

# PURCHASE INSURANCE TERMS AND CONDITIONS

## For Insurance of Users of Citadele banka AS Estonian Branch Payment Cards

### 1. What is what?

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**Bank** – Joint-stock company Citadele banka, the Policyholder according to the Law of Obligations Act, concluding insurance contract in favour of Citadele banka AS Estonian Branch payment card users.

**Client** - a private individual, a Bank's payment card user, not older than 80 years of age, having an interest to insure and in whose favour the insurance contract is concluded, the Insured according to the Law of Obligations Act.

**Insurance policy** – document, confirming the conclusion of insurance contract.

**Insurance period** – period of time, when insurance cover is in effect, which is the same as the effective period of the Insurance policy.

**Bank's Payment Card** – payment card, issued by the Bank, which has an effective contract for the use and maintenance of the payment card, and/or the payment card has not expired and which includes an insurance cover according to these Terms and Conditions.

**Family members** - under these Terms and Conditions, the spouse, persons having common household with the Client, relatives and in-laws, with kinship to the third degree and affinity to the second degree, members of foster family, guardians and wards.

**Electronic product** – mobile telephone, tablet computer, computers and similar Goods, as well as their accessories.

**Domicile [country]** – the Client's country of citizenship, country of permanent residence and country having issued residence permit to the Client.

**Product** - any new tangible property, purchased by the Client by making payment for it by means of the Bank's payment card and that is not withdrawn from legal circulation in the private sector, in compliance with Article 10 of these Terms and Conditions.

**Product Vendor** – an officially registered shop or online shop.

**Manufacturer's warranty** – free-of-charge warranty to the Product, provided by the manufacturer, Product Vendor and/or person conducting maintenance or repair.

**Dealer** – a shop or online shop officially registered in the Client's Domicile country, the core business of which is sales of goods and who does not use the auction principle in its operation, the prices of which are not established in a process of negotiation and do not depend on the number of interested potential buyers.

### 2. What is insured?

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**2.1.** The Insurance Object for purposes of these Terms and Conditions is a Product, which will be purchased by means of the Bank's payment card.

**2.2.** The Insurance Cover shall be in effect while the Client holds a valid Bank's Payment Card that entails insurance. Insurance Protection shall expire:

**2.2.1.** With respect to all insurance risks referred to in these Terms and Conditions, except for Extended Warranty risk, along with the expiry of the insurance policy, concluded by the Bank in favour of the Client;

**2.2.2.** With respect to the Extended Warranty risk, two years after termination of the insurance policy, concluded by the Bank in favour of the Client, but not later than three years since the moment of Product procurement.

- 2.3.** Insurance Protection shall be provided to the Client for the entire effective period of the Bank's payment card in the entire world, Hedged Price insurance shall be in effect, when the Client makes purchases in its Domicile country.

### **3. Sum insured and deductible**

- 3.1.** Sum Insured is the maximum amount of money, which can be paid when:
- 3.1.1.** compensating for losses incurred by the Client as a result of one insured event, i.e., sum insured for a single insured event;
- 3.1.2.** compensating for losses incurred by the Client as a result of insured events during the insurance period, i.e., the total sum insured.
- 3.2.** In case the Client has two or more Payment Cards of the Bank, the liabilities of BTA shall only be limited to the insurance coverage and the total Sum Insured provided for one Payment Card of the Bank. In such cases upon occurrence of insured event, the indemnity will be disbursed, calculating it from the Sum Insured, which is set for a particular Payment Card type at the choice of the authorised user of the Payment Card of the Bank.
- 3.3.** Sums insured are defined as provided in the table below:

<b>Bank's Payment Card type</b>	<b>Total Sum Insured (EUR)</b>	<b>Sum Insured per single insured event (EUR)</b>	<b>Deductible for single insured event (EUR)</b>
X Card, Visa Classic	10,000	750	50
X Platinum, Visa Gold, MasterCard Gold	20,000	1,500	50
X Infinite, Visa Platinum	40,000	1,500	50
X Business, Visa Business, MasterCard Business	20,000	1,000	50
X Corporate, Visa Business Gold, MasterCard Business Gold	20,000	1,500	50

- 3.4.** The total sum insured for damages, total loss of electronic products shall be EUR 1,000 (one thousand euros). A deductible of EUR 150 (one hundred fifty euros) shall apply to each insured event, irrespective of the Bank's payment card type.
- 3.5.** Undelivered Product risk shall be covered only for Visa Gold, X Platinum, Visa Platinum, X Infinite, Visa Business Gold, X Corporate payment cards. The total sum insured for this risk shall be EUR 500 (five hundred euros).
- 3.6.** Extended Warranty risk cover shall be in effect for Visa Gold, X Platinum, Visa Platinum, X Infinite payment cards. The total sum insured for this risk shall be EUR 1,000 one thousand euros).

