaults on the terms of the insurance contract, potential cases of increased insurance risk, the law applicable to the insurance contract, terms and options of terminating the insurance contract, uninsurable events and other cases when the insurer has the right to refuse to pay or to reduce the insurance benefit, also provide public access to Foreign Travel Insurance Policy Wording and issue the insurance policy and a copy of the present wording.

If an electronic insurance contract is finalised, the insurer must provide the policyholder with a link to the self-service website where the policyholder can familiarise themselves with the original electronic insurance policy.

5.4. The insurer shall have the right to refuse to enter into an insurance contract without indicating reasons.

6. Rights and obligations of the policyholder, the insured person and the insurer during the effective term of the insurance contract

6.1. The insurer shall be obliged to:

6.1.1. upon the occurrence of an insurable event, pay insurance benefits as prescribed in the present wording or within the terms provided for in the Law on Insurance of the Republic of Lithuania;

6.1.2. upon the policyholder's written request and payment, issue a duplicate copy of the insurance policy or other documents which confirm conclusion of the contract;

6.1.3. refrain from disclosing information about the policyholder or other persons obtained during fulfilment of insurance contracts, unless provided otherwise by law;

6.1.4. during the effective term of the contract the policyholder shall forthwith inform the insurer about any change to the information referred to in clause 5.3. of the present wording which is significant to the rights and obligations of the parties to the insurance contract arising out of the insurance contract;

6.1.5. pay interest to the policyholder for non-payment of the insurance benefit under the terms provided for in the present wording;

6.2. The policyholder shall be obliged to:

6.2.1. pay premiums in the timely manner;

6.2.2. comply with legal provisions and institutional or agreed security regulations;

6.2.3. inform the insurer about increased risk (ref. clauses 7.1. and 7.2.) as well as about concluded or intended to conclude insurance contracts in respect of the same risks.

7. Changes to insurance risk and their outcomes

7.1. An increase in the insurance risk occurs when the numerical expression of criteria which may serve as basis for calculating the insurance premium increases, for instance, changed duration of travel, the destination country or the purpose of travel (travelling to ski in the mountains, etc.). Cases when a new insurance risk appears in the life or activities of the policyholder are also referred to as an increase.

7.2. In the event of material changes to the circumstances provided for in the insurance contract which increase or may increase the insurance risk the policyholder shall forthwith after becoming aware of the changes to the insurance risk notify the insurer thereof. After receiving notification about the increase of the insurance risk the insurer shall have the right to demand amendment to the terms of the insurance contract or to increase the insurance premium. Where in such a case the policyholder disagrees to change the terms of the insurance contract or to pay a higher insurance premium, the insurer shall have the right to appeal to court regarding termination or amendment of the insurance contract due to material change of circumstances.

7.3. Where the policyholder fails to notify the insurer about increased insurance risk within the established term, the insurer shall have the right to demand termination of the contract and claim a damage refund to the extent uncovered by the received insurance premium. The insurer, however, shall have no right to demand termination of the contract where the circumstances which may have increased the insurance risk no longer exist.

7.4. Following disappearance of the insured risk, the policyholder shall be relieved from the obligation to pay premiums for that risk. It shall be obliged to notify the insurer of the disappearance of the insured risk, unless the insurance contract provides otherwise. In such a case the policyholder shall redeem the insurance premium for the remaining effective term of the insurance contract.

7.5. Where during the effective term of the insurance contract the circumstances described in the insurance contract which decrease or may decrease the insurance risk change materially, the policyholder shall have the right, on the grounds of decreased insurance risk, to request amendment to the terms of the insurance contract or reduction of the insurance premium. Where in such a case the insurer disagrees to change the terms of the insurance contract or to reduce the insurance premium, the policyholder shall have the right to appeal to court regarding termination or amendment of the insurance contract due to material change of circumstances.

8. Obligations of the policyholder and the insured person upon the occurrence of an insurable event

8.1. Upon the occurrence of an insurable event, the policyholder shall take available reasonable actions to prevent or reduce potential damage following the insurer's instructions, if any.

8.2. The policyholder or the insured person shall assist the insurer in clarifying the circumstances of the insurable event and provide all information and documentation which the policyholder deems relevant for the examination and assessment of the insurable event and for the establishment of the amount of and payment of the insurance benefit.

8.3. The policyholder or the insured person shall forthwith report the insurable event to relevant competent authorities (ambulance, police, fire rescue, etc.). The policyholder shall report the event to the insurer or its representative not later than within the term specified in the Special Section in the wording for each of the selected types of insurance (ref. Foreign Medical and Repatriation Insurance Policy Wording, II. Foreign Accident Insurance Policy Wording, III. Foreign Personal Third Party Liability Insurance Policy Wording).

8.4. Following conclusion of the insurance contract, the policyholder shall authorise the insurer to obtain information from third parties (all types of health care establishments and their physicians, dentists, insurers, health and welfare services, including state social insurance and compulsory health insurance authorities) about the insured person's previous and current diseases and those occurred prior to expiry of insurance coverage, outcomes of accidents, ailments, as well as in-

tended to conclude, already concluded or expired personal insurance contracts; information about making use of the state social insurance and compulsory health insurance coverage and the scope thereof. To this end the policyholder and/or the insured person shall furnish the insurer with a written consent which relieves the third parties referred to above from the obligation to keep the secret and authorises them to provide the insurer with all required information.

8.5. Where apart from the policyholder the insurance contract includes other persons, all the provisions referring to the policyholder shall also apply to those persons.

8.6. At the insurer's request the policyholder shall authorise the insurer in writing to make any statements which it deems expedient in connection with satisfying or rejecting the claims of third parties.

8.7. The policyholder or the insured person shall also comply with the policyholder's and/or insured persons obligations upon the occurrence of the insurable event defined in the Special Section of the present insurance policy wording.

8.8. Upon the occurrence of an insurable event at the insurer's request the policyholder shall document the start and end of each trip to Lithuania or a Schengen Agreement country.

