

# JSIC "BALTA" PURCHASE INSURANCE TERMS & CONDITIONS FOR JSC „CITADELE BANKA" CLIENTS NO 1402.1301



## 1. INSURANCE CONTRACT GLOSSARY

- 1.1. **Bank payment card** – a valid payment card issued by the Bank, its affiliate in Estonia or AB Citadele Bankas, with the condition that the contract for the use and servicing of the payment card is in force.
- 1.2. **Client or You** – an individual, who is a user of a Bank payment card or cards, who has the interest of the Insured party, and on behalf of whom an Insurance contract has been signed, a Client according to the "Law of Insurance Contract".
- 1.3. **Coverage period** – period of time from the moment of purchase of the Insured object, during which the insurance protection is valid upon occurrence of the Insured Risk.
- 1.4. **Deductible** – Share of losses expressed as an amount of money or as percentage in the Insurance terms, which shall be deducted from the recoverable losses upon calculation of the Insurance indemnity for each Insured event. If the Deductible is specified both as percentage and as an amount of money, the highest one shall apply.
- 1.5. **Electronic device** – a Purchase such as mobile phone, tablet, computer, etc., and their accessories.
- 1.6. **Sum insured** – the amount of money, for which the Purchase or Purchases are insured.
- 1.7. **Insurance contract** – a contract that the Insuring party has signed with Insurer on behalf of the Client.
- 1.8. **Insurance policy** – a document that proves the conclusion of an Insurance contract.
- 1.9. **Insured event** – an event that has causal relations with the Insured Risk, occurrence of which stipulates payment of Insurance Indemnity in accordance with the Insurance contract.
- 1.10. **Insurer or We** – Joint Stock Company BALTA, unified registration Number 40003049409, registered office: Raunas street 10, Riga, LV-1039.
- 1.11. **Insuring party or Bank** – Joint Stock Company „Citadele banka" or AB "Citadele Bankas", which signs the Insurance contract on behalf of the Insured party.
- 1.12. **Manufacturer's guarantee** – free-of-charge guarantee provided to the insured object by the manufacturer, Seller of the Purchase and/or person performing the maintenance or repair works.
- 1.13. **Price** – net price of the Purchase before taxes, transporting, delivery, insurance, storage and other additional expenses.
- 1.14. **Public place** – streets, yards, stadiums, parks, squares, beaches, public transport, as well as state and municipal institutions, exhibitions, museums, trading, public catering, sports, recreational and similar places or institutions during their working hours, in which the persons may freely stay, spend time or engage in activities.
- 1.15. **Purchase or Insured object** – any new tangible item, which has been purchased and paid using the Bank payment card and used by the Insured party for its own needs instead of using for commercial purposes or resale. Cash, travel cheques, plane tickets and other current means of settlement, animals and plants shall not be considered as a Purchase under the context of these terms.
- 1.16. **Related party** – family members of the Insured party or persons, who share common household with the Insured party. The following shall be deemed as family members of the Insured party: spouse, relatives and brother or sister in-law, including relations up to third level and in-laws up to second level, guardians and minors.
- 1.17. **Residence country** – permanent residence country of the Client.
- 1.18. **Retailer** – a store or Internet store officially registered in the residence country of the Insured party, principal activity of which is sales of Purchases and which does not use auction principle in

its business, where the prices are not determined through negotiations or do not depend on the number of interested parties.

## 2. Validity of the Insurance contract

- 2.1. The insurance protection is valid until the Insured party has a valid Bank payment card, together with which Client is insured. Insurance protection shall expire:
  - 2.1.1. for all Insured risks specified in these terms and conditions, except the Extended guarantee risk, upon expiry of the Insurance policy of the Insurer, which the Bank has signed on behalf of the Insured Party;
  - 2.1.2. for Extended guarantee risks two years after the expiry of the Insurance policy of the Insurer, which the Bank has signed on behalf of the Insured Party, but not more than three years after the purchase of the Insured object.
- 2.2. Purchase insurance is valid for Purchases made with Bank payment card worldwide, Price protection insurance is valid only for Purchases made with Bank payment card in Residence country.