## **PURCHASE INSURANCE**

### **4. What will BTA compensate and how?**

- 4.1.** Insurance protection is provided to the following risks listed below, except for cases specified in Article 10:
- 4.1.1. Theft or robbery** (according to definitions of the Criminal Law of the Republic of Estonia). BTA compensates for losses arising from covert theft or robbery of a Product, if event of this risk has occurred within 120 (one hundred and twenty) days since the moment of purchase of the Product or delivery of the Product with a document issued by the respective supplier/seller, confirming the delivery of the Product to the Client. As regards Products, which are located in the actual place of residence of the Client, the theft risk will be considered as occurred only in the case, when burglary has occurred. Burglary is defined as forced entry in the place of dwelling (in the case of X Business, Visa Business, MasterCard Business, X Corporate, Visa Business Gold and MasterCard Business Gold payment cards – office at its actual address), by damaging the building's constructive elements or locks, when there is evidence of the trace of burglary.
- 4.1.2.** The **impossibility to use the Product** in the case of discovering a defect, covered by warranty, when the legal performer of warranty service and Product manufacturer cannot be reached or is liquidated, if event of this risk has occurred within 120 (one hundred and twenty) days since the

moment of purchase of the Product or delivery of the Product with a document issued by the respective supplier/seller, confirming the delivery of the Product to the Client.

**4.1.3. Damages risk.** BTA compensates for losses arising from a sudden and unexpected physical damage of a Product, if event of this risk has occurred within 120 (one hundred and twenty) days since the moment of purchase of the Product or delivery of the Product with a document issued by the respective supplier/seller, confirming the delivery of the Product to the Insured. All losses occurring at the same time and due to the same reason shall be regarded as a single insured event.

**4.1.4. Undelivered Product risk.** When a Product has been ordered and paid for, but is not delivered to the Client within 90 (ninety) days since the moment of purchase, the Product's purchase price will be compensated. Insurance cover shall apply to Products, the price of which exceeds EUR 20 (twenty euros), and on the provision that a written (or by e-mail) confirmation is received that the Product will be sent to the Client, as well as a written (or by e-mail) confirmation that the Product vendor refuses to refund the purchase amount paid by the Client.

**4.1.5. Extended Warranty** – any defect of an electric device specified in the Manufacturer's warranty, which has suddenly and unexpectedly appeared within a year's time after the expiry of the Manufacturer's warranty period, but not later than 3 (three) years since the moment of Product purchase. This risk shall be covered only with respect to an electric device, which has been purchased by making a full payment for it by means of the Bank's payment card within the effective insurance period, provided that its price exceeds EUR 150 (one hundred fifty euros).

## **5. When insurance is not in effect?**

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**5.1.** BTA will not compensate for losses, occurring related to:

**5.1.1.** malicious intent or gross negligence of the Client, Family members, third parties, to whom the Product was handed over for use or keeping;

**5.1.2.** if the Product has been inappropriately used for a purpose other than it was designed for and/or violating the Manufacturer's instructions;

**5.1.3.** the fact of theft, robbery or third party illegal activity has not been reported within 24 (twenty-four) hours to a law-enforcement institution of the country of theft or robbery occurrence.

**5.1.4.** when theft or robbery of the Product has occurred from a motorized vehicle or together with it (except for a case, when the Product has been in the luggage compartment of the vehicle and the vehicle has been locked and with windows shut);

**5.1.5.** when theft of pieces of art, jewellery, valuables, clocks, watches, precious metals and precious stones has occurred, and this Product has not been under supervision of the Client or locked in a safe;

**5.1.6.** because of activities of the Client, Family members while under the influence of alcohol, narcotic or psychotropic substances;

**5.1.7.** when the Product has sustained internal damages during the effective insurance period. A damage shall be considered an internal damage, when it has not been affected by external factors (i.e., fire, water, third party, Client, etc.) and/or the damage has to be repaired during the warranty repair period according to warranty service terms;

**5.1.8.** when the Product, or its parts, is found to have natural wear and tear, ageing or corrosion, including scratches on the Product's surface, related to its daily use and which do not affect its operation;

**5.1.9.** with respect to assembly or disassembly of the Product;

**5.1.10.** when circumstances are unclear (for instance, impossible to establish the time, location, the Client's actions during the insured event);

**5.1.11.** when at the moment of risk occurrence the Client has subjected himself voluntarily to extreme danger, except for cases of rescuing a human;