9. Procedure for assessment of damage and payment of insurance benefits

9.1. Payment of insurance benefits:

9.1.1. Insurance benefits shall be paid for insurable events indicated in the present wording without exceeding the insured sum provided for in the insurance policy;

9.1.2. The insurer shall be obliged to pay the insurance benefit only upon receipt of required evidence, which must fall into the ownership of the insurer;

9.1.3. The policyholder, the beneficiary and/or the third party at the insurer's request shall provide all available documentation and information about the circumstances and outcomes of the insurable event required for the assessment of the amount of the insurance benefit. Where the circumstances of such events are examined by public authorities, at the insurer's request they shall provide written information about the facts found during the investigation and the outcomes thereof;

9.1.4. The insurer shall pay the insurance benefit not later than within 30 days following receipt of all information relevant for the establishment of the fact, circumstances and outcomes of the insurable event and the amount of the insurance benefit. Failing to pay the insurance benefit to the policyholder within the term referred to above, the insurer shall pay 3% annual interest for the delayed period of paying the insurance benefit;

9.1.5. The insurer shall have no right to:

- a) pay or refuse to pay the insurance benefit without satisfying itself of the existence of the insurable event;
- b) refuse to pay the insurance benefit without verifying all available information.

9.1.6. Where upon the occurrence of an insurable event the policyholder and the insurer cannot agree about the amount of the insurance benefit, at the policyholder's written request the insurer shall pay the sum which equals the insurance benefit undisputed by the parties should assessment of the precise amount of damage persist for more than 3 months;

9.1.7. The insurer shall have the right to pay the benefit to providers and forwarders of adequate documentation validating the insurance benefit: the policyholder, the insured person or his/her indicated person where they paid for services themselves, authorised persons or health care facilities, persons or institutions at whose expense the insured person's body was transported, as well as other persons who under the law or the present insurance policy wording are entitled to the insurance benefit;

9.1.8. The insurer shall convert medical and other eligible expenses indicated in a foreign currency into euros or the respective country's

currency. Conversion shall be carried out at the exchange rate on the date when the insurer received the documents which validate expenses;

9.1.9. The right to claim the insurance benefit shall be neither transferred to another person by the right of ownership neither pledged.

10. Bases for reduction or non-payment of the insurance benefit

10.1. The insurer shall have the right to reduce or refuse to pay the insurance benefit where:

10.1.1. the insurable event was caused by the policyholder's or the insured person's deliberate acts, unless the deliberate acts or omissions are socially valuable (self-defence, performing a civic duty, etc.);

10.1.2. the policyholder or the insured person defaults on the obligations provided for in Chapter 8 of the General Provisions hereof, unless default on or inadequate fulfilment of those obligations had no influence on the assessment of the fact of the insurable event and/or circumstances and/or the amount of damage thereof.

10.2. Where the policyholder fails to report the insurable event in writing to the insurer or its representative as prescribed in the present wording, the insurer shall have the right to refuse to pay the insurance benefit or to reduce it having regard to whether the policyholder defaulted on its obligation deliberately or due to negligence, unless it is proven that the insurer became aware of the insurable event in time or failure to report the insurable event had no influence on the insurer's obligation to pay the insurance benefit.

10.3. The insurer shall decide upon non-payment or reduction of the insurance benefit duly explaining the reasons and notify in writing the persons who are entitled to the insurance benefits under the insurance contract thereof. Where the insurance benefit was not paid within 30 (thirty) days following report of the insurable event, the insurer shall inform the policyholder in writing and in sufficient detail about the progress of examining the insurable event.

10.4. Where damage was caused by the policyholder's or the insured person's wilful omission of available reasonable actions to prevent or reduce it, the insurer shall be relieved from compensation for damage.

10.5. The insurance contract concluded after the insurable event may be invalidated under a judicial procedure.

10.6. Where the policyholder without the insurer's explicit written consent completely or partly accepted or satisfied the claims of third parties to compensate for damage, the insurer may refuse to pay the insurance benefit or to reduce it, unless acceptance or satisfaction of claims had no influence on the assessment of the fact of the insurable event and/or of the circumstances of causing damage and/or of the amount of damage.

10.7. The insurer shall not be relieved from the obligation to pay the insurance benefit where default on the policyholder's obligations does not interfere with the stating of the insurable event and with the assessment of the amount of the insurance benefit.

11. Terms for amendment and termination of the insurance contract. Mutual settlement procedure between the parties upon termination of the insurance contract

11.1. Any changes and amendments to the insurance contract shall be made in the form of annexes thereto. Changes and amendments shall become effective from the date indicated on the respective annex to the insurance contract.

11.2. The insurance contract may be terminated prematurely where after the effective date thereof the likelihood of an insurable event no longer exists or the insurance risk disappeared due to circumstances unrelated to the insurable event (the insured person perished for re-

asons unrelated to the insurable event, etc.). In this case the insurer shall be entitled to a part of the insurance premium pro rata to the effective term of the insurance contract.

11.3. Where the insurance contract is terminated at the policyholder's initiative, the insurance premium paid to the insurer shall not be repaid to the policyholder, unless the insurance contract provides otherwise. At the insurer's discretion the policyholder may redeem the insurance premium in respect of the remaining effective term of the insurance contract less the costs of concluding and executing the insurance contract (up to 30% of the reckoned insurance premium) and the sums paid thereunder.

11.4. Where the insurance contract is terminated at the policyholder's request on the grounds that the insurer defaulted on the terms thereof (and upon proof of its guilt), the policyholder shall redeem the paid insurance premium.

11.5. The insurance contract may be terminated in its entirety or partly, in accordance with clause 11.3. This shall be done in writing and the letter shall reach the addressee not later than on the termination date of the contract. There is no requirement to notify the other party of termination of the insurance contract were the latter or part thereof was terminated under judicial proceedings.

11.6. The insurance contract may be terminated by the insurer unilaterally due to material breach by the policyholder. The insurer shall notify the policyholder of termination within 14 days prior to termination date. In such a case the policyholder shall redeem the insurance premium for the remaining effective term of the insurance contract.

12. Liability for violations of the insurance contract

12.1. Parties to the insurance contract defaulting on the terms and conditions thereof shall be liable under the law.

12.2. The policyholder and the insurer shall be considered in breach of the terms and conditions of the insurance contract only after their guilt has been proven.