## 3. Insurance amounts

- 3.1. Total Sum insured specified in clause 5.1 is the maximum amount to be paid for all Insured events for all insured risks during the entire period of the Insurance contract.
- 3.2. The Sum insured for individual insured risks and limit of the Sum insured for each Insured event are stipulated in the relevant section of the insurance terms and conditions for each Bank payment card category.
- 3.3. The Sum insured specified in these terms and conditions per single Insured event is the maximum Insurance indemnity to be paid for the damage incurred by the Insured party as a result of a single Insured event.
- 3.4. If two or more Bank payment cards have been issued to the Insured party, the obligations of the Insurer are limited only by the insurance protection and total Insurance amount, which is specified for a single Bank payment card. Upon occurrence of Insured event, the Insurance indemnity shall be paid by calculating it on the basis of the Insurance amount, which has been specified for the particular type of Bank payment card with the largest Total Insurance amount.

## PURCHASE INSURANCE

### 4. INSURED RISKS

- 4.1. In accordance with these terms and conditions, the Purchases are insured for the following Insured risks and the Insured party is entitled to claim Insurance indemnity from the Insurer upon occurrence of the following Insured events:
- 4.2. **Purchase defect risk.** Any defect of the Insured object specified in the Manufacturer's guarantee, which Insurance object has incurred suddenly and unexpectedly during the Coverage period, upon notification of which to the Manufacturer the Insured party fails to receive compensation, repairs or replacement of the Insured object specified by the Manufacturer's guarantee, because the manufacturer is not accessible or becomes insolvent.
- 4.3. **Theft risk.** Under these terms and conditions Theft risk is:
  - 4.3.1. Burglary – intentional, unlawful taking of another person's property by gaining unlawful access to locked premises and buildings. Unlawful access has taken place if a person has used customized keys, picklocks or other auxiliary devices to eliminate locks or restrictions and has

unlawfully entered the locked space – building, premises – through windows, doors, walls, roof, etc.;

- 4.3.2. Robbery – attack on the Insured party or the Related parties, which involves violence or threat of violence and constitutes danger to one's life and health, with the intention of obtaining the Purchase.
- 4.4. Damage risk. Under these terms and conditions Damage risks is any sudden and unexpected case of physical damage to the Purchase.
- 4.5. All losses, which have occurred at the same time and which have the same cause, shall be deemed to constitute a single Insured event.
- 4.6. Coverage period for the risks specified in clause 4.2 - 4.4 is 120 days from the moment of purchase of the Insured object.
- 4.7. **Risk of non-delivery of the Purchase.** If the Insured object has been paid for and ordered with delivery, but has not been delivered to You within 90 days after the purchase of the Insured object, the Price shall be reimbursed to You. Insurance protection applies to all Purchases with the Price exceeding 20 EUR and on the condition of providing a proof that the Insured object has not been sent to You, and a proof that the Seller refuses to return the payment that you have made to purchase the Insured object.
- 4.8. **Extended guarantee.** Any electrical appliance defect specified in the Manufacturer's guarantee, which has occurred suddenly and unexpectedly within one year after expiry of the Manufacturer's guarantee but not more than 3 years after the purchase of the Insured object. This risk applies only to electrical appliances, which have been purchased and fully paid for using Bank payment card during the insurance period on the condition that Price of the Insured object exceeds 150 EUR.

## 5. Determining the Sum insured

- 5.1. The following conditions shall apply to the Purchase defect risk, Theft risk and Damage risk:
- 5.1.1. Total Sum insured for Visa Classic, X card, American Express Blue Bank payment card is set at 10 000 EUR, whereas the Sum insured per single Insured event is 750 EUR with a Deductible of 60 EUR;
- 5.1.2. Total Sum insured for Visa Gold, X Platinum, American Express Gold, MC Gold, American Express Business, MC Business, Visa Business, American Express Business Gold, MC Business Gold, Visa Business Gold Bank payment card is set at 20 000 EUR, whereas the Sum insured per single Insured event is 1 000 EUR with a Deductible of 60 EUR;
- 5.1.3. Total Sum insured for the Visa Platinum, X Infinite, American Express Platinum Bank payment card is set at 40 000 EUR, whereas the Sum insured per single Insured event is 1 500 EUR with a Deductible of 75 EUR.
- 5.2. Total Sum insured for damage or destruction of Electronic device is set at 1 000 EUR. Deductible is set at 150 EUR per each case regardless of the type of the Bank payment card.
- 5.3. The Risk of non-delivery of the Purchase applies only to Visa Gold, X Platinum, Visa Platinum, X Infinite, Visa Business Gold payment cards and the total Sum insured for this risk is set at 500 EUR.
- 5.4. The Extended guarantee applies to Visa Gold, X Platinum, Visa Platinum, X Infinite payment cards un and the total Sum insured for this risk is set at 1 000 EUR.