**5.1.12.** when the Product's damages, destruction has occurred as result of activity of an animal;

**5.1.13.** for which the liability is borne, according to procedure established by law or according to contracts, by a third party, such as the manufacturer, product vendor or a person conducting maintenance or repair, except for cases, when these responsible third parties are unable to meet their liabilities due to insolvency or cannot be reached for communication;

**5.1.14.** if the insurance risk occurred to the Product, before the insurance contract entered into force;

**5.1.15.** to the Product parts and/or components, which the manufacturer has indicated as replaceable (according to requirements defined by the manufacturer) during the product use, including, but not limited to – electric bulbs, filters, electrostatic powders, cartridges, belts, cylinders, drills, saws, blades, abrasive discs;

**5.1.16.** to the Product parts and/or components having low durability, including, but not limited to strainers, hoses, brushes, rubber tires, cables, wires, chains, belts, as well as glass, porcelain and ceramic parts;

**5.1.17.** when the Product is used being aware it is damaged and this damage has not been fixed;

**5.1.18.** when using a Product without technical inspection/maintenance, when such inspection/maintenance has been mandatory

- 5.1.19.** when the Product has been kept in a place or conditions, contrary to requirements defined by the Manufacturer;
- 5.1.20.** when theft of Product has occurred, which was not in the actual place of residence of the Client, in a safe or under constant supervision of the Client.
- 5.1.21.** when theft or robbery risk has occurred, while the Client itself has been involved in illegal activity;
- 5.1.22.** when the Client is unable to produce the Product purchase receipt and POS terminal printout for the payment with its Bank payment card (POS terminal printout can be replaced by a note of confirmation of the respective bank);
- 5.1.23.** when the Product has been left in a publicly accessible location unattended and has not been found afterwards.
- 5.1.24.** When the Client has violated the terms of use of the Bank's payment card when purchasing the Product.

## **HEDGED PRICE INSURANCE**

### **6. What will BTA compensate and how?**

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- 6.1.** Insurance protection is provided, when the Client purchases a new Product at the Client's Domicile country from a Dealer, for the following risk specified below, except for cases listed in Article 10:
  - 6.1.1. Hedged Price risk.** The Product purchased by the Client within the insurance period by means of the respective Bank's payment card is sold by an alternative Dealer at a lower price, and the price difference exceeds EUR 20 (twenty euros). Product prices are compared for identical Products (there must be a match of the manufacturer, model, release year, dimensions, colour, and other details, which may affect the Product price).
- 6.2.** Confirmation to the change in price shall be regarded a printed form notification – in a booklet, magazine, newspaper, etc., or a printout from an online shop, including the Product description and price, Dealer's data and the time of campaign. Also, as confirmation would be accepted a good quality picture or pictures, where the Product description and price, Dealer's data and the time of campaign are clearly visible. The case will be regarded an insured event, if this notification is printed after the Product purchase day within the insurance period.
- 6.3.** The total sum insured for Visa Classic, X Card Bank's payment cards shall be EUR 300, and the sum insured for a single insured event EUR 100. Cover period – 30 days. Up to 3 cases may be claimed within a period of twelve months.
- 6.4.** The total sum insured for Visa Gold, X Platinum Bank's payment cards shall be EUR 500, and the sum insured for a single insured event EUR 100. Cover period – 30 days. Up to 5 cases may be claimed within a period of twelve months.
- 6.5.** The total sum insured for Visa Platinum, X Infinite Bank's payment cards shall be EUR 1,500, and the sum insured for a single insured event EUR 300. Cover period – 30 days. Up to 12 cases may be claimed within a period of twelve months.

### **7. When insurance is not in effect?**

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- 7.1.** The following may not be used for purposes of price comparison:
  - 7.1.1.** Gift vouchers, discount vouchers, cards or vouchers of accrual programmes, Dealer's bonus programmes;
  - 7.1.2.** Prices, established together with a service agreement, special financing or extra benefits (transportation, installation, etc.);
  - 7.1.3.** Prices, established in the case, when the Dealer is in a process of insolvency, liquidation stage or liquidated, the sell-out is due to reconstruction of the shop or the price is established for cash payment (the exception does not apply to Visa Platinum and X Infinite Bank's payment card users);
  - 7.1.4.** Prices, established for specific categories of special clients (club or association members, etc.).

## **BANK'S PAYMENT CARD INSURANCE**

### **8. What will BTA compensate and how?**

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- 8.1.** The Insured risk is the Client's losses with respect to the use of the Client's Bank payment card by third parties, to include for making purchases by means of a special validation code (CSC, CVV2 or CVC2), if the Client's Bank payment card has been stolen or robbed (according to definitions of the Criminal Law of the Republic of Estonia).