12.3. The policyholder and insured persons shall be held liable for violations of the insurance contract also when the obligations arising out of the fulfilment of the insurance contract are breached by persons acting as the policyholder's representatives, including persons co-habiting with the policyholder.

13. Procedure for the settlement of disputes between the policyholder and the insurer

13.1. Any disagreements arising between the policyholder and the insurer regarding conclusion, fulfilment or termination of the insurance contract shall be settled by mutual agreement.

13.2. Where the policyholder deems that the insurer in insurance legal (or related) legal relations violated the policyholder's rights, the latter shall have the right to apply to the Central Bank of the Republic of Lithuania regarding settlement of the dispute.

13.3. Where settlement of disagreements by way of negotiation has been unsuccessful, the dispute between the policyholder and the insurer shall be settled in courts of the Republic of Lithuania in accordance with the laws of the Republic of Lithuania.

13.4. The insurer's actions against the policyholder may be filed to the court of the policyholder's residence. Where the contract provides for the insurance coverage of a legal entity, the insurer may file its claims also to the court of the location of the policyholder's head office or affiliate/representative.

13.5. The insurance contract concluded according to the present insurance policy wording shall be subject to the law of the Republic of Lithuania.

13.6. Claims arising out of the insurance contract shall be subject to the terms of limitation of action provided for in the Civil Code of the Republic of Lithuania.

14. Communications and will statements

14.1. All communications and representations addressed to the insurer shall be provided in writing and sent to the insurer's head office or to the address indicated on the insurance policy. Mediators are not authorised to accept those communications.

15. Procedure for transferring the insurer's rights and obligations to another insurer or other insurers

15.1. The insurer shall have the right to transfer its rights and obligations to other insurers in accordance with the law.

15.2. Where the policyholder disagrees to the transfer of rights and obligations under insurance contracts, it shall have the right to terminate the insurance contract within one month following transfer of rights and obligations. In this case the insurer shall be entitled to a part of the insurance premium pro rata to the effective term of the insurance contract (pro rata temporis).

I. Foreign medical and repatriation insurance

Terms employed

Medical costs means costs supported with financial and medical documents relating to the insured person's acute health disorder or bodily injury occurred during the effective term of the insurance contract and on the territory indicated on the insurance policy.

Repatriation costs means costs of the insured person's transportation which is required and urgent from the medical point of view for further treatment or the required costs of transporting his/her body to the permanent country of residence.

Acute disease means sudden disorder in the bodily function caused by harmful factors which requires medical aid.

Required medical aid means first aid and emergency care provided by personal health care establishments (out-patient or in-patient) which cannot be postponed until the moment when the insured person returns to the permanent country of residence.

First aid means instant and urgent out-patient or in-patient medical aid the absence whereof would cause damage to the insured person's health.

Emergency care means qualified health care service provided by a physician where the patient's or surrounding people's life is at risk or there is a threat of severe complications.

Life-threatening condition means acute life-threatening health condition caused by an acute health disorder or a bodily injury.

1. Subject of insurance

1.1. The subject of insurance is the insured person's pecuniary interests relating to the costs of provided required medical aid for an acute disease or bodily injury caused during an accident, as well as repatriation of the insured person upon the occurrence of an insurable event.

2. Insurable events

2.1. Treatment of the insured person which is required from the medical point of view for an acute disease or trauma which occurred unexpectedly during the effective term of the insurance contract on the territory indicated on the insurance policy and which placed the insured person's health or life at risk, also a case of death due to an acute unexpected disease or accident, unless listed in Chapter 3 of this section, shall be deemed an insurable event.

3. Uninsurable events

3.1. Uninsurable events shall include diseases, their outcomes, outcomes from accidents and cases of death caused by:

3.1.1. cases listed in the General Provisions of the present wording;

3.1.2. engagement in military service, other similar formation, military actions and peace-keeping missions;

3.1.3. traumas caused by operation of a self-propelled vehicle when the insured person is under the influence alcohol, narcotic, toxic and psychotropic substances, also where the insured person has no right to drive the vehicle of the respective category or if the vehicle is transferred for operation to the person who is under the influence of alcohol, narcotic, toxic or psychotropic substances or has no right to drive the vehicle of the respective category;

3.1.4. the insured person's suicide, attempted suicide or deliberate self-injury;

3.1.5. consumption of alcohol, drugs or other toxic and/or psychotropic substances used for the purpose of intoxication;

3.1.6. physical work, except where this insurance risk was assessed by the insurer at the time of concluding the insurance contract, this is clearly stated on the insurance policy and the extra insurance premium established by the insurer was paid.

3.2. Ineligible expenses:

3.2.1. for treatment and treatment aids for dependency diseases, for instance, intended for withdrawal from alcohol, narcotic and psychotropic substances;

3.2.2. for diagnosis and treatment of oncological diseases;

3.2.3. for rehabilitation treatment services (physical therapy, resort, sanatorium treatment, etc.);

3.2.4. for unconventional testing and/or treatment methods and medications which are not recognised by official medicine;

3.2.5. for treatment not directly intended to overcome the disease, particularly for treating cosmetic defects, doctors' expertise opinions and certificates, disinfection and vaccination, food additives and supplements, personal hygiene aids;

3.2.6. for examination and treatment for pregnancy, termination of pregnancy for causes other than the insurable event, childbirth, illnesses of the post-delivery period, any diseases related to pregnancy, its termination and childbirth, unless medical aid was required to save the life of the insured person;

3.2.7. for psychoanalytical and psychotherapy treatment;

3.2.8. for treatment performed by the insured person's spouse, parents or children or equivalent persons as well as grandparents;

3.2.9. for all types of ancillary medical aids, for instance, spectacles, prostheses, hearing appliances, crutches, hinges and other aids;

3.2.10. for diagnosis or tests and treatment for sexually transmitted diseases, including AIDS and for all other diseases relating to HIV;

3.2.11. for diagnosis and treatment of chronic and congenital diseases or their complications and for diseases which started prior to the coming into effect of the insurance contract;

3.2.12. for dental treatment, except for pain-killing dental care, however, the sum of insurance benefits shall not exceed LTL 100, when

the insurable event occurs in Lithuania, or EUR 50, when the insurable event occurs in states of the Schengen Agreement, for all such insurable events throughout the insurance term regardless of whether insurance coverage was chosen with deductible or not;

3.2.13. exceeding the required costs including those of transportation to the permanent country of residence where required health care services were provided to the insured person in the visited country and further treatment is not required;

3.2.14. for treatment in an in-patient health care establishment, transportation to the permanent country of residence which is required from the medical point of view and costs of transportation or burial of the insured person's body where no prior written consent regarding compensation for those costs was obtained from the insurer;

3.2.15. for costs of treatment in the insured person's permanent country of residence;

3.2.16. for extra conveniences (single ward, etc.).