## 6. EXCEPTIONS

- 6.1. The following losses shall not be indemnified, which have resulted:
- 6.1.1. from malicious intent or gross negligence of the Insured party, Insuring party, Related parties or Third parties, to whom the Purchase has been given for use or keeping;
- 6.1.2. if the Purchase has been used for purposes, which it is intended to be used for, and (or) Manufacturer's instructions were not followed;
- 6.1.3. from theft or robbery of the Purchase or criminal activities committed by third parties, if these have not been reported to the relevant official law enforcement

authorities within 24 hours of acknowledging the Insured event;

- 6.1.4. in case of theft or robbery of the Purchase if it was located in a motorized vehicle, unless Purchase was located in the trunk of a locked motorized vehicle with closed windows;
- 6.1.5. from theft of art objects, jewellery, watches, precious metals and precious stones, unless theft has been committed from the safe, installed for the purpose of storage of these Purchases in the house of the Insured party, or the bank safe;
- 6.1.6. from actions of the Insured party or Related party that were committed under the intoxicating effect of alcohol, drugs or psychotropic substances;
- 6.1.7. if the Purchase has sustained internal damages during Coverage period. Internal damage is such damage that was not caused by external forces (i.e., fire, water, actions of Third party, Insured party, etc.), and/or damage has to be remedied during guarantee repairs in accordance with terms and conditions of guarantee service. This exception shall apply regardless of whether or not the Purchase had a valid guarantee service at the time of occurrence of the Insured event;
- 6.1.8. risk of non-delivery of the Purchase, if the Purchase type has been specified in clause 10.2 of these terms;
- 6.2. the Insurer shall not be obligated to indemnify losses:
- 6.2.1. which manifest as natural wear, ageing or corrosion of the Purchase or its parts, including surface scratches of the Purchase related to everyday use and which do not affect its functionality;
- 6.2.2. for installation and dismantling of the Purchase;
- 6.2.3. if it is impossible to determine circumstances of the Insured event (for example, time, place, actions of the Insured party during the Insured event);
- 6.2.4. if the Insured party fails to submit to the Insurer a statement of theft, robbery or damage of the Purchase, resulting from criminal activities committed by Third parties, that was submitted to the law enforcement authorities;
- 6.2.5. caused by fraud, expropriation or extortion of the Purchase;
- 6.2.6. if at the time of the Insured event the Insured party has voluntarily subjected himself/herself to extreme danger, unless it was done with intention of saving another person;
- 6.2.7. if damage or destruction of the Purchase results from activities committed by an animal;
- 6.2.8. for which a Third party as a manufacturer or Seller of the Purchase or a party, which performs maintenance and repair works, is responsible in accordance with the law or a contract, except if such responsible Third party is unable to fulfil their obligations due to their insolvency or are not available for communication;
- 6.2.9. which have been incurred to the Purchase before the Insurance contract came into effect;
- 6.2.10. for parts and/or components of the Insured object, which the manufacturer has identified as replaceable, including, but not limited to electric bulbs, filters, electrostatic powders, cartridges, belts, cylinders, drills, saws, blades, abrasive discs;
- 6.2.11. for parts and/or components of the Insured object, which have low use durability, including but not limited to strainers, hoses, brushes, rubber tires, cables, wires, chains, straps and glass, porcelain and ceramic parts;
- 6.2.12. if the Insured object is used while it is damaged or defective;
- 6.2.13. if the Insured object is used without a technical inspection performed, if performance of such inspection was mandatory;
- 6.2.14. if the Insured object is stored at such place or conditions, which contradict the manufacturer's requirements;
- All exceptions stipulated in clause 6 shall apply to all Purchases, including Purchases that have Extended

guarantee risk coverage.