- 8.2.** The size of the insurance indemnity paid will be the amount of money spent by third parties in with malicious intent from an account attached to the Bank's payment card within a period of time between the moment of theft or robbery and the moment the Bank's payment card is blocked, but not exceeding the sum insured for this risk.

## **9. When insurance is not in effect?**

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- 9.1.** BTA will not compensate for losses, occurring related to:
- 9.1.1.** the fact of theft, robbery has not been reported within 24 (twenty-four) hours to a law-enforcement institution of the country of theft or robbery occurrence.
  - 9.1.2.** when the Client's Bank payment card is stolen or robbed by the Client's Family members, including the spouse or a person having common household with the Client, children, parents, persons living or residing in the Client's estate with the Client's permission;
  - 9.1.3.** after the moment that the Client has become aware of the fact of the Bank's payment card being stolen or robbed, when the Client has not reported to the Bank thereof requesting the payment card to be blocked, except for a case, when the Client has been unable to contact the Bank due to the health condition, supported by medical documentation;
  - 9.1.4.** regarding a violation of the terms of use and maintenance of the Bank's payment card, to include indicating the PIN code on the Bank's payment card, ill-judged handling of PIN, CSC or CVV2/CVC2 codes, handing over of the Bank's payment card data to third parties;
  - 9.1.5.** with respect to any indirect losses, to include the Bank's payment card renewal costs, payments of interest on overdraft, penal sanctions.

## **10. General Product exceptions, applicable to all sections of these terms and conditions**

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- 10.1.** The following purchases shall not be regarded a Product:
- 10.1.1.** used goods;
  - 10.1.2.** motorized land, water or aerial vehicles, their engines, equipment, spare parts or accessories;
  - 10.1.3.** plants, animals, fauna trophies and objects, which are preserved by means of taxidermy, mummification or other means of preservation;
  - 10.1.4.** structural elements of a building or building's fixtures, for instance, tiles, flooring;
  - 10.1.5.** cash (bank notes), travel cheques, airline tickets, certificates, securities, documents (for instance, personal ID documents, diplomas, powers of attorney), manuscripts, blueprints, drawings, deeds, design plans, card catalogues, payment cards, etc.;
  - 10.1.6.** unique objects, one of a kind, for instance, custom made furniture, clothes, accessories, prototypes and collections, the value of which cannot be established;
  - 10.1.7.** pieces of art;
  - 10.1.8.** objects, gadgets, equipment for commercial purposes;
  - 10.1.9.** leased or rented Products;
  - 10.1.10.** consumables or perishable goods;
  - 10.1.11.** jewellery, pearls, precious stones, metals;
  - 10.1.12.** Products obtained by making payment in instalments (more than one payment);
  - 10.1.13.** services or work of any kind;
  - 10.1.14.** pharmaceutical and medical, optical products and medical equipment;
  - 10.1.15.** seasonal decorations items, festive outfits and costumes.

## **11. Insurance indemnity calculation and payment procedure**

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- 11.1.** To get insurance indemnity, the Client has to:
- 11.1.1.** submit an application of a certain form to BTA;
  - 11.1.2.** submit the Product purchase receipt and POS terminal printout to BTA (POS terminal printout can be replaced by a note of confirmation of the respective bank regarding the payment being made by the Bank's Payment Card);
  - 11.1.3.** submit to BTA documents confirming that the Client has notified a law-enforcement institution of the respective country of the occurrence of theft or robbery;
  - 11.1.4.** at BTA's request, submit any additional documents that are necessary to establish the circumstances of occurrence of the potential insured event and the amount of losses;
  - 11.1.5.** present a valid Bank's payment card to BTA, allowing BTA to check the Bank's payment card type, expiry date and the Bank's payment card user.
- 11.2.** Insurance indemnity is calculated as the amount of actual direct losses, less deductible. Underinsurance principle is not applied when calculating insurance indemnity. In case of occurrence of Hedged Price risk, insurance indemnity shall be established as the difference between the price for which the Client has purchased

the Product, and the Product's price with an independent Dealer, but not more than the size of the discount for the particular Product with an independent Dealer.

**11.3.** In case the Client pays for the Product purchase where the Bank's Payment Card only covers a part of the Product's price, insurance indemnity will be established in proportion to the part of the Product's price paid by the Bank's Payment Card.

## **12. Other provisions**

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**12.1.** All matters, not covered by these Terms and Conditions, shall be solved in accordance with the effective regulatory enactments of the Republic of Estonia.