4. Scope of insurance coverage

4.1. The insurer shall provide insurance coverage for an acute disease which unexpectedly started in the visited country or for the outcome of the accident which occurred there and other events listed in the insurance contract. Upon the occurrence of an insurable event, the insurer shall compensate for treatment and other costs indicated in the present wording. No insurance coverage shall be available for diseases which the insured person already had prior to concluding the insurance contract and for outcomes thereof.

5. Obligations of the policyholder and the insured person during the insurable event

5.1. Upon the occurrence of an insurable event, where urgent medical aid is required, in the event of an acute disease or an accident, the insured person shall be obliged to:

5.1.1. comply with the obligations listed in Chapter 8 of the general provisions hereof;

5.1.2. upon the occurrence of an insurable event, where the insured person needs in-patient care, report the insurable event immediately but not later than within 48 hours to the insurer or its representatives abroad, whose addresses and telephone numbers are provided on the insurance policy;

5.1.3. not later than within 30 days after the insurable event the policyholder or the insured person shall provide documentation which validates the insurable event, unless doing this was impossible for valid reasons.

6. Procedure for assessment of damage and payment of insurance benefits

6.1. Insurance benefits shall be paid for insurable events defined in the present insurance policy wording without exceeding the insured sum.

6.2. Insurance benefits shall be paid under the following procedure:

6.2.1. instructions provided in Chapter 9 of the general provisions shall be followed;

6.2.2. the insurer must be furnished with original invoices. They shall indicate the full name of the treated person, names of diseases treated, treatment dates, details and rates of individual services. Where the insured person also had another insurance coverage, the insurer may also be furnished with duplicate invoices indicating benefits approved by another insurer.

6.2.3. To redeem the costs listed below the following must be provided together with the original invoice:

6.2.3.1. in the event of medical repatriation – a doctor's certificate about the urgency of transporting the patient for further treatment to the permanent country of residence;

6.2.3.2. where the deceased person is transported from the visited country or buried in the visited country – a doctor's certificate validating the fact of death and indicating the cause of death.

7. Amount of insurance benefit

7.1. Without exceeding the insured sum indicated on the insurance policy, the following treatment costs shall be indemnified:

7.1.1. for required medical aid at an out-patient health care establishment;

7.1.2. for transportation by medical vehicles which is urgent from the medical point of view;

7.1.3. for required medical aid including urgent surgery at an in-patient health care establishment which belongs to the state health care system of the visited country;

7.1.4. for medications prescribed by the doctor and dressing aids;

7.1.5. for emergency dental care to kill the pain without exceeding LTL 100, when the insurable event occurs in Lithuania, or EUR 50, when the insurable event occurs in states of the Schengen Agreement, throughout the entire insurance term per insured person regardless of whether insurance coverage was chosen with deductible or not;

7.2. Treatment costs in the Republic of Lithuania shall be indemnified without exceeding the rates of the patient funds (on the socially insured level).

7.3. The following shall also be indemnified without exceeding the insured sum of Foreign Medical and Repatriation Insurance indicated on the insurance policy:

7.3.1. costs of medical repatriation to the permanent country of residence. The costs shall be covered only where the insured person is transported for further treatment according to written approval of the respective doctor regarding the urgency of transportation and prior agreement with the insurer;

7.3.2. travel and subsistence costs of the person escorting the insured person during required transportation. Those costs shall be covered only where escorting is required from the medical point of view. Necessity of escorting shall be decided together by the doctor treating the insured person and experts appointed by the insurer. Costs of flying economy class and subsistence costs for not more than 7 calendar days and not exceeding EUR 70 per day shall be covered for one escorting person;

7.3.3. upon the death of the insured person in the visited country caused by an insurable event, the most necessary costs required in the event of death for cremation or transportation of the deceased person's body to his/her permanent country of residence shall be indemnified; these costs shall be indemnified without exceeding 50% of the insured sum subject to prior confirmation by the insurer;

7.3.4. required burial costs in the visited country without exceeding transportation costs; indemnity for these costs shall be subject to prior confirmation by the insurer.

7.4. In the event of required in-patient treatment medical costs shall be indemnified in such cases where the insured person is treated at a health care establishment belonging to the state health care system of the visited country.

7.5. In all cases the costs of required medical aid shall be covered first.

7.6. Where due to the outcomes of disease or accident the travel or transportation to the permanent country of residence of the person insured under Foreign Medical and Repatriation Insurance are impossible and the treatment term in the visited country needs to be extended after expiry of the insurance contract, insurance coverage shall be valid in respect of the outcomes of that disease or accident for not more than 28 additional days.

II. Foreign accident insurance

Terms employed

Insurable event means the accident indicated in the insurance contract (other than cases of uninsurable events listed in the general provisions and Chapter 3 hereof) upon the occurrence of which the insured person or beneficiary become entitled to an insurance benefit.

Accidents are cases when the insured person's body suddenly, unexpectedly and not by his/her will is affected externally and damage is caused to his/her health or life.

Disability means long-term and permanent deterioration of the health condition, decrease in the capacity of participating in public life and of engaging in activities where an accident impairs or deprives the person of his/her physical and/or mental functions.

Disability level means the extent of impairment and/or loss of the person's physical and/or mental functions established as prescribed herein.