## 7. Responsibilities of the insured party

- 7.1. The Insured party shall treat the Insured object as any dutiful owner would treat an object if it was not insured.
- 7.2. Responsibilities of the Insured party upon occurrence of Insured event:
  - 7.2.1. to take all possible and reasonable measures in order to reduce losses;
  - 7.2.2. to notify the law enforcement authorities within 24 hours since detection in case of theft or robbery of the Purchase;
  - 7.2.3. to notify the Insurer of the Insured event within 2 (two) business days or as soon as possible by phone and, upon the request of the Insurer, to provide all documents related to the specific Insured event.
  - 7.2.4. In case if the Insured party recovers the stolen or robbed Insured object, for which the Insurer has already paid the Insurance indemnity, the Insurer shall return the Purchase to the Insurer within 10 (ten) calendar days;
  - 7.2.5. You or the person authorised by You shall transfer the claim rights to the Insurer in order to enforce the claim recourse rights;
  - 7.2.6. You or the person authorised by You shall provide to the Insurer all known information about the person responsible for causing Insured event;
  - 7.2.7. If new circumstances have become known, due to which the Insurance indemnity would not be paid (or could be reduced) in accordance with the terms and conditions of the Insurance contract, the Insured party shall return the paid Insurance indemnity (or the overpaid amount) to the Insurer within 30 (thirty) calendar days, except for the cases stipulated by the law.

## PRICE PROTECTION INSURANCE

### 8. Insured risks

- 8.1. In accordance with these terms and conditions a Purchase, which has been purchased in the residence country of the Insured party from a Retailer under these terms and conditions shall be insured against:
  - 8.1.1. **Price protection risk.** A Purchase, which has been purchased during the Coverage period, with a Bank payment card that has Price protection risk insurance coverage, is being sold by an alternative Retailer for a lower Price and the Price difference exceeds 20 EUR. Prices of the Purchases shall be compared for identical Purchases (the manufacturer, model, year of production, dimensions, colour and other details, which may have an effect on the Price of the Purchase, shall be identical).
- 8.2. A printed notice – in a brochure, magazine, newspaper, etc., or printout from an Internet store, containing description and Price of the Purchase, Retailer's data and campaign dates, shall serve as a proof of Price difference. The event shall be admitted as an Insured event if this notice has been published after the purchase of the Purchase during the Coverage period. Furthermore, a printed notice can be substituted with high quality photographs from which it is possible to determine Price of the Purchase, Retailer's data and campaign dates (for example, a set of photographs that consist of a photo an alternative Retailers window case where details of the campaign are visible, and a photo of the Purchase tag with the details of the Purchase as well as its price before and during campaign). For price difference to be considered as an Insured event, the notice has to be published after the purchase of the Insured object and during Coverage period.

### 9. Determining the Sum insured and coverage period

- 9.1. The total Sum insured for Visa Classic, X card Bank payment card is set at 300 EUR, whereas the Sum insured per single Insured event is 100 EUR, Coverage period is 30 calendar days after the Insured object was purchased. Maximum number of claims applications that may be submitted within 12 month period is 3.
- 9.2. The total Sum insured for Visa Gold, X Platinum Bank payment card is set at 500 EUR, whereas the Sum insured per single Insured event is 100 EUR, Coverage period is 30 calendar after the Insured object was purchased. Maximum number of claims applications that may be submitted within 12 month period is 5.
- 9.3. The total Sum insured for Visa Platinum, X Infinite Bank payment card is set at 1500 EUR, whereas the Sum insured per single Insured event is 300 EUR, Coverage period is 30 calendar after the Insured object was purchased. Maximum number of claims applications that may be submitted within 12 month period is 5.

## 10. Exceptions

- 10.1. The following may not be used for Price comparison:
  - 10.1.1. gift certificates, coupons, saving program cards or coupons, bonus programs provided by the Retailer;
  - 10.1.2. Prices, which are determined together with the service agreement, together with the special funding or together with additional benefit (transporting, installation, etc.);
  - 10.1.3. Prices, which are determined in case, if the alternative Retailer finds itself under insolvency proceedings or has liquidated itself, the sale is related to reconstruction of the store or the Price is determined for cash payments (the exception shall not apply to Visa Platinum and X Infinite credit card users);
  - 10.1.4. Prices, which are determined for specific customer categories (members of clubs or associations, etc.).
- 10.2. The Insurance shall not apply to the following Purchases:
  - 10.2.1. travel cheques (banknotes), tickets, documents, stamps, precious metals, current assets or similar items;
  - 10.2.2. plants and animals, fauna trophies, and items that have been preserved through taxidermy, mummification or other forms of preservation;
  - 10.2.3. which are unique – the only of its kind, unlike anything else, for example, a custom made furniture, clothes, accessories and other such items;
  - 10.2.4. consumable or perishable goods;
  - 10.2.5. jewellery, pearls, precious stones, metals;
  - 10.2.6. art objects, restored or reconstructed, transformed items, collectibles;
  - 10.2.7. cars, planes, motorcycles, motorboats and other water, air and surface transport, their components and accessories;
  - 10.2.8. which have been purchased on leasing (paid for in several payments);
  - 10.2.9. any type of services or works;
  - 10.2.10. real estate and land;
  - 10.2.11. pharmaceutical, medical, and optical items and medical equipment;
  - 10.2.12. seasonal decorations, festive dresses and costumes.