1. Subject of insurance

1.1. The subject of insurance are the pecuniary interests associated with accidents.

2. Insurable events

2.1. The insurer shall provide insurance coverage for accidents which may occur to the insured person during the effective term of the insurance contract and on the territory indicated on the insurance policy.

3. Uninsurable events for which the insurance company has no obligation to pay insurance benefits

3.1. Apart from the uninsurable events listed in the general provisions hereof, the following shall be deemed uninsurable events in respect of which the insurance company shall not be obliged to pay insurance benefits:

3.1.1. Accidents caused by chronic, congenital or degenerative diseases, mental or consciousness disorders, apoplexy, epilepsy or other convulsive jerks which strike the entire body of the insured person. However, insurance coverage shall apply where the disorders or jerks listed here were caused by an accident which is considered an insurable event according to this policy wording;

3.1.2. Accidents which occur when the insured person:

3.1.2.1. uses air vehicles without an engine, motor aeroplanes, light planes, spacecraft and other air-gliding facilities;

3.1.2.2. operates an air vehicle or is member of its crew;

3.1.2.3. uses an air vehicle to discharge his/her service duties. This provision shall not apply where the insured person uses an air vehicle for travelling from one location to another. The provisions of this clause shall not change the provisions in clauses 3.1.2.1. and 3.1.2.2.;

3.1.2.4. drives a vehicle intoxicated with alcohol (exceeding the permissible blood alcohol level established by the laws of the Republic of Lithuania), drugs or other toxic, psychotropic and other kinds of substances which affect mental state used for the purpose of intoxication or medications with a strong effect. Neither shall the insurer pay the insurance benefit where the insured person consumed alcohol or other intoxicating substances after the accident prior to medical examination or avoided an insobriety or intoxication test;

3.1.2.5. serves at military service at an army or other similar formation, participates in war and military actions or peace-keeping missions;

3.1.3. Health disorders caused by treatment or surgery which the insured person performs or allows to perform on himself/herself. Where surgery or treatment (radial treatment, physiotherapy or medication treatment) were required due to an accident, this shall be qualified as an insurable event;

3.1.4. Infections other than those whose pathogens enter the body after the injury during an insurable event listed in the present policy wording. Minor injuries of the skin or mucous membrane (scrapes, abrasions) shall not be considered insurable events, although through those injuries immediately or after some time pathogens of the diseases enter the body. This limitation shall not apply in the event of rabies and tetanus. Infections caused during treatment shall be subject to clause 3.1.3;

3.1.5. Accidents caused by consumption of alcohol, drugs or other toxic substances used for the purpose of intoxication or medications with a strong effect. Neither shall the insurer pay the insurance benefit where the insured person consumed alcohol or other intoxicating substances after the accident prior to medical examination or avoided an insobriety or intoxication test. For the purposes of the present policy insobriety and intoxication is construed as prescribed by the law of the Republic of Lithuania;

3.1.6. Accidents which occur because the insured person, being drunk and/or intoxicated with drugs, other toxic substances used for the purpose of intoxication and or medications with a strong effect, by his/her action causes the actions of third parties, which damage the insured person's health or life. These circumstances shall be established based on the results of the investigation performed by law enforcement authorities;

3.1.7. Herniae of the abdomen and of the abdominal cavity;

3.1.8. Health disorders caused by mental reactions (in the affect condition) regardless of their cause;

3.1.9. Pathologic bone fractures, impairment and herniae of intervertebral discs, degenerative alterations in joints;

3.1.10. Where the court recognises the person as missing;

3.1.11. Accidents from which the insured person suffers during his/her business or professional activities. This derogation shall not apply to the persons engaged in non-physical work, e.g. office staff and other persons engaged in similar non-physical work;

3.1.12. Accidents where medical documentation does not confirm that they occurred during the effective term of the insurance contract.

4. Scope of insurance coverage

4.1. Insurance coverage shall include accidents on the territory indicated in the insurance contract. Where due to event which is qualified as insurable under the present policy wording the insured person perishes or becomes disabled, the insurer shall pay the insurance benefits provided for cases of death or disability.

5. Types of insurance benefits

5.1. In each particular case types of the insurance benefit and insured sums shall be established upon mutual agreement between the parties. To substantiate the occurrence of a claim and establish the amount of the insurance benefit the following instructions shall apply.

5.2. Insurance benefit in the event of death

Where the person who suffered as a results of an insurable event deceases within one year, there exists the right to claim a benefit according

to the insured sum provided for the event of death. The claim shall be satisfied following clause 7.2.

Where the court declares the insured person deceased, the insurance benefit shall be paid only in such cases where the court decision indicates that the insured person became missing with circumstances in place which enable qualification of the insured person as perished due to an insurable event or that the insured person disappeared or supposedly perished during the effective term of the insurance contract.

5.3. Insurance benefit in the event of disability

Where an insurable event causes permanent impairment or loss of the insured person's functions (disability), the policyholder shall have the right to claim an insurance benefit from the insured sum agreed for the event of disability under the terms provided for in this clause.

Disability and the level thereof shall be established based on the opinions of expert physicians and medical documentation.

The insurance benefit in the event of disability shall be paid upon compliance with all of the following conditions:

- 5.3.1. disability was caused by an accident which was recognised an insurable event;
- 5.3.2. disability persists within at least 12 months after the accident and is supported with medical documentation issued not later than within 3 months upon expiry of the 12-month period following the accident;
- 5.3.3. disability is supported with medical documentation and opinions of the insurer's expert physicians.

6. Multiple insurance

6.1. Where the policyholder concluded more than one accident insurance contracts, it shall forthwith but not later than within 5 calendar days notify the insurer thereof.

7. The policyholder's responsibilities during the insurable event

7.1. Upon the occurrence of an insurable event, the policyholder/insured person shall be obliged to:

- 7.1.1. forthwith but not later than within 48 hours see a doctor (visit a health care establishment);
- 7.1.2. forthwith but not later than within 30 calendar days inform the insurer about each insurable event;
- 7.1.3. follow the doctor's instructions and as far as practicable diminish the outcomes of the accident;
- 7.1.4. complete the accident report form provided by the insurer correctly and forthwith return it to the insurer;
- 7.1.5. following the insurer's instructions, prevent the occurrence of or reduce damage and provide the information which the insurer may request;
- 7.1.6. ensure prompt preparation of reports and opinions required by the insurer;
- 7.1.7. carry out the medical expertise appointed by the insurer where medical data are insufficient and do not allow for the precise establishment of the degree of health impairment caused during the accident. The costs required for these activities shall be covered by the insurer;
- 7.1.8. enable the insurer to carry out assessment of the cause and amount of damage, provide the insurer with complete and correct information and with documentation which the insurer may request.

7.2. Where the accident was fatal, this shall be reported to the insurer within 5 calendar days (120 hours) even if the accident had already been reported. Such a report shall be given in writing or by visiting the insurer's head office, regional centres or representatives. The insurer shall have the right to demand that post mortem be carried out by its appointed physician.

7.3. Where apart from the policyholder the accident insurance policy indicates other persons, all the provisions referring to the policyholder shall also apply to those persons.

8. Procedure for damage assessment

8.1. Upon receipt of a written accident report, the insurer or its representative shall forthwith furnish the policyholder or the person entitled to an insurance benefit with the form of the accident report for completion.

8.2. The policyholder or the person entitled to an insurance benefit shall answer the questions of the questionnaire as completely as possible and return the questionnaire to the insurer.

8.3. The policyholder and/or the insured person shall provide all available documentation and information about the circumstances and outcomes of the insurable event which are required for the assessment of the amount of the insurance benefit. They are entitled to obtaining this documentation under the procedure prescribed by law and other legislation.

8.4. Upon receipt of initial information, the insurer shall carry out examination of the accident which includes interrogation of witnesses of the accident, visual inspection of the accident site, and enquiries to respective law enforcement, law and order, health care and medical expertise institutions as well as organisations which compile lists of psycho-neurological, toxicological and narcotic records. On a needs basis, the insurer shall take photographs.

8.5. The amount of the insurance benefit shall be established by the insurer's expert physicians according to Annex No. 1 to Foreign Travel Insurance Policy Wording No. 043 (hereinafter referred to as Annex No. 1), taking into consideration the opinions, consultations and suggestions of the medical staff who treated the victim and efficiency of the victim's rehabilitation.

8.6. Opinions of the insurer's expert physicians shall be binding, unless proven that they fail to reflect the actual situation.

8.7. Long-term and permanent impairment or loss of the insured person's physical or mental functions (disability) and the level thereof may be evaluated and assessed by the insurer within at least 12 months after the accident on condition that disability is supported with the respective medical statement issued not later than within 3 months upon expiry of the 12-month period following the accident. Where the incurable impairment or loss of physical or mental functions (disability) caused by an accident recognised as insurable event is undoubted, the insurance benefit may be assessed and paid without observing the terms indicated in this clause.

9. Assessment of the insurance benefit

9.1. The amount of the benefit depends on the level of disability. When establishing the level of disability, impairment and/or loss of the person's functions caused by exacerbations of previous diseases, faults of medical aid and reconstructive-plastic surgery shall be excluded.

9.2. Upon complete loss of a body part or organ or upon impairment of functions thereof, the level of disability shall be established based on the table of the establishment of the level of disability provided in Annex 1.

9.3. Decrease in/loss of the victim's capacity to work and/or assessment of this decrease/loss where the Service for the Assessment of Disability and Capacity to Work under the Ministry of Social Security and Labour grants the level of disability to the victim for a fixed term or permanently shall not be deemed basis for calculating/assessing the amount of the insurance benefit.

9.4. In the event of partial loss or incurable functional impairment of body parts or sense organs, the level of disability shall be established as percentage of complete loss or functional impairment of body parts or sense organs.

9.5. Where the accident caused injury to a body part, internal or sense organs the loss whereof is not provided for in Annex No. 1, the physical or mental level of impairment of bodily functions shall be established medically according to other criteria listed in clause 8.5.

9.6. Where the accident caused impairment of several physical or mental functions, the level of disability shall be established under clause 9.2. by adding up those functions. However, this sum shall not exceed 100%. The insurance benefit paid in respect of all injuries of a single body part shall not exceed the insurance benefit payable in respect of the loss thereof.

9.7. Where the accident caused impairment of the physical or mental function which prior to the insurable event was permanently impaired due to a disease or previous trauma, the level of disability shall be calculated under clause 9.2. by deducting the previous loss and/or impairment of organ functions.

9.8. Where the insured person with death insurance coverage dies within one year following the accident, the right to claim the disability benefit shall be lost, i.e. the share of the benefit which was already paid to the policyholder in respect of disability shall be deducted from the insurance benefit provided for under clause 5.2. in the event of death.

9.9. Where the insured person dies within one year following the accident, but not under the influence of the accident, or dies within more than one year regardless of the cause and the right to claim was expressed in respect of the benefit in the event of disability under clause 5.3., the benefit in the event of disability shall be paid according to the level of disability established according to the outcome of the latest medical examination.

10. Payment terms of the insurance benefit

10.1. Medical costs up to 1 promile (0.1%) of the insured sum required for the establishment of the level of disability and for substantiating entitlement to the insurance benefit shall be covered by the insurer.

10.2. Where the insurer admits the claim or the policyholder and the insurer agree upon the basis and amount of payment, the insurer shall pay the benefit not later than within 30 days following receipt of all information relevant for the establishment of the fact, circumstances and outcomes of the insurable event, and the amount of the insurance benefit. Failing to pay the insurance benefit to the policyholder within the term referred to above, the insurer shall pay 3% annual interest for the delayed period of paying the insurance benefit. Where recurrent insurance benefits are provided (i.e. benefits in instalments under clause 10.4.), the provision in the first sentence of this clause shall apply to the first recurrent insurance benefit.

10.3. Where the claim for damage indemnity is not expressed via court within the terms provided for in the law after rejection thereof by the insurer, no further claims shall be accepted.

10.4. An insurance benefit after an accident may be paid in instalments taking into account the opinions of the doctors who treated the insured person and the efficiency of rehabilitation.