## 11. Exceptions applicable to all sections of these terms and conditions

- 11.1. Losses shall not be insured if those have incurred:
  - 11.1.1. due to war, invasion, activities of a foreign aggressor (with or without declaration of war), rebellion, revolution, insurrection, social unrest, military or usurped power;
  - 11.1.2. due to decisions made by the state, municipal or judicial authorities of the country, the citizen of which is the Insured party;
  - 11.1.3. due to nuclear explosion, radiation or radioactive contamination;
  - 11.1.4. due to exposure to asbestos or its compounds.
- 11.2. The Insurer shall not be obligated to indemnify losses:
  - 11.2.1. if, upon purchasing the Insured object, the Insured party violates the conditions of use of the Bank payment card;

- 11.2.2. if within 2 (two) business days after the occurrence of the Insured event You have not notified Us about the Insured event;
  - 11.2.3. which may be indemnified under another Insurance contract;
  - 11.2.4. if You are unable to present a receipt of the Purchase and printout of the POS terminal proving that payment was made with Your Bank payment card (printout of the POS terminal may be replaced by confirmation of the relevant bank);
  - 11.2.5. if at the time of occurrence of the risk the Insured party committed a crime.
- 11.3. The Insurer shall be entitled not to pay the Insurance indemnity, if the Insured party or the Insuring party has misled the Insurer with malicious intent or gross negligence regarding the circumstances of the Insured event or the scope of losses.

## **12. Insurance indemnity, calculation thereof, procedure and terms of payment**

- 12.1. The Insurer shall make the decision on payment of the Insurance indemnity or refusal to pay out the Insurance indemnity as soon as possible, but latest within 15 (fifteen) days since the date of receiving all necessary documents, including the ones requested by the Insurer.
- 12.2. The Insurer shall be entitled to refuse to pay out the Insurance indemnity, if the law enforcement authority does not confirm the fact of theft or robbery of the Insured object.
- 12.3. The amount of the Insurance indemnity shall be determined as follows:
- 12.3.1. upon occurrence of the Purchase defect risk, Extended guarantee risk or Damage risk, the Insured object shall be inspected in order to assess whether repair of the Insured object is economically justified. The repair of the Insured object shall be deemed economically justified if the repair costs do not exceed the costs for purchasing an equivalent object. If it is economically justified, the Insurance indemnity shall be determined at the amount of the repair costs minus the Deductible;
  - 12.3.2. if the repair of the Insured object is not economically justified, as well as in the case if a Theft risk or Risk of non-delivery of the Purchase has occurred, then the Insurance indemnity shall be determined as the Price of an equivalent purchase minus the Deductible. The Insurance indemnity shall not exceed the Sum insured minus the Deductible;

- 12.3.3. upon occurrence of the Price protection risk, the Insurance indemnity shall be determined as the difference between the Price, for which the Insured party has purchased the Insured object, and the Price of the Purchase offered by the alternative Retailer, but not exceeding the discount amount for the specific Purchase offered by the alternative Retailer;
  - 12.3.4. if within the framework of one Insured event the scope of losses for one or multiple Purchases exceeds the Sum insured per single Insured event, the Insurance indemnity shall be determined at the amount of the Sum insured per single Insured event minus the Deductible.
- 12.4. In case if, upon purchasing the Insured object, the Insured party uses the Bank payment card to pay only for a part of the Price of the Purchase, the Insurance indemnity shall be determined proportionally to the share of the Price of the Purchase paid by the Bank payment card.
- 12.5. The Insurer shall be entitled to determine the payment method of Insurance indemnity upon agreement with the Insured party where applicable:
- 12.5.1. direct payment of the expenses for repairs of the Purchase or for the purchase of equivalent Purchase made to the performer of the works or Seller of the Purchase. In this case the Insured party shall pay the Deductible to the Insurer before Insurance indemnity will be paid;
  - 12.5.2. payment of the Insurance indemnity to the Insured party.
- 12.6. The Latvian text of these Terms and Conditions shall prevail over the translation of these Terms and Conditions in any other language.