10.5. Where upon the occurrence of an insurable event the policyholder and the insurer fail to agree about the amount of the insurance benefit, at the policyholder's written request the insurer shall pay the sum which equals the insurance benefit undisputed by the parties should assessment of the precise amount of damage persist for more than 3 months.

11. Bases for reduction or non-payment of the insurance benefit

11.1. Where health disorders caused by the accident or their outcomes were influenced by diseases, ailments or outcomes of previous traumas, the insurance benefit shall be reduced according to the share of the disease or ailment where this share comprises at least 25%.

11.2. Where the policyholder fails to comply with the requirements stated in clauses 7.1.1. and 7.1.2. hereof, the insurer shall have the right to refuse to pay the insurance benefit or to reduce it having regard to whether the policyholder defaulted on its obligation deliberately or due to negligence, unless it is proven that the insurer became aware of the insurable event in time or failure to report the insurable event had no influence on the insurer's obligation to pay the insurance benefit.

11.3. The insurer shall have the right not to pay the insurance benefit or to reduce it where:

11.3.1. the insured person denies or obstructs access to the insured person's medical records and/or examination of his/her health;

11.3.2. the insured person, travelling on a motor vehicle equipped with safety belts, as driver or passenger, did not fasten the safety belt;

11.3.3. the insured person drives a motor vehicle without possessing the right to drive this type of vehicle or disobeys the lawful requirements of police officers, which causes damage to the insured person;

11.3.4. in cases listed in Chapter 10 of the general provisions hereof.

12. Insurance for the benefit of a third party

12.1. In cases set forth in applicable legislation the policyholder shall have the right to appoint one or more beneficiaries who upon the occurrence of an insurable event become entitled to the insurance benefit or a part thereof. The policyholder shall notify the insurer in writing of the appointed beneficiary. Where the appointed beneficiary is not the insured person, the insured person's written consent is required, unless applicable laws provide otherwise.

12.2. The policyholder shall have the right to change or withdraw the beneficiary upon written notification to the insurer. Where the beneficiary is replaced with another beneficiary other than the insured person, the insured person's written consent is required, unless applicable laws provide otherwise.

III. Foreign third party personal liability insurance

1. Subject of insurance

1.1. The subject of insurance is pecuniary interests associated with damage to a person or property caused by the insured person.

2. Insurable events

2.1. Insurable events hereunder shall be actual events of the material world which during the effective term of the insurance contract and on the insurance territory caused:

2.1.1. death of the third party or damage to his/her health;

2.1.2. damage to or destruction of property owned by third parties where the claim for indemnity of damage caused by these insurable

events under applicable laws governing third party liability is filed with the insured person.

2.2. Third party liability insurance coverage shall be provided to the insured person in respect of hazards of everyday life at the time of travel.

2.3. The insurance coverage includes the insured person's third party liability for damage caused at the time of travel by his/her under-aged children, including stepsons, stepdaughters, adoptees and wards.

3. Uninsurable events for which the insurer is not required to pay insurance benefits

3.1. Apart from uninsurable events listed in the General Provisions hereof, unless the insurance contract explicitly provides otherwise, uninsurable events shall also include cases where:

3.1.1. third parties file a claim invoking the provisions of contracts or agreements where the scope of those provisions exceeds the requirements of applicable third party liability laws, also where third parties claim for a damage indemnity regarding default on or undue fulfilment of the agreement (contractual liability);

3.1.2. third parties claim indemnity for damage which the insured person caused at the time of participating or preparing to participate (undergoing a training session) in a horse, cycling, motorcycling or car race and competitions of box, wrestling or fighting sports;

3.1.3. a third party claim was caused by the insured person's any kind of impact on wild fauna;

3.1.4. third parties claim indemnity for damage caused at the time of hunting;

3.1.5. third parties claim indemnity for damage to the property which the insured person operated under rent, loan-for-use, custody or other kinds of contracts or agreements. This derogation shall not apply where the insured person causes damage to rented residential premises used for residential purposes (real estate), however, uninsurable events under this clause shall still include cases where damage was caused to any movable property located on the rented premises;

3.1.6. third parties claim a damage indemnity on the grounds that the insured person caused damage to the property which he/she operated unlawfully or unfairly;

3.1.7. damage is associated with discharge of business, scientific or professional activities, service (including honourable service) or responsible activity in any kind of associations, enterprises and/or organisations;

3.1.8. third parties claim indemnity for damage which the insured person caused at the time of operating, using or disposing of any kind of land and water motor vehicles and any air (including space) craft;

3.1.9. the insurable event was caused by the policyholder's or the insured person's deliberate acts, unless the deliberate acts or omissions are socially valuable (self-defence, performing a civic duty, etc.) or the policyholder's or the insured person's acts (acts or omissions) bring criminal liability upon him/her;

3.1.10. the claim is filed by the family members of the insured person travelling together or by the persons provided with third party liability insurance coverage under the same insurance contract. Family members shall include parents, spouses and children, adoptive parents and adoptees, grandfathers and grandchildren, siblings, foster parents and foster children, wards and guardians;

3.1.11. the claim is filed by persons who are infected with the disease which the insured person had;

3.1.12. third parties claim indemnity for damage relating to the keeping of any type of animals and/or domestic animals;

3.1.13. the insurable event was caused by failure to remedy extra-hazardous circumstances which the insurer had lawfully requested to be remedied by the policyholder and/or the insured person. The

circumstance which caused damage shall automatically be considered extra-hazardous;

3.1.14. third parties claim for losses from deferred income or losses caused by decrease in the marketable value of their owned property;

3.1.15. third parties claim indemnity for damage caused by the policyholder's activities relating to high-energy ionizing rays (e.g. alpha, beta, gamma rays radiated from radioactive substances and neutrons and rays generated in particle accelerators) as well as to the use of laser or maser;

3.1.16. third parties claim indemnity for damage caused by impairment or destruction of their owned property where such damage was caused by long-term (continuous) emanation of temperature, gas, vapour, smoke, humidity or precipitation (e.g. soot, dust, etc.) and by impact thereof (sudden or continuous), also where damage was caused by the effect of vibration;

3.1.17. third parties claim indemnity for damage caused by the policyholder to the natural environment, as well as other losses to third parties caused by contamination of earth, air or water or other harmful alteration of the natural environment, including noise. Change of the natural condition of earth, water and air shall be considered as damage to the natural environment;

3.1.18. third parties claim indemnity for damage caused directly or indirectly by domestic upheaval, criminal acts, decisions of public and local self-government authorities, strikes, the policyholder's involvement in military training, actions of police formations or similar organisations and the policyholder's involvement in combatant assignments;

3.1.19. the policyholder's third party liability is or may be related to asbestos;

3.1.20. on the grounds of lost capacity to work third parties claim from the insurer remuneration, pension, indemnity for treatment costs or other kinds of social provision where remuneration, pension or treatment costs have already been indemnified for them under social insurance or suffered third parties have already received such social provision;

3.1.21. the policyholder and/or the insured person caused damage intoxicated with alcohol or narcotic, toxic or psychotropic substances;

3.1.22. third parties claim indemnity for damage caused by actions (actions or omissions) which the policyholder, should it have complied with at least minimum safety and care requirements, would not have committed;

3.1.23. third parties claim for indemnity of financial losses which do not directly relate to the policyholder's third party liability for impairment and/or destruction of articles and the damage for the person's health and/or death is not the outcome of impairment and/or destruction of articles and of damage to the person's health and/or life;

3.1.24. third parties claim indemnity for damage caused to money (bank notes and coins), securities and other debt or credit instruments;

3.1.25. the claim is filed in respect of fines, exemplary and/or punitive and/or multiplied damages, also in respect of other losses occurring due to direct losses or exceeding direct losses.

4. Types of third party liability insurance benefits, legal and other types of costs

4.1. Upon the occurrence of an insurable event, the insurer shall represent the insured person, verify the circumstances of the insurable event and satisfy grounded and reject ungrounded claims of third parties.

4.2. Having regard to the third party's claim for damages, the following types of insurance benefits shall be distinguished:

a) benefit in respect of damage to the person's health and deprivation of life;

b) benefit in respect of damage to property.

4.3. For each specific case of insurable events the insurance benefit shall be calculated and the basis for payment thereof shall be established according to applicable laws governing third party liability, but without exceeding the insured sum.

4.4. The insurer on the insured person's behalf and at its expense shall attend the legal proceedings in respect of the insurable event where third parties claim indemnity for damage caused by the insured person. Mitigation costs shall be added to the insurance benefit and deducted from the insured sum.

Where at the insurer's request a lawyer is hired for the legal proceedings in respect of the insurable event where third parties claim indemnity for damage caused by the insured person, these costs shall fall on the insurer.

Where damage occurs outside the territory of the Republic of Lithuania, the following costs of the insurer shall be assigned to disbursements at the expense of the insured sum: costs for lawyers, experts, witnesses and mitigation costs; costs of preventing or reducing damage during or after the insurable event; also the costs of assessing the amount of damage which fall not on the insurer; and costs incurred by following the insurer's instructions.

4.5. Where the sum of third party claims for indemnity exceeds the insured sum, the insurer shall pay the mitigation costs (the lawyer's fee, stamp tax and costs associated with trial) at such a ratio which is pro rata to the ratio of the insured sum and third party claims that the total sum of the insurance benefit and mitigation costs would not exceed the insured sum indicated on the insurance policy. Upon satisfying the claims of third parties and covering its share of mitigation costs, the insurer shall fully comply with its obligations under the personal third party liability insurance contract in the case of a specific insurable event.

4.6. Where the policyholder or the insured person disagree to the recognition of third party claims as grounded, to the amicable agreement with third parties or to the satisfaction of their claims by the insurer, the insurer shall not cover the extra costs (including interest) caused by this disagreement.

5. Obligations of the policyholder and the insured person upon the occurrence of an insurable event

5.1. The policyholder or the insured person shall report each insurable event to the insurer in writing within 3 calendar days. Where third parties apply to court regarding damages caused by the insured person, the insured person shall inform the insurer about it additionally in writing even if the insurable event has already been reported.

5.2. Upon receipt of third-party claims, the policyholder or the insured person shall inform the insurer in writing within 3 calendar days.

5.3. The policyholder and the insured person shall discharge all obligations upon the occurrence of an insurable event listed in the General Provisions hereof.

5.4. Where third parties claiming for damages file an action with court, the policyholder and the insured person shall transfer the case to the insurer, authorise the insurer's appointed lawyer and provide any explanations which the latter or the insurer deems necessary.

5.5. The policyholder and the insured person shall have no right to accept or satisfy third party claims without an explicit written prior consent from the insurer.

5.6. The policyholder or the insurer shall authorise the insurer in writing at its request to make on the insured person's behalf any statements in connection with satisfaction or rejection of third-party claims which the insurer deems necessary.

6. Third party liability insured sum and deductible

6.1. The third party liability insured sum in respect of all insurable events during the term indicated on the insurance policy shall be established upon mutual agreement of the parties to the insurance contract and shall be indicated on the insurance policy. It defines the maximum value of the pecuniary interests owned by the insured person insured under the insurance contract.

6.1.1. Where the insurance policy does not provide for a different insured sum, the insured person's third party liability insured sum in respect of non-property damages caused by impairment of the third party's health and/or deprivation of life shall comprise 10% (ten per cent) of the insured sum indicated for personal third party insurance upon the occurrence of an insurable event.

6.2. Where during the effective term of the insurance contract more than one event occurs for the same cause which conditions damages to third parties, this shall be viewed as a single insurable event and the sum of insurance benefits paid by the insurer shall not exceed the established insured sum.

6.3. Upon mutual agreement between the policyholder and the insurer the third party liability insurance policy may provide for an deductible amount. Deductible means the sum which in the event of each insurable event shall be paid by the insured person whereas the insurer's liability upon the occurrence of each insurable event shall equal the amount of damages less deductible. Deductible can be expressed in the amount of money and/or percentage of the damage amount.

Chairman of the Management Board
Dr. Kęstutis Bagdonavičius



Member of the Management Board
Saulius Jokubaitis

